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**apollo**

**APOLLO FUTURE MOBILITY GROUP LIMITED**

**APOLLO 智慧出行集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 860)**

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF IDEENION AUTOMOBIL AG  
AND  
RESIGNATION OF EXECUTIVE DIRECTOR**

**THE AGREEMENT**

The Board is pleased to announce that on 23 December 2022 (after trading hours), the Company as seller entered into the Agreement with the Buyer, pursuant to which the Company has conditionally agreed to sell and the Buyer has conditionally agreed to acquire the Sale Shares, representing the entire issued share capital of the Target Company, for a total cash Consideration of EUR15,000,000 (equivalent to approximately HK\$124,350,000).

As at the date of this announcement, the Target Company is a direct wholly-owned subsidiary of the Company. Upon Completion, the Company will cease to hold any interest in the Target Group and the Target Group will cease to be subsidiaries of the Company.

## **SIXTH SUPPLEMENTAL AGREEMENT TO THE ACQUISITION AGREEMENT**

Reference is made to the announcements of the Company dated 31 October 2019 and 10 February 2021 and the circular of the Company dated 24 December 2020 in respect of the acquisition of the Target Company by the Company.

On 23 December 2022 (after trading hours), the Company and the Former Shareholders of the Target Company entered into the Sixth Supplemental Agreement, pursuant to which the Former Shareholders and the Target Company agreed further on the arrangement of the Consideration Shares and Further Consideration Price.

### **LISTING RULES IMPLICATIONS**

As the one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and therefore the Company is subject to notification and announcement requirements but is exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

### **RESIGNATION OF EXECUTIVE DIRECTOR**

The Board announces that Mr. Konta has tendered his resignation as an executive Director and a member of the Investment Committee with effect from 23 December 2022.

## **INTRODUCTION**

The Board is pleased to announce that on 23 December 2022 (after trading hours), the Company as seller entered into the Agreement with the Buyer, pursuant to which the Company has conditionally agreed to sell and the Buyer has conditionally agreed to acquire the Sale Shares, representing the entire issued share capital of the Target Company, for a total cash Consideration of EUR15,000,000 (equivalent to approximately HK\$124,350,000).

Reference is made to the announcements of the Company dated 31 October 2019 and 10 February 2021 and the circular of the Company dated 24 December 2020 in respect of the acquisition of the Target Company by the Company.

On 23 December 2022 (after trading hours), the Company and the Former Shareholders of the Target Company entered into the Sixth Supplemental Agreement, pursuant to which the Former Shareholders and the Target Company agreed further on the arrangement of the Consideration Shares and Further Consideration Price.

## **THE AGREEMENT**

The principal terms of the Agreement are summarised as follows:

### **Date**

23 December 2022 (after trading hours)

### **Parties**

Buyer: Mobility Technology Group Inc.

Seller: The Company

### **Assets to be disposed**

Pursuant to the Agreement, the Company has conditionally agreed to sell, and the Buyer has conditionally agreed to acquire the Sale Shares.

The Target Company is a German stock corporation and is a direct wholly-owned by the Company prior to the Completion. Please refer to the section headed “Information of the Group” and “Information of the Target Group” in this announcement below for details of the Target Group.

### **Consideration**

The total Consideration for the sale and purchase of the Sale Shares is EUR15,000,000 (equivalent to approximately HK\$124,350,000) and shall be paid in cash by the Buyer to the Company or its nominees upon Completion.

The Consideration is determined based on arm’s length negotiations between the parties to the Agreement with reference to, among other things: (a) the initial consideration of EUR15,000,000 paid by the Company during the acquisition of the Target Group in 2021; and (b) the current and future business development and financial performances of the Target Group.

## **Conditions Precedent**

Completion is subject to and conditional upon the following Conditions Precedent being satisfied by the Company or waived by the Buyer (whether in full or in part, and with or without conditions):

- (i) the Buyer having received consent letters from each of the key personnel of the Target Group that each of them shall remain as an employee of the Target Group for at least one year after the Completion Date;
- (ii) all necessary consents and approvals required to be obtained on the part of the Company and/or the Target Company in respect of the Agreement and the transactions contemplated thereunder having been obtained and such consents and approvals not having been revoked; and
- (iii) the Buyer having received copies of the audited consolidated financial statements of the Target Company ended on 30 June 2022 from the Company.

If all of the Conditions Precedent are not satisfied or otherwise waived by the Buyer on or before Long Stop Date, the Agreement shall terminate and cease to have effect on the Long Stop Date except for certain provisions referred to in the Agreement in relation to definitions, costs and expenses, notices and governing law and any rights, remedies, obligations or liabilities of the parties to the Agreement that have accrued up to the date of termination, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination.

