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APOLLO FUTURE MOBILITY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 0860)

# 2021

INTERIM REPORT



The board (the "Board") of directors (the "Directors") of Apollo Future Mobility Group Limited (the "Company") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 31 March 2021 (the "Period") together with the comparative figures for the corresponding period in 2020. The unaudited interim condensed consolidated financial information for the six months ended 31 March 2021 has been reviewed by the audit committee (the "Audit Committee") of the Company.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 31 MARCH 2021

	Notes	For the six months ended 31 March	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>REVENUE</b>	5	<b>241,080</b>	256,908
Cost of sales		(179,913)	(167,066)
Gross profit		<b>61,167</b>	89,842
Other income	6	<b>3,568</b>	7,747
Other gains/(losses), net	7	<b>17,467</b>	(220,538)
Selling and distribution expenses		<b>(29,561)</b>	(25,775)
General and administrative expenses		<b>(207,255)</b>	(92,212)
Research and development costs		<b>(30,818)</b>	(7,636)
Other expenses		<b>–</b>	(487)
Finance costs	8	<b>(3,670)</b>	(3,686)
Share of profits and losses of a joint venture and associates		<b>(22,876)</b>	1,476
<b>LOSS BEFORE TAX</b>	9	<b>(211,978)</b>	(251,269)
Income tax credit	10	<b>4,631</b>	22,487
<b>LOSS FOR THE PERIOD</b>		<b>(207,347)</b>	(228,782)
Attributable to:			
Owners of the Company		<b>(201,818)</b>	(203,370)
Non-controlling interests		<b>(5,529)</b>	(25,412)
		<b>(207,347)</b>	(228,782)
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	12		
Basic		<b>HK(2.69) cents</b>	HK(2.84) cents
Diluted		<b>HK(3.38) cents</b>	HK(2.84) cents

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 MARCH 2021

	For the six months ended 31 March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>LOSS FOR THE PERIOD</b>	<b>(207,347)</b>	<b>(228,782)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(28,217)	(28,359)
Share of other comprehensive income/(loss) of an associate	2,080	(1,144)
<b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(26,137)</b>	<b>(29,503)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(233,484)</b>	<b>(258,285)</b>
Attributable to:		
Owners of the Company	(230,360)	(232,856)
Non-controlling interests	(3,124)	(25,429)
	<b>(233,484)</b>	<b>(258,285)</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	31 March 2021 HK\$'000 (Unaudited)	30 September 2020 HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		115,199	102,834
Investment properties		–	63,228
Right-of-use assets		80,870	73,394
Goodwill		2,165,993	1,994,520
Other intangible assets		308,982	310,290
Interest in a joint venture		380	381
Interests in associates		4,570	25,365
Financial assets at fair value through profit or loss		1,069,643	1,028,342
Loans receivable	13	28,636	26,656
Deferred tax assets		9,839	5,934
Deposits		2,199	9,856
<b>Total non-current assets</b>		<b>3,786,311</b>	<b>3,640,800</b>
<b>CURRENT ASSETS</b>			
Inventories		155,575	172,662
Accounts receivable	14	78,613	17,772
Contract assets		1,638	–
Loans receivable	13	618,599	678,055
Prepayments, deposits and other receivables		73,264	621,183
Financial assets at fair value through profit or loss		1,375	1,376
Tax recoverable		1,850	1,481
Cash and cash equivalents		316,822	184,541
<b>Assets of a disposal group classified as held for sale</b>	17	<b>740,815</b>	<b>–</b>
<b>Total current assets</b>		<b>1,988,551</b>	<b>1,677,070</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AS AT 31 MARCH 2021

	Notes	31 March 2021 HK\$'000 (Unaudited)	30 September 2020 HK\$'000 (Audited)
<b>CURRENT LIABILITIES</b>			
Accounts payable	15	169,394	44,319
Other payables and accruals		261,009	297,705
Interest-bearing bank and other borrowings		50,746	147,474
Lease liabilities		10,375	8,099
Tax payable		9,739	372,278
		501,263	869,875
Liabilities directly associated with the assets classified as held for sale	17	457,494	–
Total current liabilities		958,757	869,875
<b>NET CURRENT ASSETS</b>		1,029,794	807,195
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,816,105	4,447,995
<b>NON-CURRENT LIABILITIES</b>			
Other payables		13,359	15,909
Interest-bearing bank borrowings		18,113	19,561
Lease liabilities		18,691	15,068
Contingent consideration payables		758,511	619,069
Deferred tax liabilities		42,977	44,996
Total non-current liabilities		851,651	714,603
Net assets		3,964,454	3,733,392

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AS AT 31 MARCH 2021

	Notes	31 March 2021 HK\$'000 (Unaudited)	30 September 2020 HK\$'000 (Audited)
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital	16	798,279	717,019
Reserves		3,043,102	2,890,176
		<b>3,841,381</b>	3,607,195
<b>Non-controlling interests</b>		<b>123,073</b>	126,197
<b>Total equity</b>		<b>3,964,454</b>	3,733,392

**Ho King Fung, Eric**  
Director

**Sung Kin Man**  
Director

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 MARCH 2021

	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Issued capital	Share premium account	Exchange fluctuation reserve	Reserve funds	Share option reserve	Other reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 October 2019	717,019	5,912,183	38,655	689	80,902	11	(2,825,203)	3,924,256	119,409	4,043,665
Loss for the period	-	-	-	-	-	-	(203,370)	(203,370)	(25,412)	(228,782)
Other comprehensive loss for the period:										
Exchange differences on translation of foreign operations	-	-	(28,342)	-	-	-	-	(28,342)	(17)	(28,359)
Share of other comprehensive loss of an associate	-	-	(1,144)	-	-	-	-	(1,144)	-	(1,144)
Total comprehensive loss for the period	-	-	(29,486)	-	-	-	(203,370)	(232,856)	(25,429)	(258,285)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	21,969	21,969
Acquisition of non-controlling interests	-	-	-	-	-	-	(652)	(652)	142	(510)
Dividend paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	(898)	(898)
Equity-settled share option arrangements	-	-	-	-	3,035	-	-	3,035	-	3,035
As at 31 March 2020 (unaudited)	717,019	5,912,183	9,169	689	83,937	11	(3,029,225)	3,693,783	115,193	3,808,976
At 1 October 2020	717,019	5,912,183	64,388	953	83,937	11	(3,171,296)	3,607,195	126,197	3,733,392
Loss for the period	-	-	-	-	-	-	(201,818)	(201,818)	(5,529)	(207,347)
Other comprehensive income/(loss) for the period:										
Exchange differences on translation of foreign operations	-	-	(30,622)	-	-	-	-	(30,622)	2,405	(28,217)
Share of other comprehensive income of an associate	-	-	2,080	-	-	-	-	2,080	-	2,080
Total comprehensive loss for the period	-	-	(28,542)	-	-	-	(201,818)	(230,360)	(3,124)	(233,484)
Issue of shares (note 16)	81,260	292,534	-	-	-	-	-	373,794	-	373,794
Share issue expenses	-	(16,022)	-	-	-	-	-	(16,022)	-	(16,022)
Equity-settled share option arrangements	-	-	-	-	106,774	-	-	106,774	-	106,774
At 31 March 2021 (unaudited)	798,279	6,188,695*	35,846*	953*	190,711*	11*	(3,373,114)*	3,841,381	123,073	3,964,454

\* These reserve accounts comprise the consolidated reserves of HK\$3,043,102,000 (30 September 2020: HK\$2,890,176,000) in the condensed consolidated statement of financial position as at 31 March 2021.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 MARCH 2021

	Notes	For the six months ended 31 March	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>		<b>(98,719)</b>	<b>(194,506)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		521	1,547
Acquisition of subsidiaries	17	(135,617)	(124,296)
Purchases of items of property, plant and equipment		(4,641)	(514)
Additions to other intangible assets		(1,063)	-
Settlement from expropriation of investment properties		304,154	-
Proceed from disposal of a financial asset at fair value through profit or loss		8,214	-
Net cash flows from/(used in) investing activities		<b>171,568</b>	<b>(123,263)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(3,670)	(3,686)
New bank borrowings		35,546	94,434
Repayment of bank and other borrowings		(136,366)	(91,697)
Acquisition of non-controlling interests		-	(510)
Principal portion of lease payments		(3,301)	(3,001)
Proceeds from issue of shares	16	373,794	-
Share issue expenses		(16,022)	-
Dividend paid to a non-controlling shareholder		-	(898)
Net cash flows from/(used in) financing activities		<b>249,981</b>	<b>(5,358)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>322,830</b>	<b>(323,127)</b>
Cash and cash equivalents at beginning of period		184,541	447,606
Effect of foreign exchange rate changes, net		2,377	(592)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>509,748</b>	<b>123,887</b>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		316,822	123,887
Cash and bank balances attributable to a disposal group classified as held for sale		192,926	-
		<b>509,748</b>	<b>123,887</b>

## NOTES

FOR THE SIX MONTHS ENDED 31 MARCH 2021

### 1. CORPORATE INFORMATION

Apollo Future Mobility Group Limited was incorporated in the Cayman Islands as an exempted company with limited liability. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at Units 301 and 302, Third Floor, Building 22E, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong.

### 2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 31 March 2021 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 30 September 2020. The unaudited interim condensed consolidated financial information is presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 September 2020, except for the adoption of the *Conceptual Framework for Financial Reporting 2018* and the following revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA which are effective for the first time for the current period's unaudited interim condensed consolidated financial information.

