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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 and continued in Bermuda with limited liability)

(Stock Code: 860)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 15 January 2024 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 96,130,985 Subscription Shares at the Subscription Price of HK\$0.51 per Subscription Share.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Subscription, the total number of 96,130,985 Subscription Shares (of an aggregate nominal value of HK\$961,309.85) to be allotted and issued under the Subscription represents (i) approximately 20.00% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 16.67% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately upon Completion.

The Subscription Shares will be allotted and issued under the General Mandate.

The gross proceeds from the Subscription will be approximately HK\$49.0 million and the net proceeds from the Subscription will be approximately HK\$48.0 million (after deduction of all professional fees and related expenses), representing a net issue price of approximately HK0.50 per Subscription Share. The intended use of the net proceeds from the Subscription would be (i) as to approximately HK\$10.0 million or 20.8% for repayment of the indebtedness of the Group; and (ii) as to approximately HK\$38.0 million or 79.2% for general working capital.

Shareholders and potential investors of the Company should note that Completion is subject to fulfilment of the condition under the Subscription Agreement. As the Subscription may or may not complete, Shareholders and potential investors of the Company are reminded to exercise caution when dealing or contemplate dealing in the Shares or other securities of the Company.

THE SUBSCRIPTION

The Board is pleased to announce that on 15 January 2024 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 96,130,985 Subscription Shares at the Subscription Price of HK\$0.51 per Subscription Share.

The Subscription Agreement

The principal terms and condition of the Subscription Agreement are set out below.

Date : 15 January 2024 (after trading hours)
Issuer : The Company
Subscriber : Ruby Charm Investment Limited

The Subscriber

The Subscriber is Ruby Charm Investment Limited, which is a company incorporated in the British Virgin Islands with limited liability and an investment holding company. The ultimate beneficial owner of the Subscriber is Mr. Ho King Man, Justin.

As at the date of this announcement, Mr. Ho King Man, Justin is a senior advisor to the Board and is interested in 45,316,623 Shares, representing approximately 9.43% of the existing issued share capital of the Company as at the date of this announcement. Upon Completion, Mr. Ho King Man, Justin will be interested in 141,447,608 Shares, representing approximately 24.52% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, and hence will become a substantial shareholder of the Company.

As at the date of this announcement, Mr. Ho King Man, Justin is the holder of 2,500,000 Share Options granted by the Company on 13 March 2018 under the 2013 Share Option Scheme.

Subscription Shares

Assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Subscription, the total number of 96,130,985 Subscription Shares (of an aggregate nominal value of HK\$961,309.85) to be allotted and issued under the Subscription represents (i) approximately 20.00% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 16.67% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately upon Completion.

Subscription Price

The Subscription Price of HK\$0.51 per Subscription Share represents:

- (i) a discount of approximately 19.05% to the closing price of HK\$0.63 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a discount of approximately 18.79% to the average closing price of approximately HK\$0.628 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to, among other things, the prevailing trading price of the Shares, the current market sentiment and the recent trading volume of the Shares. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM held on 30 June 2023, pursuant to which the Directors are authorised to allot, issue and deal with up to 96,130,985 Shares. Since the date of the AGM and up to and including the date of this announcement, no Share has been allotted and issued pursuant to the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares and the allotment and issue of the Subscription Shares is not subject to the Shareholders' approval.

Ranking of the Subscription Shares

The Subscription Shares will be allotted and issued fully paid and rank *pari passu* in all respects with the existing Shares in issue on the date of allotment and issue of the Subscription Shares.

Application for listing of the Subscription Shares

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Condition precedent

Completion of the Subscription is conditional upon the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares on the Main Board of the Stock Exchange and such approval and permission not being subsequently withdrawn or revoked by the Stock Exchange as at or prior to Completion.

If the condition set out above shall not have been fulfilled at or before 6:00 p.m. on the Long Stop Date, the Subscription Agreement shall automatically lapse, and thereupon the Subscription Agreement and everything therein contained including all rights and obligations of the parties under the Subscription Agreement shall subject to the liability of any party therein to the other in respect of any antecedent breach of the terms thereof, be null and void and of no further effect.

Completion

Subject to the condition specified in the Subscription Agreement being fulfilled, Completion shall take place in accordance with the terms of the Subscription Agreement at the office of the Company at 4:30 p.m. on the Completion Date or at such other time and/or place as the Company and the Subscriber may agree in writing.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The gross proceeds from the Subscription will be approximately HK\$49.0 million and the net proceeds from the Subscription will be approximately HK\$48.0 million (after deduction of all professional fees and related expenses), representing a net issue price of approximately HK0.50 per Subscription Share. The intended use of the net proceeds from the Subscription would be (i) as to approximately HK\$10.0 million or 20.8% for repayment of the indebtedness of the Group; and (ii) as to approximately HK\$38.0 million or 79.2% for general working capital.