## **Completion**

Subject to the fulfilment (or, where applicable, waiver) of the Conditions Precedent, Completion shall take place on the fifth Business Day after fulfilment (or waiver) of all the Conditions Precedent or such other date as the Company and the Buyer may mutually agree in writing.

As at the date of this announcement, the Target Company is a direct wholly-subsiidiary of the Company. Upon Completion, the Company will cease to hold any interest in the Target Company and the Target Group will cease to be subsidiaries of the Company.

## **SIXTH SUPPLEMENTAL AGREEMENT TO THE ACQUISITION AGREEMENT**

On 23 December 2022 (after trading hours), the Company, Mr. Konta, an executive Director, Mr. Werner Händl and Mr. Nigel Westwood entered into the Sixth Supplemental Agreement pursuant to which:

- (a) the Company and the Former Shareholders of the Target Company acknowledged that:
  - (i) the consolidated net profit after tax as shown in the audited consolidated financial statements of the Target Group for the financial year ended 30 June 2021 is not more than or equal to EUR4,600,000, and the Company is not required to pay the Further Consideration Price 2021 and allotting and issuing the Consideration Shares 2021 to the Former Shareholders of the Target Company; and
  - (ii) the consolidated net profit after tax as shown in the audited consolidated financial statements of the Target Group for the financial year ended 30 June 2022 is not more than or equal to EUR4,600,000, and the Company is not required to pay the Further Consideration Price 2022 and allotting and issuing the Consideration Shares 2022 to the Former Shareholders of the Target Company.
- (b) the Company and the Former Shareholders of the Target Company agreed that the Company would no longer be required to pay the Further Consideration Price 2023 and allotting and issuing the Consideration Shares 2023 to the Former Shareholders of the Target Company.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE SIXTH SUPPLEMENTAL AGREEMENT**

As disclosed in the interim results announcement for the twelve months ended 30 September 2022 of the Company dated 30 November 2022, the Group has strategically positioned to focus on its own branded vehicles development business riding on the smart EVs adoption trend across the globe and strives to becoming one of the leaders in smart mobility services industry.

The Directors are of the view that, given the Target Group's businesses focus on the ideation, design, modeling, engineering, simulation, validation & testing, and prototype production, to the delivery of pre-production prototypes of automobiles to original equipment manufacturer clients, the Disposal is in line with the Group's strategic plan on electrification as the Group persists in developing its own branded luxury smart EVs drawing on research outputs and engineering excellence from its hypercar development unit. As such, in light of

the upcoming launch and production of the luxury smart EVs, the Directors believe that through the Disposal, the Group will be able to further optimize its commercial production capacities and continue its deep drive into own branded vehicles development and manufacturing business.

The Directors also believe and consider that the Disposal can (i) optimise the operation management of the Group; and (ii) enable the Group to focus its capital and management resources on further developing the Group's more promising own branded hypercars and luxury smart EVs businesses. The Disposal presents an opportunity for the Group to realise its investment in Ideenion at a reasonable price and allow the Group to streamline its business with the objective to ride on the strong momentum in the luxury smart EVs industry, enhance the growth potential of the Group and maximise returns to the Shareholders.

Having considered the above, the Directors are of the view that the Disposal is in the interests of the Group, and the terms of the Agreement fair and reasonable and in the interests of the Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS**

Subject to audit, it is expected that the Company will not record any gain or loss from the Disposal as the Consideration is equivalent to the net carrying value of the Target Company as at 30 September 2022.

The Company intends to use the proceeds from the Disposal for research and development on its own branded vehicles development business and related business, and as general working capital of the Group.

## **INFORMATION OF THE GROUP**

The Company is principally engaged in investment holding and the principal activities of its subsidiaries are (i) designing, developing, manufacturing and sales of high performance hypercars and luxury smart EVs and provision of mobility technology solutions; (ii) retailing and wholesale of jewellery products, watches and other commodities; and (iii) money lending.