Amendments to HKFRS 3

Amendments to HKFRS 9,  
HKAS 39 and HKFRS 7

2020 Amendment to HKFRS 16

Amendments to HKAS 1 and  
HKAS 8

*Definition of a Business*

*Interest Rate Benchmark Reform*

*Covid-19-Related Rent Concessions*

*Definition of Material*

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Other than as explained below regarding the impact of 2020 Amendment to HKFRS 16, the adoption of the *Conceptual Framework for Financial Reporting 2018* and the above revised HKFRSs has had no significant financial effect on the unaudited interim condensed consolidated financial information.

2020 Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively.

During the six months ended 31 March 2021, certain monthly lease payments for a lease of the Group's office premises have been reduced by the lessor as a result of the pandemic and there are no other changes to the terms of the lease. The Group has adopted the amendment on 1 October 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessor as a result of the pandemic during the six months ended 31 March 2021. Accordingly, a reduction in the lease payments arising from the rent concessions of HK\$341,000 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss for the six months ended 31 March 2021.

### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- (a) Mobility technology solutions segment — design, development, manufacturing and sales of high performance hypercars, and provision of mobility technology solutions;
- (b) Jewellery products and watches segment — retailing and wholesale of jewellery products and watches;
- (c) Money lending segment — provision of loan finance; and
- (d) The "others" segment — property investment.

#### 4. OPERATING SEGMENT INFORMATION *(continued)*

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that bank interest income, non-lease-related finance costs, impairment of other intangible assets, fair value losses on listed equity investments as well as head office and corporate income and expenses are excluded from such measurement.

During the six months ended 31 March 2021, the Group changed the internal reporting structure for making decisions about resource allocation and performance assessment. The "Property investment" operations are no longer reportable operating segment. Accordingly, the amounts previously reported under this reportable operating segment have been disclosed as "Others" segment.

#### For the six months ended 31 March 2021 (unaudited)

	Mobility technology solutions HK\$'000	Jewellery products and watches HK\$'000	Money lending HK\$'000	Total HK\$'000
<b>Segment revenue:</b>				
Revenues from external customers	44,228	177,653	19,199	241,080
<b>Segment results</b>	39,193	(11,628)	(14,511)	13,054
<b>Reconciliation</b>				
Bank interest income				521
Fair value losses on listed equity investments				(45,995)
Corporate and other unallocated income and expenses, net				(176,408)
Finance costs (other than interest on lease liabilities)				(3,150)
Loss before tax				(211,978)

#### 4. OPERATING SEGMENT INFORMATION *(continued)* For the six months ended 31 March 2020 (unaudited)

	Mobility technology solutions HK\$'000	Jewellery products and watches HK\$'000	Money lending HK\$'000	Others HK\$'000	Total HK\$'000
<b>Segment revenue:</b>					
Revenues from external customers	935	215,080	27,096	13,797	256,908
<b>Segment results</b>	(80,556)	(4,202)	2,902	(66,971)	(148,827)
<b>Reconciliation</b>					
Bank interest income					1,547
Impairment of other intangible assets					(27,135)
Fair value losses on listed equity investments					(15,562)
Corporate and other unallocated income and expenses, net					(57,606)
Finance costs					(3,686)
Loss before tax					(251,269)

## 5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 31 March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Revenue from contracts with customers</b>		
Sales and distribution of vehicles and related components and provision of engineering services	44,228	935
Sales of jewellery products and watches	177,653	215,080
	<b>221,881</b>	<b>216,015</b>
<b>Revenue from other sources</b>		
Interest income from loan financing	19,199	27,096
Rental income from investment properties	–	13,797
	<b>19,199</b>	<b>40,893</b>
	<b>241,080</b>	<b>256,908</b>

## 5. REVENUE *(continued)*

### Revenue from contracts with customers

#### Disaggregated revenue information

For the six months ended 31 March 2021 (unaudited)

Segments	Mobility technology solutions HK\$'000	Jewellery products and watches HK\$'000	Total HK\$'000
<b>Types of goods or services</b>			
Sales of jewellery products and watches	–	177,653	177,653
Sales and distribution of vehicles and related components and provision of engineering services	44,228	–	44,228
Total revenue from contracts with customers	44,228	177,653	221,881
<b>Geographical markets</b>			
Hong Kong	18,733	41,417	60,150
Mainland China	2,550	132,615	135,165
Mexico	19,951	–	19,951
Japan	764	–	764
Taiwan	–	3,621	3,621
Germany	2,230	–	2,230
Total revenue from contracts with customers	44,228	177,653	221,881
<b>Timing of revenue recognition</b>			
At a point in time	41,678	177,653	219,331
Overtime	2,550	–	2,550
Total revenue from contracts with customers	44,228	177,653	221,881

**5. REVENUE** *(continued)*  
**Revenue from contracts with customers (continued)**  
**Disaggregated revenue information (continued)**

*For the six months ended 31 March 2020 (unaudited)*

<b>Segments</b>	Mobility technology solutions HK\$'000	Jewellery products and watches HK\$'000	Total HK\$'000
<b>Types of goods or services</b>			
Sales of jewellery products and watches	–	215,080	215,080
Provision of engineering services	935	–	935
<b>Total revenue from contracts with customers</b>	<b>935</b>	<b>215,080</b>	<b>216,015</b>
<b>Geographical markets</b>			
Hong Kong	–	94,092	94,092
Mainland China	–	114,460	114,460
Japan	935	–	935
Taiwan	–	6,528	6,528
<b>Total revenue from contracts with customers</b>	<b>935</b>	<b>215,080</b>	<b>216,015</b>
<b>Timing of revenue recognition</b>			
At a point of time	935	215,080	216,015

## 6. OTHER INCOME

An analysis of other income is as follows:

	For the six months ended 31 March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Bank interest income	521	1,547
Marketing subsidies	1,176	3,668
Government subsidies (note)	416	–
Covid-19-related rent concessions from a lessor	341	–
Others	1,114	2,532
	<b>3,568</b>	<b>7,747</b>

Note:

Government subsidies mainly represent subsidies received in connection with the support from the Anti-epidemic Fund of the government of Hong Kong Special Administrative Region. There are no unfulfilled conditions or contingencies relating to these subsidies.

## 7. OTHER GAINS/(LOSSES), NET

An analysis of other gains/(losses), net is as follows:

	For the six months ended 31 March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	61,300	(81,993)
Fair value losses on contingent consideration payables, net	(18,175)	–
Fair value losses on investment properties	(118)	(70,097)
Foreign exchange losses, net	(1,243)	(1,650)
Impairment of loans receivable, net	(18,256)	(10,108)
Impairment of accounts receivable, net	(5,542)	–
Impairment of goodwill	–	(29,555)
Impairment of other intangible assets	–	(27,135)
Write-off of items of property, plant and equipment	(548)	–
Others	49	–
	<b>17,467</b>	<b>(220,538)</b>

## 8. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 31 March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Interest on interest-bearing bank and other borrowings	3,150	3,084
Interest on lease liabilities	520	602
	<b>3,670</b>	<b>3,686</b>

## 9. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended 31 March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Cost of inventories sold	179,713	173,698
Reversal of write-down of inventories to net realisable value	(2,339)	(10,748)
Depreciation of property, plant and equipment	4,618	4,134
Depreciation of right-of-use assets	3,867	3,692

## 10. INCOME TAX

The Group calculates the income tax expense for each interim period based on the best estimate of the applicable weighted average annual income tax rate expected for the full financial year. The major components of income tax credit in the condensed consolidated statement of profit or loss are:

	For the six months ended 31 March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Current:		
Hong Kong		
Charge for the period	–	3,690
Overprovision in prior periods	–	(423)
Elsewhere		
Charge for the period	74	123
Deferred	(4,705)	(25,877)
Total tax credit for the period	(4,631)	(22,487)

## 11. DIVIDEND

The board of directors of the Company does not recommend the payment of an interim dividend in respect of the six months ended 31 March 2021 (six months ended 31 March 2020: Nil).

## 12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 7,510,482,805 (six months ended 31 March 2020: 7,170,198,562) in issue during the period.

The calculation of the diluted loss per share amount for the six months ended 31 March 2021 is based on the loss for the period attributable to ordinary equity holders of the Company, adjusted for the effect of dilutive potential ordinary shares arising from adjustment to the share of loss of an associate. The weighted average number of ordinary shares used in the calculation of the diluted loss per share amount for the six months ended 31 March 2021 is the number of ordinary shares in issue during the period, as used in the basic loss per share calculation, as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amount presented.

**12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY** *(continued)*

No adjustment has been made to the basic loss per share amount presented for the six months ended 31 March 2020 in respect of a dilution as the impact of the adjustment to the share of profit of an associate and the share options outstanding had an anti-dilutive effect on the basic loss per share amount presented.

The calculations of basic and diluted loss per share are based on:

**Loss**

	<b>For the six months ended 31 March</b>	
	<b>2021 HK\$'000 (Unaudited)</b>	<b>2020 HK\$'000 (Unaudited)</b>
Loss attributable to ordinary equity holders of the Company, used in the basic loss per share calculation	<b>(201,818)</b>	(203,370)
Effect of dilutive potential ordinary shares arising from adjustment to the share of loss of an associate	<b>(52,375)</b>	–
Loss attributable to ordinary equity holders of the Company, used in the diluted loss per share calculation	<b>(254,193)</b>	(203,370)

**Shares**

	<b>Number of shares For the six months ended 31 March</b>	
	<b>2021 (Unaudited)</b>	<b>2020 (Unaudited)</b>
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculations	<b>7,510,482,805</b>	7,170,198,562

### 13. LOANS RECEIVABLE

	31 March 2021 HK\$'000 (Unaudited)	30 September 2020 HK\$'000 (Audited)
Loans receivable	716,601	1,127,003
Impairment	(69,366)	(422,292)
	<b>647,235</b>	704,711
Less: Portion classified as non-current assets	(28,636)	(26,656)
	<b>618,599</b>	678,055

Included in the Group's loans receivable as at 31 March 2021 are loans advanced to an associate with a total carrying amount of HK\$12,946,000 (30 September 2020: HK\$12,264,000) which bear interest at 10% (30 September 2020: 10%) per annum and are repayable within one year.