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.

References are made to (i) the announcements of the Company dated 8 September 2023 and 9 October 2023 in relation to the early redemption of the Convertible Bonds; and (ii) the circular of the Company dated 3 November 2023 in relation to, among others things, the capital reorganisation. As at the date of this announcement, (i) the CB Holder A has agreed to extend the early redemption date of Convertible Bonds A in the outstanding principal amount of HK\$78,000,000 to 17 January 2024; (ii) the CB Holder B has agreed to extend the early redemption date of Convertible Bonds B in the outstanding principal amount of HK\$35,100,000 to 4 April 2024; and (iii) the CB Holder C has agreed to extend the early redemption date of Convertible Bonds B in the outstanding principal amount of HK\$3,900,000 to 17 January 2024. As at the date of this announcement, there are outstanding Convertible Bonds with an aggregate principal amount of HK\$117,000,000, which are convertible into 10,636,363 Shares at the conversion price of HK\$11.0 per Share.

Having considered the repayment deadline of the Convertible Bonds as discussed above, the Directors are of the view that the Subscription is essential in strengthening the financial position of the Group and consider that immediate financing is necessary to preserve sufficient liquidity and cash reserve to settle the Convertible Bonds and to support the working capital requirements of the Group's daily operation. Notwithstanding the forthcoming Completion, the Company has been and will continue to be proactively seeking equity and debt financing opportunities and implementing strategies to conduct active dialogue with the CB Holders and Shareholders on the Group's financial position so as to improve overall financing cash flows and accommodate the payment terms of the current and future indebtedness of the Group.

The Directors also consider the terms of the Subscription Agreement including the Subscription Price are on normal commercial terms and are fair and reasonable so far as the Company and the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not carried out any other equity fund raising activities during the 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after Completion (assuming that the Share Options have not been exercised, the Convertible Bonds have not been converted into Shares and there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Subscription); and (iii) immediately after Completion (assuming that outstanding Share Options are fully exercised, the Convertible Bonds are fully converted into Shares and there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Subscription):

	As at the date of this announcement		Immediately after Completion (assuming that the Share Options have not been exercised, the Convertible Bonds have not been converted into Shares and there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Subscription)		Immediately after Completion (assuming that outstanding Share Options are fully exercised, the Convertible Bonds are fully converted into Shares and there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Subscription)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Non-public Shareholders						
The Subscriber ^(Note 1)	45,316,623	9.43	141,447,608	24.52	143,947,608	23.54
WM Motor Holdings Limited ^(Note 2)	113,777,267	23.67	113,777,267	19.73	113,777,267	18.61
Mr. Teoh Chun Ming ^(Note 3)	—	—	—	—	250,000	0.04
Mr. Peter Edward Jackson ^(Note 4)	—	—	—	—	250,000	0.04
Mr. Charles Matthew Pecot III ^(Note 5)	—	—	—	—	200,000	0.03
Sub-total	159,093,890	33.10	255,224,875	44.25	258,424,875	42.26

	As at the date of this announcement		Immediately after Completion (assuming that the Share Options have not been exercised, the Convertible Bonds have not been converted into Shares and there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Subscription)		Immediately after Completion (assuming that outstanding Share Options are fully exercised, the Convertible Bonds are fully converted into Shares and there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Subscription)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Public Shareholders						
CB Holder A ^(Note 6)	—	—	—	—	7,090,909	1.16
CB Holder B ^(Note 7)	16,523,292	3.44	16,523,292	2.86	19,714,201	3.22
CB Holder C ^(Note 8)	—	—	—	—	354,545	0.06
Other public Shareholders	305,037,746	63.46	305,037,746	52.89	325,837,146	53.30
Sub-total	<u>321,561,038</u>	<u>66.90</u>	<u>321,561,038</u>	<u>55.75</u>	<u>352,996,801</u>	<u>57.74</u>
Total	<u>480,654,928</u>	<u>100</u>	<u>576,785,913</u>	<u>100</u>	<u>611,421,676</u>	<u>100</u>

Notes:

- Among 45,316,623 Shares, (i) 44,211,023 Shares are owned by Ruby Charm Investment Limited, a private company directly wholly-owned by Mr. Ho King Man, Justin; and (ii) 1,105,600 Shares are owned by Jumbo Eagle Investments Limited, a private company directly wholly-owned by Mr. Ho King Man, Justin. Mr. Ho King Man, Justin is also the beneficial owner of 2,500,000 Share Options with an exercise price of HK\$35.64 under the 2013 Share Option Scheme.
- These Shares were held by WM Motor Holdings Limited, of which 65.41% of the voting right is held by Timeless Hero Limited. Timeless Hero Limited is wholly-owned by Freeman Schenk Limited, which is in turn wholly-owned by Cantrust (Far East) Limited. Cantrust (Far East) Limited is the trustee of New Freeman Schenk Trust, a discretionary trust established by Mr. Freeman Hui Shen as the settlor. Accordingly, Mr. Freeman Hui Shen was deemed to be interested in these Shares.
- Mr. Teoh Chun Ming is an independent non-executive Director and is the beneficial owner of 250,000 Share Options under the 2013 Share Option Scheme (50,000 Share Options with an exercise price of HK\$9.50, 100,000 Share Options with an exercise price of HK\$15.60 and 100,000 Share Options with an exercise price of HK\$8.90).
- Mr. Peter Edward Jackson is an independent non-executive Director and is the beneficial owner of 250,000 Share Options under the 2013 Share Option Scheme (50,000 Share Options with an exercise price of HK\$9.50, 100,000 Share Options with an exercise price of HK\$15.60 and 100,000 Share Options with an exercise price of HK\$8.90).
- Mr. Charles Matthew Pecot III is an independent non-executive Director and is the beneficial owner of 200,000 Share Options under the 2013 Share Option Scheme (100,000 Share Options with an exercise price of HK\$15.60 and 100,000 Share Options with an exercise price of HK\$8.90).
- CB Holder A, wholly owned by Ms. Hoi Wa Fan, is holding the Convertible Bonds A in the principal amount of HK\$78,000,000 (convertible into 7,090,909 Shares).

7. CB Holder B, ultimately owned by Ms. Chau Hoi Shuen Solina Holly, is holding the Convertible Bonds B in the principal amount of HK\$35,100,000 (convertible into 3,190,909 Shares).
8. CB Holder C, beneficially owned by Mr. Lau Tsz Ho Tony, is holding the Convertible Bonds B in the principal amount of HK\$3,900,000 (convertible into 354,545 Shares).

WARNINGS

Shareholders and potential investors of the Company should note that Completion is subject to fulfilment of the condition under the Subscription Agreement. As the Subscription may or may not complete, Shareholders and potential investors of the Company are reminded to exercise caution when dealing or contemplate dealing in the Shares or other securities of the Company.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“2013 Share Option Scheme”	the share option scheme adopted by the Company on 1 March 2013 and expired on 28 February 2023
“AGM”	the annual general meeting of the Company held on 30 June 2023
“Board”	the board of Directors
“Business Day(s)”	day(s) (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong
“CB Holder A”	Walong Holdings Limited
“CB Holder B”	Vivaldi International Limited
“CB Holder C”	45 Yi Capital Holdings Co., Ltd
“CB Holders”	the holders of the Convertible Bonds, that is, CB Holders A, B and C
“Company”	Apollo Future Mobility Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and whose Shares are listed on the Main Board of the Stock Exchange (stock code: 860)

“Completion”	the completion of the Subscription in accordance with the terms and condition set out in the Subscription Agreement
“Completion Date”	the third (3rd) Business Day after the day on which the condition precedent to the Subscription Agreement has been fulfilled, or such other date as the Company and the Subscriber may agree in writing, on which Completion shall take place
“Convertible Bonds”	collectively, Convertible Bonds A and Convertible Bonds B
“Convertible Bonds A”	9% three-year convertible bonds due 2024 (subject to the holder’s right to request the Company to redeem one year before maturity) in the outstanding principal amount of HK\$78,000,000 issued by the Company in favour of Walong Holdings Limited as at the date of this announcement
“Convertible Bonds B”	9% three-year convertible bonds due 2024 (subject to the holder’s right to request the Company to redeem one year before maturity) in the outstanding principal amount of HK\$35,100,000 and HK\$3,900,000 issued by the Company in favour of each of Vivaldi International Limited and 45 Yi Capital Holdings Co., Ltd, respectively, as at the date of this announcement
“Directors”	directors of the Company
“EV(s)”	electric vehicles
“General Mandate”	The general mandate granted to the Directors at the AGM to exercise the power of the Company to allot, issue and otherwise deal with the Company’s new Shares up to 20% of the issued share capital of the Company

“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling on the expiration of one (1) month from the date of the Subscription Agreement (or such later date as may be agreed by the Company and the Subscriber in writing)
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Share Options”	23,999,400 outstanding options granted under the 2013 Share Option Scheme
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Ruby Charm Investment Limited
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and condition of the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Company and the Subscriber dated 15 January 2024 in relation to the Subscription
“Subscription Price”	HK\$0.51 per Subscription Share
“Subscription Shares”	96,130,985 Shares to be issued pursuant to the Subscription

“substantial
shareholder(s)”

having the meaning ascribed thereto under the
Listing Rules

“%”

per cent

By order of the Board
Apollo Future Mobility Group Limited
Hui Chun Ying
Chairman and Executive Director

Hong Kong, 15 January 2024

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Hui Chun Ying (Chairman) and Ms. Chen Yizi; 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.