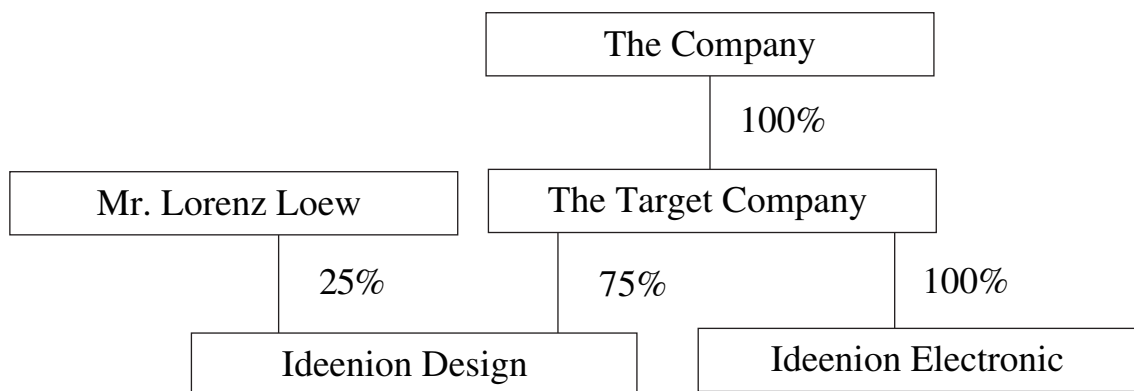
## **INFORMATION OF THE TARGET GROUP**

The Target Company is principally engaged in the design, development and prototyping of internal combustion engine vehicles and NEVs, including vehicle components and accessories for vehicles.

Ideenion Design is principally engaged in the styling and design of vehicles and the development of software for vehicles.

Ideenion Electronic is principally engaged in the research and development of electronics and software for vehicles and the design, development and manufacturing of prototype electronic systems and components for vehicles.

The group structure of the Target Group as at the date of this announcement is set out below:



Set out below are certain audited financial information of the Target Company (prepared in accordance with German Financial Reporting Standards) for each of the two financial years ended 30 June 2021 and 30 June 2022.

**For the financial year ended  
30 June**

	<b>2021</b>	<b>2022</b>
	<i>EUR'000</i>	<i>EUR'000</i>
Net profit/(loss) before taxation and extraordinary items	161	(1,584)
Net profit/(loss) after taxation and extraordinary items	299	(1,333)

Based on the audited consolidated financial statements of the Target Group prepared in accordance with the German Financial Reporting Standards, the net asset value of the Target Group as at 30 June 2022 was approximately EUR2,677,000 (equivalent to approximately HK\$22,192,330).



## **INFORMATION OF THE BUYER**

The Buyer is a company incorporated in the Cayman Islands with limited liability. To the best knowledge of the Directors, the Buyer is principally engaged in investment holding.

The Buyer is held as to 35.72% by MTG Holding Inc., as to 32.14% by FIC Global, Inc., a company listed on Taiwan Stock Exchange (stock code: 3701), and as to 32.14% by Wistron Corporation, a company listed on Taiwan Stock Exchange (stock code: 3231).

MTG Holding Inc. is held by a number of shareholders and there are six shareholders, each holding 16% of the issued share capital of MTG Holding Inc. Amongst these six shareholders, three of them are Mr. Konta, an executive Director, Mr. Sung Kin Man, a former executive Director and chief executive officer of the Company and Mr. Lorenz Loew, the holder of 25% of issued share capital of Ideenion Design. Each of Mr. Konta, Mr. Sung Kin Man and Mr. Lorenz Loew is a connected person of the Company but MTG Holding Inc. and the Buyer are not connected persons of the Company.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, save as disclosed above, the Buyer and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **THE LISTING RULES IMPLICATIONS**

As the one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and therefore the Company is subject to notification and announcement requirements but is exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

**Shareholders and potential investors should note that completion of the Disposal is subject to the satisfaction of various Conditions Precedent and therefore there is no assurance that the Disposal will be implemented as contemplated or at all. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**



## **RESIGNATION OF EXECUTIVE DIRECTOR**

The Board announces that Mr. Konta has tendered his resignation as an executive Director and member of the Investment Committee with effect from 23 December 2022 so as to devote more time to his other business engagements.

Mr. Konta has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that needs to be brought to the attention of the Stock Exchange and/or the Shareholders.

The Board would like to take this opportunity to express its gratitude and appreciation to Mr. Konta for his valuable contribution and support towards the Company during his term of service.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition Agreement”	the sale and purchase agreement dated 31 October 2019 (as amended and supplemented by the supplemental agreement dated 12 December 2019, the second supplemental agreement dated 13 March 2020, the third supplemental agreement dated 11 June 2020, the fourth supplemental agreement dated 15 September 2020 and the fifth supplemental agreement dated 14 December 2020) entered into among the Company and the Former Shareholders of the Target Company in relation to the acquisition of the Target Company from the Former Shareholders of the Target Company by the Company
“Agreement”	the conditional sale and purchase agreement dated 23 December 2022 and entered into by the Company and the Buyer in respect of the Disposal
“Board”	the board of Directors