The Group seeks to maintain strict control over its outstanding loans receivable so as to minimise credit risk. The granting of loans is subject to approval by management, whilst overdue balances are reviewed regularly for recoverability.

Loans receivable of the Group bear interest at rates ranging from 4.75% to 15.6% (30 September 2020: 4.75% to 15.6%) per annum. At 31 March 2021, certain loans receivable with aggregate carrying amounts of HK\$197,065,000 (30 September 2020: HK\$239,628,000) and HK\$292,280,000 (30 September 2020: HK\$219,060,000) were secured by the pledge of certain equity interest and property, and personal guarantees provided by certain independent third parties, respectively.

### 14. ACCOUNTS RECEIVABLE

	31 March 2021 HK\$'000 (Unaudited)	30 September 2020 HK\$'000 (Audited)
Accounts receivable	84,928	18,545
Impairment	(6,315)	(773)
	<b>78,613</b>	17,772

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance may be required. The credit period is generally one month, extending up to three months or more for certain customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing.

#### 14. ACCOUNTS RECEIVABLE (continued)

An ageing analysis of the accounts receivable as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	31 March 2021 HK\$'000 (Unaudited)	30 September 2020 HK\$'000 (Audited)
Within 30 days	12,506	13,629
31 to 60 days	4,650	2,137
61 to 90 days	9,297	962
Over 90 days	52,160	1,044
	<b>78,613</b>	<b>17,772</b>

#### 15. ACCOUNTS PAYABLE

An ageing analysis of the accounts payable as at the end of the reporting period, based on the invoice date, is as follows:

	31 March 2021 HK\$'000 (Unaudited)	30 September 2020 HK\$'000 (Audited)
Within 30 days	58,462	30,768
31 to 60 days	24,264	–
61 to 90 days	50,451	149
Over 90 days	36,217	13,402
	<b>169,394</b>	<b>44,319</b>

#### 16. ISSUED CAPITAL

	31 March 2021 HK\$'000 (Unaudited)	30 September 2020 HK\$'000 (Audited)
Authorised: 10,000,000,000 ordinary shares of HK\$0.1 each	<b>1,000,000</b>	1,000,000
Issued and fully paid: 7,982,794,562 (30 September 2020: 7,170,198,562) ordinary shares of HK\$0.1 each	<b>798,279</b>	717,019

## 16. ISSUED CAPITAL (continued)

A summary of movements in the Company's issued capital during the period is as follows:

	Number of ordinary shares in issue '000	Issued capital HK\$'000
At 1 October 2020	7,170,199	717,019
Issue of subscription shares (note)	812,596	81,260
At 31 March 2021	7,982,795	798,279

Note:

During the period, 812,596,000 ordinary shares of the Company (the "Share(s)") were allotted and issued at a subscription price of HK\$0.46 per Share to certain subscribers for a total cash consideration, before expenses, of approximately HK\$373,794,000.

## 17. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 30 March 2021, the Group entered into a sale and purchase agreement with an independent third party whereby the Group agreed to dispose of its entire equity interest in Marvel Bloom Limited ("Marvel Bloom") for a cash consideration of HK\$200,000,000. Marvel Bloom and its subsidiaries (collectively referred to as the "Marvel Bloom Group") are principally engaged in property investment in Shenyang, the People's Republic of China. The transaction is expected to be completed on or before 31 December 2021. Accordingly, the assets and liabilities of the Marvel Bloom Group as at 31 March 2021 were classified as a disposal group held for sale.

The major classes of assets and liabilities of the Marvel Bloom Group classified as held for sale as at 31 March 2021 are as follows:

	HK\$'000
<b>Assets</b>	
Property, plant and equipment	9
Investment properties	65,779
Accounts receivable	8,967
Prepayments, deposits and other receivables	473,134
Cash and cash equivalents	192,926
Assets classified as held for sale	740,815
<b>Liabilities</b>	
Other payables and accruals	77,314
Tax payable	376,565
Deferred tax liabilities	3,615
Liabilities directly associated with the assets classified as held for sale	457,494
Net assets directly associated with the disposal group	283,321

## 18. BUSINESS COMBINATION

The Group entered into a sale and purchase agreement on 31 October 2019 and supplemental agreements on 12 December 2019, 13 March 2020, 11 June 2020, 15 September 2020 and 14 December 2020 with three independent third parties (the "Ideenion Vendors"), pursuant to which the Group conditionally agreed to purchase, and the Ideenion Vendors conditionally agreed to sell, the entire issued share capital of Ideenion Automobil AG ("Ideenion"), which together with its subsidiaries (collectively, the "Ideenion Group") are principally engaged in the design, development and prototyping of internal combustion engine vehicles and new energy vehicles (the "Ideenion Acquisition"). The Ideenion Acquisition was completed on 10 February 2021.

The aggregate consideration for the Ideenion Acquisition comprises (i) an initial cash consideration of Euro ("EUR")15,000,000; and (ii) depending on the audited consolidated net profit after tax of the Ideenion Group for each of the three financial years ending 30 June 2021, 2022 and 2023 as shown in the audited consolidated financial statements of the Ideenion Group in accordance with the International Financial Reporting Standards (the "NPAT Calculation"), further cash considerations of up to EUR4,200,000 and further consideration shares with an aggregate value of up to approximately EUR16,800,000 to be allotted and issued by the Company to the Ideenion Vendors (the "Contingent Considerations").

## 18. BUSINESS COMBINATION (continued)

The fair values of the considerations transferred, the identifiable assets and liabilities and the carrying amount of goodwill as at the date of acquisition, which are provisional amounts and are subject to the finalisation of the initial accounting for the business combination, were as follows.

	Provisional fair value recognised on acquisition HK\$'000 (Unaudited)
Property, plant and equipment	6,642
Right-of-use assets	11,235
Other intangible asset	5,900
Deferred tax assets	836
Accounts receivable	7,955
Contract assets	2,081
Prepayments, deposits and other receivables	5,824
Tax recoverable	414
Cash and cash equivalents	10,683
Accounts payable	(1,200)
Other payables and accruals	(5,315)
Lease liabilities	(11,192)
Tax payable	(501)
Deferred tax liabilities	(2,606)
<b>Total identifiable net assets at provisional fair value</b>	<b>30,756</b>
<b>Goodwill on acquisition</b>	<b>236,811</b>
	<b>267,567</b>
Satisfied by:	
Cash	146,300
Contingent consideration	121,267
	<b>267,567</b>

## 18. BUSINESS COMBINATION *(continued)*

The Group incurred transaction costs of HK\$10,389,000 for this acquisition, of which HK\$3,185,000 and HK\$7,204,000 have been expensed and are included in general and administrative expenses in the condensed consolidated statement of profit or loss for the six months ended 31 March 2021 and the consolidated statement of profit or loss for the year ended 30 September 2020, respectively.

Goodwill arose in the acquisition of the Ideenion Group because the considerations paid for the acquisition effectively included, inter alia, amounts in relation to the benefits of expected synergies from combining the respective operations of the Ideenion Group and the Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

As part of the purchase agreement, the Contingent Considerations are payable, which are dependent on the NPAT Calculation to the Ideenion Vendors. The initial amount recognised was HK\$121,267,000 which was determined using a scenario analysis and is within Level 3 fair value measurement. The Contingent Considerations shall be paid, allotted and issued by the Company to the Ideenion Vendors as soon as practicable after the finalisation of the audited consolidated financial statements of the Ideenion Group for each of the three years ending 30 June 2021, 2022, 2023.

A significant unobservable valuation input for the fair value measurement of the Contingent Considerations is as follows:

NPAT Calculation	HK\$(1,595,000) to HK\$79,638,000
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A significant decrease in the NPAT Calculation would result in significant decrease in the fair value of the contingent consideration payable.

**18. BUSINESS COMBINATION** *(continued)*

An analysis of the cash flows in respect of the Ideenion Acquisition is as follows:

	HK\$'000 (Unaudited)
Cash consideration	(146,300)
Cash and cash equivalents acquired	10,683
Net outflow of cash and cash equivalents included in cash flows used in investing activities	(135,617)
Transaction costs of the acquisition included in cash flows from operating activities	(3,185)
	(138,802)

**19. CONTINGENT LIABILITIES**

At the end of the reporting period, the Group had contingent liabilities not provided for in the unaudited interim condensed consolidated financial information in respect of certain corporate guarantees given by a subsidiary of the Company (the "Subsidiary") to certain property purchasers who purchased properties from a former investee of the Subsidiary to the extent of HK\$56,902,000 (30 September 2020: HK\$53,266,000) in connection with certain property transactions and other arrangements of the former investee in prior years.

**20. COMMITMENTS**

The Group had the following capital commitments at the end of the reporting period:

	31 March 2021 HK\$'000 (Unaudited)	30 September 2020 HK\$'000 (Audited)
Contracted, but not provided for:		
Capital contributions to a joint venture	33,433	33,331

## 21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 31 March 2021 and 30 September 2020, the carrying amounts of the Group's financial assets and financial liabilities reasonably approximated to their fair values.