“Business Day(s)”	a day other than a Saturday, Sunday or public holiday in Hong Kong when banks in Hong Kong are generally open for business and on which no typhoon warning signal no. 8 or above or the black rainstorm signal is hoisted in Hong Kong at any time after 9:00 a.m.
“Buyer”	Mobility Technology Group Inc., a company incorporated in the Cayman Islands with limited liability
“Company”	Apollo Future Mobility Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 860)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms of the Agreement
“Completion Date”	being the fifth Business Day after fulfilment or waiver of all the Conditions Precedent or such other date as the Company and the Buyer may mutually agree in writing
“Condition(s) Precedent”	conditions precedent to Completion as set out in the Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	EUR15,000,000 to be fully paid in cash by the Buyer to the Company for the Disposal
“Consideration Shares”	the aggregate of Consideration Shares 2021, Consideration Shares 2022 and Consideration Shares 2023

“Consideration Shares 2021”	new Shares of an aggregate value of up to approximately EUR5,600,000 to be allotted and issued by the Company to the Former Shareholders of the Target Company no later than one (1) month after the date of the audited consolidated financial statements of the Target Group for the year ended 30 June 2021 as part of the consideration of the Acquisition Agreement
“Consideration Shares 2022”	new Shares of an aggregate value of up to approximately EUR5,600,000 to be allotted and issued by the Company to the Former Shareholders of the Target Company no later than one (1) month after the date of the audited consolidated financial statements of the Target Group for the year ended 30 June 2022 as part of the consideration as part of the consideration of the Acquisition Agreement
“Consideration Shares 2023”	new Shares of an aggregate value of up to approximately EUR5,600,000 to be allotted and issued by the Company to the Former Shareholders of the Target Company no later than one (1) month after the date of the audited consolidated financial statements of the Target Group for the year ending 30 June 2023 as part of the consideration of the Acquisition Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Company to the Buyer pursuant to the Agreement
“EUR”	Euro, the lawful currency of the European Union
“EV(s)”	electric vehicles
“Former Shareholders of the Target Company”	Mr. Konta, an executive Director, Mr. Werner Händl and Mr. Nigel Westwood
“Further Consideration Price”	the aggregate of Further Consideration Price 2021, Further Consideration Price 2022 and Further Consideration Price 2023

“Further Consideration Price 2021”	EUR1,400,000 in aggregate to be paid in cash by the Company to the Former Shareholders of the Target Company no later than one (1) month after the date of the audited consolidated financial statements of the Target Group for the year ended 30 June 2021 as part of the consideration of the Acquisition Agreement
“Further Consideration Price 2022”	EUR1,400,000 in aggregate to be paid in cash by the Company to the Former Shareholders of the Target Company no later than one (1) month after the date of the audited consolidated financial statements of the Target Group for the year ended 30 June 2022 as part of the consideration of the Acquisition Agreement
“Further Consideration Price 2023”	EUR1,400,000 in aggregate to be paid in cash by the Company to the Former Shareholders no later than one (1) month after the date of the audited consolidated financial statements of the Target Group for the year ending 30 June 2023 as part of the consideration of the Acquisition Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Ideenion Design”	Ideenion Design AG, a German stock corporation, a subsidiary of the Target Company and the Company
“Ideenion Electronic”	Ideenion Electronic AG, a German stock corporation, a subsidiary of the Target Company and the Company
“Investment Committee”	investment committee of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	23 March 2023 or such other date the Company and the Buyer may agree in writing
“Mr. Konta”	Mr. Mirko Konta, an executive Director
“NEV(s)”	new energy vehicles
“Sale Shares”	50,000 fully-paid up shares of the Target Company, representing the entire issued share capital of the Target Company
“Shareholder(s)”	shareholders of the Company
“Sixth Supplemental Agreement”	the sixth supplemental agreement dated 23 December 2022 entered into among the Company and the Former Shareholders of the Target Company amending and supplementing the Acquisition Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Ideenion Automobil AG, a German stock corporation and a direct wholly-owned subsidiary of the Company prior to the Completion
“Target Group”	the Target Company and its subsidiaries
“%”	per cent.

By Order of the Board  
**Apollo Future Mobility Group Limited**  
**Ho King Fung, Eric**  
*Chairman*

Hong Kong, 23 December 2022

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Ho King Fung, Eric (Chairman), Mr. Joseph Lee (Vice Chairman) and Mr. Qi Zhenggang; two non-executive Directors, namely Mr. Freeman Hui Shen (Co-Chairman) and Mr. Wilfried Porth; and four independent non-executive Directors, namely Mr. Teoh Chun Ming, Mr. Peter Edward Jackson, Mr. Charles Matthew Pecot III and Ms. Hau Yan Hannah Lee.*

*For the purpose of this announcement, the exchange rate of EUR1.00 = HK\$8.29 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.*