Management has assessed that the fair values of cash and cash equivalents, accounts receivable, the current portion of loans receivable, the current portion of financial assets included in prepayments, deposits and other receivables, accounts payable, the current portion of financial liabilities included in other payables and accruals, and the current portion of interest-bearing bank and other borrowings reasonably approximate to their carrying amounts largely due to the short term maturities of these instruments or the effect of discounting is not material.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of listed equity investments are based on quoted market prices. The following methods and assumptions were used to estimate the fair values of the Group's other financial instruments.

The fair values of the non-current portion of loans receivable, the non-current portion of financial assets included in prepayments, deposits and other receivables, and the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at the end of the reporting period were assessed to be insignificant. In the opinion of the directors, the fair values of these financial instruments reasonably approximate to their carrying amounts.

The fair values of the contingent consideration payables have been determined using a scenario analysis, taking into account the probabilities of achieving each target of the earnings before interests and taxes and net profit after tax.

The fair values of the unlisted investments have been determined by equity value allocation model with option pricing formula or scenario analysis. The underlying equity values have been determined based on market-based approach, such as certain earnings multiples, or income approach, such as discounted cash-flow.

The fair value of the convertible note has been determined based on the probability-weighted and option pricing method, which takes into account the probability-weighted value across multiple future outcomes, while using the option pricing method to estimate the allocation of value within one or more of those scenarios.

The fair value of unlisted options have been determined using the probability weighted and option pricing method or the binomial option pricing model. The valuations take into account of the different scenarios values and probabilities and expected future value discounted at the rate reflecting the risk of the payoff.

## 21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis:

	Valuation technique	Significant unobservable input	Percentage or ratio	Sensitivity of fair value to the input
Unlisted investments	Equity allocation method	Risk-free rate	0.25% to 0.45% (30 September 2020: 0.22% to 0.24%)	1 percentage point increase in risk-free rate would result in decrease in fair value by HK\$4,495,000 (30 September 2020: HK\$8,155,000)
		Volatility	69.66% to 84.32% (30 September 2020: 55.77% to 56.33%)	10% increase in volatility rate would result in decrease in fair value by HK\$20,334,000 (30 September 2020: HK\$19,804,000)
		Earnings multiples	8.69 (30 September 2020: 5.24 to 5.44)	10% decrease in earnings multiples would result in decrease in fair value by HK\$29,707,000 (30 September 2020: HK\$54,758,000)
Convertible note	Scenario analysis	Risk-free rate	0.40% to 0.50% (30 September 2020: 0.23% to 0.26%)	1 percentage point increase in risk-free rate would result in decrease in fair value by HK\$403,000 (30 September 2020: HK\$1,006,000)
		Volatility	67.32% to 84.23% (30 September 2020: 55.71% to 59.25%)	10% increase in volatility would result in decrease in fair value by HK\$2,388,000 (30 September 2020: HK\$2,588,000)
		Earnings multiples	8.69 (30 September 2020: 5.24)	10% decrease in earnings multiples would result in decrease in fair value by HK\$2,171,000 (30 September 2020: HK\$2,289,000)
Unlisted options	Scenario analysis	Discount rate	35% (30 September 2020: 35%)	10% increase in discount rate would not result in significant decrease in fair value (30 September 2020: decrease in fair value by HK\$775,000)
		Earnings multiples	18.8 (30 September 2020: 15.6)	10% decrease in earnings multiple would result in decrease in fair value by HK\$778,000 (30 September 2020: HK\$1,550,000)

## 21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

*Financial assets measured at fair value:*

#### As at 31 March 2021

	Fair value measurement using			Total HK\$'000 (Unaudited)
	Quoted prices in active markets (Level 1) HK\$'000 (Unaudited)	Significant observable inputs (Level 2) HK\$'000 (Unaudited)	Significant unobservable inputs (Level 3) HK\$'000 (Unaudited)	
Financial assets at fair value through profit or loss	29,102	–	1,041,916	1,071,018

#### As at 30 September 2020

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Financial assets at fair value through profit or loss	75,097	–	954,621	1,029,718

*Financial liabilities measured at fair value:*

#### As at 31 March 2021

	Fair value measurement using			Total HK\$'000 (Unaudited)
	Quoted prices in active markets (Level 1) HK\$'000 (Unaudited)	Significant observable inputs (Level 2) HK\$'000 (Unaudited)	Significant unobservable inputs (Level 3) HK\$'000 (Unaudited)	
Contingent consideration payables	–	–	758,511	758,511

## 21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

### Fair value hierarchy *(continued)*

Financial assets measured at fair value: *(continued)*

#### As at 30 September 2020

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Contingent considerable payable	–	–	619,069	619,069

During the six months ended 31 March 2021, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (year ended 30 September 2020: Nil).

The movements in fair value measurements within Level 3 during the period/year are as follows:

	Financial assets		Financial liabilities	
	31 March 2021 HK\$'000 (Unaudited)	30 September 2020 HK\$'000 (Audited)	31 March 2021 HK\$'000 (Unaudited)	30 September 2020 HK\$'000 (Audited)
At beginning of period/year	954,621	1,066,488	(619,069)	–
Net gain/(loss) recognised in profit or loss	107,295	(111,867)	(18,175)	(21,850)
Initial recognition upon acquisition of subsidiaries	–	–	(121,267)	(597,219)
Disposal	(20,000)	–	–	–
At end of period/year	1,041,916	954,621	(758,511)	(619,069)

## 22. RELATED PARTY TRANSACTIONS

In addition to the transactions, arrangements and balances detailed elsewhere in the unaudited interim condensed consolidated financial information, the Group had the following transactions with related parties during the period:

- (a) During the six months ended 31 March 2020, lease payments for a property in the aggregate amount of HK\$1,470,000 were paid or payable by the Group to a company controlled by a director of the Company based on terms as agreed by the relevant parties as set out in a tenancy agreement.

**22. RELATED PARTY TRANSACTIONS** *(continued)*

**(b) Compensation of key management personnel of the Group**

The directors of the Company comprises the key management personnel of the Group. Details of the compensation of the directors of the Company are as follows:

	For the six months ended 31 March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Fees	448	400
Other emoluments:		
Salaries, allowances and other benefits	19,386	12,631
Equity-settled share option expense	22,156	182
Pension scheme contributions	27	27
	<b>41,569</b>	12,840
	<b>42,017</b>	13,240

**23. COMPARATIVE AMOUNTS**

Certain comparative amounts have been reclassified to conform with the current period's presentation and disclosures. The directors consider that such presentation would better reflect the financial performance and position of the Group.

**24. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

The unaudited interim condensed consolidated financial information was approved and authorised for issue by the board of directors of the Company on 31 May 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY OVERVIEW

#### Mobility Technology Solutions Market

##### *New Energy Vehicles*

The global automobile market has continued to exhibit an unabated momentum of migrating to new energy vehicles (“NEV(s)”) despite the Covid-19 pandemic. Statistics released by the International Energy Agency (the “IEA”) revealed that 3 million new electric vehicles (“EV(s)”) were registered around the world in 2020, representing an increase of approximately 41% year on year.

The pace of growth accelerated further in the first quarter of 2021 at 140% year on year, driven by the nearly half a million units of EVs sold in Mainland China and in Europe respectively, while the sales of EVs in the United States of America has more than doubled year on year.

Of the world’s top 20 vehicle manufacturers (the “OEMs”), about 18 have announced plans to broaden their model range and increase production of light-duty EVs. This is a result of the OEMs’ efforts to accelerate their development in the EV space to meet the strong global demand for EVs.

In the meantime in Mainland China, sales of NEVs experienced robust year-on-year growth in the first quarter of 2021 as the appetite of individual consumers for green cars continued to increase. According to data from the China Association of Automobile Manufacturers (CAAM), NEV sales in Mainland China reached 515,000 units during the first quarter of 2021, which is about 2.8 times higher than the corresponding period of last year. The growth was attributable to the increasing demand from Chinese consumers as well as the OEMs’ efforts to upgrade their products to meet the consumers’ needs.

##### *Engineering Service Outsourcing*

Even after adjustments have been made in light of the impact brought by the Covid-19 pandemic, the global market for automotive engineering services outsourcing (“ESO”) is projected to grow at a relatively fast compound annual growth rate (“CAGR”) of 24.9% to reach US\$383.8 billion by 2027, from the estimated US\$81.1 billion in 2020, according to the research firm Global Industry Analysts, Inc. The prototyping segment is also projected to grow at 26.1% CAGR from 2020 and reach US\$130.4 billion by 2027.

In addition, the ESO market in Mainland China is forecast to grow at 24.2% CAGR from 2020 and reach a projected size of US\$66.2 billion by 2027. The estimated growth in CAGR for Japan, Canada and Germany are 22.4%, 21.1% and 17.3%, respectively, from 2020 to 2027.

The relatively high growth for ESO in key markets is underpinned by the pressure on major automotive manufacturers to increase their engineering prowess to keep pace with increasing consumer demand for new products. There is constant pressure to quickly design, prototype, manufacture and launch new products in the market, in response to ever-decreasing product lifecycles and greater demand, straining in-house engineering workforces and processes of those manufacturers.

Amid the Covid-19 pandemic, the automobile industry has been witnessing increasing collaborations between traditional major automobile brands and ESO providers in NEV projects. These collaborations can help brands churn out new models with new technologies to meet the fast-changing market landscape and customer preferences at better cost-efficiency. Collaborations also allow brands leeway to focus their resources on optimising market positioning to drive sales, while shifting the burden of engineering, production and product design to external ESO providers.

## Hypercar Market

According to the latest industry report by Technavio, the global hypercar market has the potential to grow at a CAGR of 32.62% during 2021–2025.

The research agency forecasted the global hypercar market will experience a 16.83% year-on-year growth rate for 2021, with almost half of the growth originating from Europe.

Among others, the increase in racing events is notably driving the growth of the hypercar market. Meanwhile, the automotive industry is adopting new processes, materials and advanced technologies to optimize the overall automotive design and functions, which is also expected to accelerate the growing trend.

## BUSINESS REVIEW

During the Period, riding on the accomplishments in its rebranding and transformation into a mobility technology solutions provider, the Group focused its business developments on three pillars, namely Engineering Service Outsourcing, Technology Development and Automobile Manufacturing.

### Engineering Service Outsourcing

#### *Completion of the Ideenion Acquisition*

In February 2021, the Group completed the acquisition of the entire issued share capital of Ideenion, a German automotive engineering service provider. This has officially commenced the Group's foray into the provision of NEV solutions and services.

Ideenion Group principally engages in (i) the design, development and prototyping of internal combustion engine ("ICE") for vehicles and NEVs, including vehicle components and accessories for vehicles; (ii) the styling and design of vehicles and the development of software for vehicles; and (iii) the research and development of electronics and software for vehicles and the design, development and manufacturing of prototype electronic systems and components for vehicles.

Leveraging the expertise and experience of the team of Ideenion Group in the EV industry, the Group is further strengthening its ability in providing cutting edge technological solutions, and is exploiting substantial synergies with the Group's other investments in the mobility business.

The participation in ESO, a quantum value-driver in the next stage of the EV industry evolution lands the Group at the apex of the EV supply chain. The Group believes that:

- the ESO model plays a pivotal role in the EV industry evolution as it supports design, engineering and prototyping capabilities and helps brand owners expedite their product development cycles and achieve better cost-efficiency.
- In addition, the automobile brand owners, through engaging an ESO provider, can gain access to experienced talents, along with the knowledge of the latest technologies.

Further details of the Ideenion Acquisition are set out in the announcements of the Company dated 31 October 2019 and 10 February 2021 and the circular of the Company dated 24 December 2020.

## Technology Development

### *The disruptive 800V SiC dual inverter*

The 800V SiC dual inverter development project is undertaken by our subsidiary in Japan, and the first prototype production of the 800V SiC dual inverter was completed in mid-2020.

As compared to the current generation of 400V insulated gate bipolar transistor inverter which uses silicon technology, the newly developed 800V SiC dual inverter, coupled with a battery management system with solid state battery, can greatly reduce the heat output of the inverter, while reducing weight, size and time required for charging.

By incorporating this inverter into the Group's new EV system, the Group will be able to further optimize its core technology and expand its component business focusing on the development of new EV models and the supply of EV systems.

This next-generation dual inverter project constitutes the Group's landmark presence in the advanced auto component business development space.

### *Vehicle Control Units*

The Group has also commenced the development of vehicle control units. This is an endeavor originated from our subsidiaries in Germany, which are engaged in the provision of automotive ESO to OEMs worldwide.

## Automobile Manufacturing

### *More Apollo IEs delivered*

One of the main pillars of our business is the development and sale of hypercars and its cross-branding licensing business under the “Apollo” brand. Priced at approximately US\$3 million each, Apollo limited the total number of production of the latest model Apollo Intensa Emozione (Apollo IE) to ten vehicles only. Since the official launch in November 2017, over 400 enquiries have been received from potential buyers, and all ten vehicles have been sold prior to the commencement of production, reflecting the strong demand for Apollo IE. The delivery of the model commenced in November 2019. During the Period, two Apollo IE vehicles were delivered.

### *Proposed cooperation with Shanghai Jinqiao*

On 30 March 2021, the Group entered into a cooperation framework agreement (the “Cooperation Framework Agreement”) with Shanghai Jinqiao Export Processing Zone Development Co., Ltd. (“Shanghai Jinqiao”, a company listed on the Shanghai Stock Exchange) in relation to a proposed cooperation on the production and research and development (“R&D”) of technology and products related to high performance electric sports cars and luxury EVs (the “Projects”) in the Shanghai Jinqiao Economic and Technological Development Zone situated in Pudong New Area, Shanghai, where the Group plans to establish a R&D center, a regional headquarter and production lines. On the other hand, Shanghai Jinqiao is expected to, *inter alia*, coordinate with the local governments and other relevant authorities, assist in applying for relevant industrial support policies and production and product access permits, and provide physical space for factory plants for the implementation of the Projects.

Further details of the Cooperation Framework Agreement are set out in the announcement of the Company dated 30 March 2021.

### *Milestone participation at the Third China International Import Expo 2020*

In November 2020, marking the landing of its presence in the EV supply chain, the Group showcased its proprietary innovations at the Third China International Import Expo 2020 (“CIIE”) held in Shanghai which attracted participation by over 3,000 exhibitors from over 100 countries and regions. Visitors were overwhelmed by the breathtaking experience with Apollo Intensa Emozione Golden Dragon, which was built with extreme high-end specification and featured color changing paint. They were taken on the journey of experiencing the birth of a hypercar from idea initiation to implementation and to delivery of the final masterpiece.

Remarkably, new technologies of the Group including the Urban Delivery Vehicle, the Electric Mobility Scooter, the Autonomous Development Chassis and the 800V SiC dual inverter prototype co-developed with ROHM Co., Ltd were also unveiled for the first time at the CIIE. All the products showcased the Group’s capability in delivering mobility products and engineering services.

## Other Corporate Developments

*Enlarged shareholder base with a HK\$374 million issuance of new shares*

During the Period, 812,596,000 Shares were allotted and issued to no less than six subscribers (the “Subscribers”) at a subscription price of HK\$0.46 per Share for a total cash consideration, before expenses, of approximately HK\$373,794,000 (the “Subscriptions”). The Subscriptions have strengthened the financial position of the Group and is expected to facilitate the Group’s efforts in exploring potential cooperation and future development of mobility businesses with different strategic partners.

Further details of the Subscriptions are set out in the announcement of the Company dated 7 December 2020.

*EV Power welcomed investments by a listed global telco giant*

In February 2021, EV Power Holding Limited (“EV Power”), an associate and a significant investment of the Group which is principally engaged in the provision of EV charging solutions in Hong Kong and Mainland China, completed the allotment and issue of certain preferred shares of EV Power to a Hong Kong-listed global telecommunications services provider (the “Allotment”).

The Group took the lead in investing in EV Power in 2018 as part of its transformation into a mobility solutions provider and remains as EV Power’s largest shareholder since then. EV Power ranked third in the EV charging solutions industry in Mainland China in 2020 in terms of market coverage, covering 28 major cities in the country. It operates more than 6,000 charging stations and manages more than 23,000 charging piles.

With the increased popularity of EVs, EV charging equipment is bound to become the focus of development in the industry, conferring enormous growth potential. The Group considers the Allotment a good opportunity for EV Power to establish a strategic partnership with the new investor and raise additional funds to finance its business operations and expansions to further cement EV Power’s foothold in the EV charging solutions industry.

## Other Legacy Businesses

During the Period, the Group entered into an agreement to dispose of a subsidiary which mainly operates the business of property investment in Mainland China. The Directors believe that the disposal will enable the Group to avoid risks of uncertainty in its operations in the property market and the Group could focus its capital and management resources on further developing the Group’s more promising mobility technology solutions businesses. The Group plans to continue gradually phasing out its legacy businesses as part of its rebranding exercise. Further details of the disposal are set out in the section headed “Material Acquisitions or Disposals” below.

## PROSPECTS AND OUTLOOK

The global automobile market is recovering as the Covid-19 pandemic gradually comes under control with the gradual administration of vaccines to the general population. The pandemic is increasingly appearing to be a delay instead of a disruption to the EV industry evolution.

The recovery policies and specific policies developed and implemented by the governments of different countries relating to the EV industry are favorable and supportive to the market players. The Chinese Government has adopted measures to encourage cities to relax EV permit quotas, and has strengthened measures targeting NEVs. Whilst in the European Union, countries such as France and Germany have increasingly adopted supportive measures on the development of EVs.

Consequentially, traditional brand automobile manufacturers, having gone through the unexpected hard time when production lines were suspended and disrupted, are now more prepared to embrace the post-pandemic EV industry landscape.

The IEA has highlighted a list of credible factors supporting strong momentum for EV sales around the world. First, the regulatory frameworks are supportive of the EV industry. Many countries have policies in place and are strengthening them, including stringent carbon dioxide emission standards and zero-emission vehicle mandates. More than 20 countries have announced bans on future sales of conventional cars and mandated all new sales to be zero-emission vehicles after specific deadlines. Governments have also launched additional incentives to stimulate EV sales in light of the economic downturn. The Chinese Government has delayed the phasing-out of its subsidy scheme while some European countries have increased incentives for purchase of EVs. More EV models are expected to be launched in the market and EV battery costs are expected to continue to fall with the continuing advancements in power technologies.

As the domestic consumption power in Mainland China continues to grow, the development potential of the luxury car market is precipitating. Luxury cars priced at above RMB1 million are mainly imported fuel vehicles in Mainland China. With the acceleration of global automobile electrification, the electrification of luxury cars is expected to be an inevitable trend in the future. It is also expected that electric luxury vehicles will overwhelm the traditional fuel luxury vehicle market in the next five years, providing ample development potential for the segment.

Due to the re-balancing of the EV market and industry, opportunities arise for new vehicle brands which are able to adapt more rapidly than the established players to meet market needs. The market envisages parallel development of the businesses of new vehicle brands and established brands, both of which are increasingly leveraging support from ESO contractors.

The increasing hypercar demand due to the rising popularity of hypercars among automotive aficionados are expected to aid the growth of the hypercar market in the coming years. The active development of the automotive industry and the increased adoption of hypercar technology to improve driving performance further contribute to the increase in market demand. A better market understanding of the features of hypercars, such as shorter braking distance, agile handling, energy absorption technology, precise manoeuvring, crash management technology and others, is also supporting the growth of the hypercar market.

Looking ahead, the Group will continue to focus its efforts on the three-pillar business areas, namely ESO, Technology Development and Automobile Manufacturing.

With our German subsidiaries' experience and expertise in ESO, the Group will continue to expand our ESO business by generating recurring businesses with existing clients and acquiring new ones, from both the league of established automobile brands and the emerging group of other companies aspiring to enter into the EV industry.

The Group will also continue to develop its proprietary technologies to cement our first-mover advantage and leadership in the Technology Development segment. We are also working diligently on the launch and delivery of our new products. The Group, meanwhile, will continue to explore opportunities with partners to unlock potential from the changing product development and manufacturing landscape brought about by the advent of the EV industry evolution.

With the expectation of the gradual easing condition of the Covid-19 pandemic in Europe, the Group has scheduled to deliver another two Apollo IEs by the end of the financial year ending 30 September 2021. Meanwhile, the Apollo team has been working diligently on new models of both ICE hypercars and luxury electric sports cars, which are expected to be unveiled at the upcoming China International Import Expo in November 2021.

Following the execution of the Cooperation Framework Agreement, the Group will proactively explore opportunities to expand its business in the Chinese market, in particular the luxury EV market segment, leveraging the Group's premium position on the spectrum of ultra-high-end EV in order to meet the demand and requirements of automotive aficionados.

In a nutshell, the Group will continue to leverage its accomplishments in establishing footholds in the EV supply chain, reinforcing its presence in the ESO business which is believed to be evolving into being the chain's most value-accretive segment. The ESO model is expected to bring about an evolution in the manufacture of automobiles in the world, making it less capital and labour intensive and more customizable to fast-changing customer preferences. With its strong hypercar engineering backing from the Automobile Manufacturing division, the competitive ESO business unit and the high-potential EV technology supply business led by the next-generation 800v SiC dual inverter system, the Group is well-positioned to monetize these exciting and promising EV industry developments.

## FINANCIAL REVIEW

For the six months ended 31 March 2021, the revenue of the Group decreased by approximately 6.2% to approximately HK\$241.1 million as compared to approximately HK\$256.9 million in the corresponding period of last year. The revenue comprised sales and distribution of vehicles and related components and provision of engineering services of approximately HK\$44.2 million (six months ended 31 March 2020: HK\$0.9 million), sales of jewellery products and watches of approximately HK\$177.7 million (six months ended 31 March 2020: HK\$215.1 million), and interest income from loan financing of approximately HK\$19.2 million (six months ended 31 March 2020: HK\$27.1 million). During the Period, sales and distribution of vehicles and provision of engineering services increased following the completions of the acquisition of Sino Partner Global Limited which owns the “Apollo” brand and the Ideenion Acquisition and business restructuring. Sales of jewellery products and watches decreased due to weak sentiment in the retail market. Income from loan financing also decreased due to deterioration in market conditions. In addition, no rental income was recorded for the Period as certain investment properties in Shenyang, the People’s Republic of China were expropriated by the local government as disclosed in the Company’s annual report for the year ended 30 September 2020.

The Group’s gross profit amounted to approximately HK\$61.2 million as compared to approximately HK\$89.8 million for the corresponding period of last year. The decrease in gross profit was mainly attributable to (i) the decrease in margin from sales of jewellery products and watches; and (ii) the decrease in reversal of write-down of inventories for the Period. As such, the gross profit margin decreased to approximately 25.4% for the Period (six months ended 31 March 2020: 35.0%).

General and administrative expenses increased by 124.8% to approximately HK\$207.3 million (six months ended 31 March 2020: HK\$92.2 million) mainly due to the equity-settled share option expense of approximately HK\$106.8 million (six months ended 31 March 2020: HK\$3.0 million) recorded during the Period.

Other gains/losses, net mainly comprised: (i) the fair value gains of approximately HK\$61.3 million (six months ended 31 March 2020: losses of approximately HK\$82.0 million) on financial assets at fair value through profit or loss due to the favourable stock market conditions; (ii) impairment of loans receivable, net of approximately HK\$18.3 million (six months ended 31 March 2020: HK\$10.1 million) due to the challenging market conditions; and (iii) fair value losses on contingent consideration payables of approximately HK\$18.2 million (six months ended 31 March 2020: Nil) arising from the Group’s acquisitions.

Overall, the loss attributable to owners of the Company for the Period slightly decreased to approximately HK\$201.8 million, as compared to approximately HK\$203.4 million for the corresponding period of last year due to the reasons as explained above.

## Significant Investments Held

Details of significant investments held by the Group were set out as follows:

Nature of investments	As at 31 March 2021			For the six months ended 31 March 2021	Fair value		
	Number of preferred shares held '000	Percentage of preferred shares held in such investee %	Percentage to the Group's total assets %	Fair value gain/(loss) HK\$'000	As at	As at	Investment cost HK\$'000
					31 March 2021 HK\$'000	1 October 2020 HK\$'000	
Financial assets at fair value through profit or loss with a value of 5% or more of total assets:							
(i) EV Power							
— Preferred shares	142,820	40.78	8.30	57,408	479,354	421,946	407,679*
— Call option	N/A	N/A	0.15	(1,524)	8,553	10,077	
				55,884	487,907	432,023	407,679
(ii) Divergent							
— Preferred shares	4,139	44.49	8.03	37,332	463,530	426,198	469,378
— 2019 Divergent Convertible Note	N/A	N/A	1.57	9,881	90,482	80,601	97,500
				47,213	554,012	506,799	566,878

\* Represented the aggregate consideration

**(i) Investment in EV Power**

EV Power and its subsidiaries are principally engaged in the provision of convenient, safe and cost-effective EV charging solutions in Hong Kong and the PRC. The company ranked fourth in the PRC, covering 28 major cities in the country. It operates more than 6,000 charging stations and manages more than 23,000 charging piles. The Group's investment in EV Power represents an opportunity for the Group to create strong synergies with EV Power through the Group's proprietary EV technologies and thereby completing the full value chain of mobility.

**(ii) Investment in Divergent**

Divergent Technologies, Inc. ("Divergent") is a company based in the United States of America which uses three-dimensional ("3D") metal printing technology through its patented hardware and software platform to conduct research, design, development and production of 3D printed vehicle structures. Not only does the patented digital manufacturing system radically reduce capital needs and design risks, it also reduces product cycle time and increases market response. The Group believes that the investment in Divergent will create synergies with the Group's mobility businesses by vastly improving existing factory economics of automobile OEMs.

The Group is optimistic about the future growth and prospect of the mobility market. We are determined to build a world-leading one-stop service platform for "future mobility" through the integration of global advanced mobility technologies. Our investment strategy mainly focuses on value creation through long-term cooperation and synergies with the mobility technology companies. We leverage our capital strength to invest in mobility technology companies with returns generated from capital appreciation, which are expected to be in line with the overall growth of the mobility industry.

**Liquidity, Financial Resources and Gearing**

As at 31 March 2021, the cash and cash equivalents of the Group amounted to approximately HK\$316.8 million (30 September 2020: HK\$184.5 million), which were mainly denominated in HK\$, Renminbi ("RMB"), Euro and Japanese Yen.

The total current assets and total current liabilities of the Group as at 31 March 2021 were approximately HK\$1,988.6 million and HK\$958.8 million, respectively (30 September 2020: total current assets of HK\$1,677.1 million and total current liabilities of HK\$869.9 million). The Group's net current assets as at 31 March 2021 comprised of inventories of approximately HK\$155.6 million (30 September 2020: HK\$172.7 million), accounts receivable, prepayments, deposits and other receivables of approximately HK\$151.9 million (30 September 2020: HK\$639.0 million), loans receivable of approximately HK\$618.6 million (30 September 2020: HK\$678.1 million), financial assets at fair value through profit or loss of approximately HK\$1.4 million (30 September 2020: HK\$1.4 million) and assets of a disposal group classified as held for sale of approximately HK\$740.8 million (30 September 2020: Nil).

The Group's inventory turnover, accounts receivable turnover and accounts payable turnover periods were 166 days, 36 days and 108 days, respectively. The turnover ratios were consistent and complied with the respective policies of the Group on credit terms granted to customers and credit terms obtained from suppliers.

During the Period, the Group financed its operations and investment activities mainly through a combination of (i) equity financing; (ii) operating cash inflows; and (iii) interest-bearing bank borrowings. As at 31 March 2021, equity attributable to owners of the Company amounted to approximately HK\$3,841.4 million (30 September 2020: HK\$3,607.2 million).

The Group's total interest-bearing bank borrowings and lease liabilities as at 31 March 2021 amounted to approximately HK\$68.9 million (30 September 2020: HK\$167.0 million) and approximately HK\$29.1 million (30 September 2020: HK\$23.2 million), respectively, which were mainly denominated in HK\$, RMB and Japanese Yen. The interest-bearing bank borrowings were mainly used for working capital purpose and all of which are at commercial lending variable interest rates.

The Group monitors capital on the basis of the gearing ratio. As at 31 March 2021, the gearing ratio was approximately 1.7% (30 September 2020: 4.5%). This ratio is calculated as total interest-bearing bank borrowings divided by total equity. The maturity profile was spread over a period, with approximately HK\$50.7 million repayable within one year and approximately HK\$18.1 million repayable after one year.

### **Contingent Liabilities**

Details of contingent liabilities of the Group are set out in note 17 to the unaudited interim condensed consolidated financial information in this report.

### **Pledge of Assets**

As at 31 March 2021, the Group's freehold land and buildings, certain building including right-of-use assets and accounts receivable with an aggregate carrying amount of approximately HK\$163.7 million were pledged to secure certain bank loans to the Group of principal amount of approximately HK\$31.1 million.

### **Capital Management**

The Group's objectives when managing capital are to ensure that members of the Group will be able to continue as a going concern while maximizing the return to shareholders of the Company through the optimization of its debt and equity ratio. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Company will balance its overall capital structure through the payment of dividends and new share issues as it sees fit and appropriate.

During the six months ended 31 March 2021, the Group had not entered into any contract to hedge its financial interests.

### **Foreign Exchange Exposure**

The Group's sales and purchases during the six months ended 31 March 2021 were mostly denominated in HK\$, EUR, Japanese Yen, RMB and United States dollars. The Group was exposed to certain foreign currency exchange risks, but it does not anticipate future currency exchange rate fluctuations to cause material operational difficulties or liquidity problems. Nevertheless, the Group continuously monitors its foreign exchange position and, when necessary, will hedge foreign exchange exposure arising from contractual commitments in sourcing products from overseas suppliers.

### **Event after the Reporting Period**

No significant events affecting the Group have occurred subsequent to 31 March 2021.

## Material Acquisitions or Disposals

As part of the Company's plan of scaling down its legacy businesses including (among others) property investment, on 30 March 2021, Ming Fung Investment Holdings Limited (the "Seller"), a direct wholly-owned subsidiary of the Company, and New Viewpoints Investment Limited (the "Buyer") entered into a sale and purchase agreement, pursuant to which the Seller agreed to sell, and the Buyer agreed to acquire, the entire issued share capital of Marvel Bloom Limited ("Marvel Bloom"), at a cash consideration of HK\$200 million (the "Disposal"). Marvel Bloom Group is principally engaged in property investment.

The completion of the Disposal is conditional upon fulfilment of several conditions. Further details of the Disposal are set out in the announcement of the Company dated 30 March 2021.

Save as disclosed above and in this report, there was no other material acquisition or disposal of subsidiaries, associates or joint ventures by the Group during the six months ended 31 March 2021.

## Issue of Listed Securities of the Company and Use of Proceeds

On 7 December 2020, the Company and the Subscribers (who were either private individual investors or corporations with investment holding as their principal activities) entered into a subscription agreement (the "Subscription Agreement"), pursuant to which the Subscribers have agreed to subscribe for, and the Company has agreed to allot and issue to the Subscribers, an aggregate of 1,066,596,000 new Shares at a subscription price of HK\$0.46 per Share on the terms and subject to the conditions set out in the Subscription Agreement. One of the Subscribers failed to meet its obligations under the Subscription Agreement to proceed with completion, and accordingly, the corresponding subscription of 254,000,000 Shares by such Subscriber has been terminated. As at the end of the Period, 812,596,000 Shares have been allotted and issued to no less than six Subscribers at a total cash consideration, before expenses, of approximately HK\$373,794,000. Save for the terminated subscription, the aggregate nominal value of the Shares issued under the Subscription Agreement was HK\$81,259,600 and the net subscription price was approximately HK\$0.44 per Share. The closing price per Share as quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 4 December 2020, being the last trading day immediately prior to the date of the Subscription Agreement, was HK\$0.57. The total net proceeds from the Subscriptions were approximately HK\$357.8 million. The Company intended to use approximately 90% of the net proceeds, representing approximately HK\$322.0 million, for future potential acquisitions or investments in NEV-related businesses or technologies; and approximately 10% of the net proceeds, representing approximately HK\$35.8 million, for general working capital. As at the end of the Period, up to approximately 50.5% of the net proceeds had been utilised for investment in NEV-related business or technologies; and up to approximately 10% of the net proceeds had been utilised for general working capital. The remaining approximately 39.5% of the net proceeds are expected to be fully utilised on or before 31 December 2021 for the intended purpose as previously disclosed. The Directors were of the view that the Subscriptions would provide a good opportunity to raise additional funds to finance future investment opportunities to further cement the Group's foothold in the NEV industry. Further details of the Subscriptions are set out in the announcement of the Company dated 7 December 2020.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, there was no specific plan for material investments or capital assets as at 31 March 2021.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2021, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Name of Directors	Capacity and nature of interest	Number of ordinary shares held	Number of share options held (Note 1)	Total interests	Percentage of interest (Note 2)
Mr. Ho King Fung, Eric (Chairman)	Personal	23,000,000	87,500,000	110,500,000	1.38%
Mr. Sung Kin Man (Chief Executive Officer)	Personal	–	67,500,000	67,500,000	0.85%
Mr. Tam Ping Kuen, Daniel	Personal	960,000	4,488,000	5,448,000	0.07%
Mr. Teoh Chun Ming	Personal	–	3,000,000	3,000,000	0.04%
Mr. Peter Edward Jackson	Personal	–	3,000,000	3,000,000	0.04%
Mr. Charles Matthew Pecot III	Personal	–	2,000,000	2,000,000	0.03%

Notes:

1. Details of share options held by the Directors are shown in the section "Share Option Scheme" below.
2. Based on 7,982,794,562 shares of the Company in issue as at 31 March 2021.
3. All the interests disclosed above represent long positions in the shares of the Company.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed under the section "Share Option Scheme" below, at no time during the six months ended 31 March 2021 was the Company, or any of its subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

## **DIRECTORS' INTERESTS IN A COMPETING BUSINESS**

During the six months ended 31 March 2021 and up to the date of this report, none of the Directors and directors of the Company's subsidiaries or their respective associates had any interests in any businesses, apart from the Group's business, which compete or are likely to compete either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the Listing Rules.

## **SHARE OPTION SCHEME**

The existing share option scheme (the "Share Option Scheme") was adopted by the Company on 1 March 2013, the purpose of which is to attract and retain the best available personnel, to provide additional incentive to employees, directors, consultants, advisors and shareholders of the Group and to promote the success of the business of the Group.

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption date, after such period no further options may be granted under the Share Option Scheme but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted or exercised prior thereto.

Eligible participants under the Share Option Scheme include, among others, employees, directors, customers, advisors, shareholders, consultants, suppliers or service providers of the Group.

Details of the Share Option Scheme are as follows:

- (a) The maximum number of ordinary shares issuable upon exercise of the share options (the "Share Options") which may be granted under the Share Option Scheme and any other share option scheme of the Group (if any) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company. Any further grant of Share Options in excess of this limit is subject to shareholders' approval in a general meeting;
- (b) The exercise period of the Share Options granted is determinable by the Board, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the grant of the Share Options or other expiry date(s) stipulated in the Share Option Scheme, whichever is the earlier;

- (c) The offer of a grant of Share Options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1.00 by the grantee; and
- (d) The exercise price of the Share Options is determinable by the Board but may not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer; or (iii) the nominal value of the Company's shares on the date of the offer.

Details of the movement of the Share Options during the six months ended 31 March 2021 under the Share Option Scheme are as follows:

	Date of Grant	Number of Share Options				As at 31 March 2021	Vesting and exercise period	Exercise price per share HK\$	Closing price per share immediately before date of grant HK\$
		As at 1 October 2020	Granted during the Period	Lapsed/ Cancelled during the Period	Exercised during the Period				
<b>Directors and Chief Executive</b>									
Mr. Ho King Fung, Eric	6 April 2017	20,000,000	-	-	-	20,000,000	Note 1	0.85	0.84
	30 May 2019	30,000,000	-	-	-	30,000,000	Note 2	0.475	0.485
	4 January 2021	-	37,500,000	-	-	37,500,000	Note 6	0.78	0.77
	30 May 2019	30,000,000	-	-	-	30,000,000	Note 2	0.475	0.485
Mr. Sung Kin Man (also the Chief Executive Officer)	4 January 2021	-	37,500,000	-	-	37,500,000	Note 6	0.78	0.77
	19 July 2016	1,488,000	-	-	-	1,488,000	Note 3	0.65	0.65
Mr. Zhang Jinbing (Note 7)	19 July 2016	1,488,000	-	-	-	1,488,000	Note 3	0.65	0.65
	30 May 2019	1,000,000	-	-	-	1,000,000	Note 2	0.475	0.485
	4 January 2021	-	2,000,000	-	-	2,000,000	Note 6	0.78	0.77
Mr. Teoh Chun Ming	30 May 2019	1,000,000	-	-	-	1,000,000	Note 2	0.475	0.485
	4 January 2021	-	2,000,000	-	-	2,000,000	Note 6	0.78	0.77
Mr. Peter Edward Jackson	30 May 2019	1,000,000	-	-	-	1,000,000	Note 2	0.475	0.485
	4 January 2021	-	2,000,000	-	-	2,000,000	Note 6	0.78	0.77
Mr. Charles Matthew Pecot III	4 January 2021	-	2,000,000	-	-	2,000,000	Note 6	0.78	0.77
<b>Others</b>									
Substantial shareholders Employees	13 March 2018	50,000,000	-	-	-	50,000,000	Note 4	1.782	1.71
	19 July 2016	11,973,204	-	-	-	11,973,204	Note 3	0.65	0.65
	3 April 2018	1,700,000	-	-	-	1,700,000	Note 5	1.776	1.72
	30 May 2019	15,000,000	-	-	-	15,000,000	Note 2	0.475	0.485
	4 January 2021	-	72,000,000	-	-	72,000,000	Note 6	0.78	0.77
Consultants	4 January 2021	-	245,000,000	-	-	245,000,000	Note 6	0.78	0.77
Total		164,649,204	400,000,000	-	-	564,649,204			

The total number of shares available for issue upon the exercise of all Share Options granted or to be granted under the Share Option Scheme is 881,669,060 (31 March 2020: 881,669,060), representing approximately 11.04% of the Company's total number of issued shares as at the date of this report.

Notes:

1. From 6 April 2017 to 5 April 2027.
2. From 30 May 2019 to 29 May 2029.
3. Subject to the rules of the Share Option Scheme, the Share Options are exercisable in the following manner for a period from the date of the acceptance of the Share Options to 10 years from the date of grant:
 

Percentage of the Share Options that are vested and exercisable	Period for the exercise of the relevant Share Options
20%	From 19 July 2017 to 18 July 2026
Additional 20% (i.e. up to 40% in total)	From 19 July 2018 to 18 July 2026
Additional 20% (i.e. up to 60% in total)	From 19 July 2019 to 18 July 2026
Additional 20% (i.e. up to 80% in total)	From 19 July 2020 to 18 July 2026
Additional 20% (i.e. up to 100% in total)	From 19 July 2021 to 18 July 2026

4. From 13 March 2018 to 12 March 2028.
5. From 3 April 2018 to 2 April 2028.
6. From 4 January 2021 to 3 January 2031.
7. Mr. Zhang Jinbing retired as a Director with effect from 19 March 2021.

## SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES

As at 31 March 2021, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of shareholders	Capacity and nature of interest	Number of shares held	Percentage of shares in issue (Note 1)
Mr. Ho King Man, Justin	Beneficial owner and interest in a controlled corporation	1,797,196,474 (Note 2)	22.51%
Ruby Charm Investment Limited	Beneficial owner	1,699,220,474 (Note 3)	21.29%
Great Dawn Investments Limited	Beneficial owner	719,432,000 (Note 4)	9.01%
Agile Capital Investment Group Limited	Interest in a controlled corporation	719,432,000 (Note 4)	9.01%
Agile Capital Investment Holdings Limited	Interest in controlled corporations	719,432,000 (Note 4)	9.01%
Eastern Supreme Group Holdings Limited	Interest in controlled corporations	719,432,000 (Note 4)	9.01%

Name of shareholders	Capacity and nature of interest	Number of shares held	Percentage of shares in issue (Note 1)
Agile Group Holdings Limited	Interest in controlled corporations	719,432,000 (Note 4)	9.01%
Top Coast Investment Limited	Interest in controlled corporations	719,432,000 (Note 4)	9.01%
Full Choice Investments Limited	Interest in controlled corporations	719,432,000 (Note 5)	9.01%
Mr. Chen Zhuo Lin	Beneficiary of a trust	719,432,000 (Note 5)	9.01%
Mr. Chan Cheuk Yin	Beneficiary of a trust	719,432,000 (Note 5)	9.01%
Ms. Luk Sin Fong, Fion	Beneficiary of a trust	719,432,000 (Note 5)	9.01%
Mr. Chan Cheuk Hung	Beneficiary of a trust	719,432,000 (Note 5)	9.01%
Mr. Chan Cheuk Hei	Beneficiary of a trust	719,432,000 (Note 5)	9.01%
Mr. Chan Cheuk Nam	Beneficiary of a trust	719,432,000 (Note 5)	9.01%
Ms. Chan Siu Na	Spouse	719,432,000 (Note 6)	9.01%
Ms. Zheng Huiqiong	Spouse	719,432,000 (Note 7)	9.01%
Ms. Lu Liqing	Spouse	719,432,000 (Note 8)	9.01%
Ms. Lu Yanping	Spouse	719,432,000 (Note 9)	9.01%
Mr. Li Ka Shing	Interest in controlled corporations	663,090,100 (Note 10)	8.31%
Vivaldi International Limited	Beneficial owner	526,640,929 (Note 11)	6.60%
Ms. Chau Hoi Shuen Solina Holly	Interest in a controlled corporation	526,640,929 (Note 11)	6.60%
Sino-Alliance International, Ltd.	Beneficial owner	431,876,000 (Note 12)	5.41%
Shanghai Alliance Investment Ltd.	Interest in a controlled corporation	431,876,000 (Note 12)	5.41%

Notes:

1. Based on 7,982,794,562 shares of the Company in issue as at 31 March 2021.
2. Among 1,797,196,474 shares, (i) 1,699,220,474 shares are owned by Ruby Charm Investment Limited (see also note 3 below); (ii) 47,976,000 shares are beneficially owned by Mr. Ho King Man, Justin; and (iii) 50,000,000 shares represent the Share Options granted to Mr. Ho King Man, Justin on 13 March 2018 pursuant to the terms of the Share Option Scheme, which entitle him to subscribe for shares of the Company. Details of share options held by Mr. Ho King Man, Justin as a substantial shareholder of the Company are shown in the section “Share Option Scheme” above.
3. Ruby Charm Investment Limited is a private company directly wholly owned by Mr. Ho King Man, Justin.
4. Great Dawn Investments Limited is a private company directly wholly owned by Agile Capital Investment Group Limited. Agile Capital Investment Group Limited is a private company directly wholly owned by Agile Capital Investment Holdings Limited. Agile Capital Investment Holdings Limited is a private company directly wholly owned by Eastern Supreme Group Holdings Limited. Eastern Supreme Group Holdings Limited is a private company directly wholly owned by Agile Group Holdings Limited. Agile Group Holdings Limited, a company listed on the Stock Exchange (stock code: 3383), is a company directly non-wholly owned as to approximately 62.63% by Top Coast Investment Limited. Top Coast Investment Limited is a private company directly wholly owned by Full Choice Investments Limited.
5. Full Choice Investments Limited is a trustee of the Chen’s Family Trust, the beneficiaries of which are Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam.
6. Ms. Chan Siu Na is the spouse of Mr. Chan Cheuk Nam and is deemed to be interested in the shares.
7. Ms. Zheng Huiqiong is the spouse of Mr. Chan Cheuk Yin and is deemed to be interested in the shares.
8. Ms. Lu Liqing is the spouse of Mr. Chan Cheuk Hung and is deemed to be interested in the shares.
9. Ms. Lu Yanping is the spouse of Mr. Chan Cheuk Hei and is deemed to be interested in the shares.
10. Among 663,090,100 shares, (i) 311,619,512 shares are owned through Ocean Dynasty Investments Limited, a private company indirectly wholly owned by Mr. Li Ka Shing; and (ii) 351,470,588 shares are owned by Goldrank Limited, a company wholly owned by Li Ka Shing (Global) Foundation (“LKSGF”). By virtue of the terms of the constitutional documents of LKSGF, Mr. Li Ka Shing is regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at general meetings of LKSGF.
11. Vivaldi International Limited is a private company directly wholly-owned by Ms. Chau Hoi Shuen Solina Holly.
12. Sino-Alliance International, Ltd is a private company directly wholly owned by Shanghai Alliance Investment Ltd.
13. All the interests stated above represent long positions in the shares of the Company.

## EMPLOYEES AND EMPLOYMENT POLICIES

As at 31 March 2021, the Group had 225 employees (30 September 2020: 204). The related employees' costs for the Period (including directors' remuneration) amounted to approximately HK\$110.7 million (six months ended 31 March 2020: HK\$45.5 million). In addition to basic salary, employees are entitled to other benefits including social insurance contributions, employee provident fund schemes and share option scheme of the Company. The remuneration of employees was in line with market trend and with reference to the market rate and the performance of individual employees, which are regularly reviewed each year.

## PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities during the six months ended 31 March 2021.

## CORPORATE GOVERNANCE

During the six months ended 31 March 2021, the Company has complied with the applicable code provisions set out in the Corporate Governance Code (the "Code") as stated in Appendix 14 of the Listing Rules.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors confirmed that they have fully complied with the Model Code during the six months ended 31 March 2021.

## AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the Code.

As at the date of this report, the Audit Committee consists of the following members, all being independent non-executive Directors:

Mr. Teoh Chun Ming (*Chairman*)  
 Mr. Tam Ping Kuen, Daniel  
 Mr. Peter Edward Jackson  
 Mr. Charles Matthew Pecot III

The primary responsibilities of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Company's financial controls, internal control and risk management systems, to review and monitor the effectiveness of the audit process and to perform other duties and responsibilities as assigned by the Board. The Audit Committee has reviewed and discussed the interim results of the Group for the six months ended 31 March 2021 and this report.

## **INTERIM DIVIDEND**

The Board did not declare any interim dividend for the six months ended 31 March 2021 (six months ended 31 March 2020: Nil).

## **APPRECIATION**

On behalf of the Board, I would like to express our appreciation to all our management and staff members for their ongoing contribution and hard work. We would also like to thank our shareholders for their continuing support.

On behalf of the Board  
**Apollo Future Mobility Group Limited**  
**Ho King Fung, Eric**  
*Chairman*

Hong Kong, 31 May 2021