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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)

**SUBSCRIPTIONS OF NEW SHARES UNDER
SPECIFIC MANDATE; AND
CONNECTED TRANSACTION
IN RELATION TO SUBSCRIPTION OF NEW SHARES UNDER
SPECIFIC MANDATE**

Financial adviser to the Company



THE SUBSCRIPTIONS

On 15 March 2024 (after trading hours), the Company and the Subscribers entered into the Subscription Agreements respectively, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have agreed to subscribe for, an aggregate of 445,652,177 Subscription Shares at the Subscription Price of HK\$0.46 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 Subscriptions, the total number of 445,652,177 Subscription Shares (of an aggregate nominal value of approximately HK\$4,456,521.77) to be allotted and issued under the Subscriptions represent (i) approximately 77.26% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 43.59% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately upon Completion.

The Subscriptions will be allotted and issued under the Specific Mandate which will be sought from the Independent Shareholders at the SGM.

The gross proceeds from the Subscriptions will be approximately HK\$205.0 million and the net proceeds from the Subscriptions (after taking into account of the CB Offset of approximately HK\$39.0 million and the deduction of all professional fees and related expenses of approximately HK\$3.5 million) is estimated to be approximately HK\$162.5 million, representing a net Subscription Price of approximately HK\$0.36 per Subscription Share. The Subscriptions will enable the Company to strengthen the financial position of the Company. The intended use of the net proceeds from the Subscriptions would be (i) as to approximately HK\$71.3 million or 43.8% for the development of the Mobility Services Business (as defined below); (ii) as to approximately HK\$75.0 million or 46.2% for repayment of the indebtedness; and (iii) as to approximately HK\$16.2 million or 10.0% for general working capital.

LISTING RULES IMPLICATIONS

As the ultimate beneficial owner of Subscriber A, Mr. Ho King Man, Justin, is a substantial Shareholder and hence a connected person of the Company, the Subscription Agreement A and the transactions contemplated thereunder constitute a connected transaction of the Company and shall be subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Subscriptions are conditional upon, among other things, the passing of ordinary resolutions by the Independent Shareholders at the SGM and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Subscription Agreements and the transactions contemplated thereunder, including the approval for the connected transaction pursuant to the Subscription Agreement A, the granting of the Specific Mandate and the issue of the Subscription Shares.

As at the date of this announcement, Subscribers A, E, F, G, H and I are considered to have material interest in the transactions contemplated under the relevant Subscription Agreements, and therefore are required to abstain from voting on the relevant resolution(s) at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, save as disclosed above, none of the other Shareholders has any material interest in the Subscription Agreements and the transactions contemplated thereunder or is otherwise required to abstain from voting on the relevant resolution(s) at the SGM.

The Independent Board Committee comprising all independent non-executive Directors has been established to make recommendation to the Independent Shareholders regarding the Subscription Agreement A and the transactions contemplated thereunder (including the granting of the Specific Mandate for the allotment and issue of the relevant Subscription Shares). An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Subscription Agreement A and the transactions contemplated thereunder (including the granting of the Specific Mandate for the allotment and issue of the relevant Subscription Shares) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

A circular containing, among other things, (i) further information on the Subscriptions; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of convening the SGM, will be despatched to the Shareholders on or before 10 April 2024.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors of the Company should note that the Subscriptions are subject to the fulfilment of the conditions precedent to the Subscription Agreements and may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTIONS

On 15 March 2024 (after trading hours), the Company and the Subscribers entered into the Subscription Agreements respectively, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have agreed to subscribe for, an aggregate of 445,652,177 Subscription Shares at the Subscription Price of HK\$0.46 per Subscription Share.

The Subscription Agreements

The principal terms and conditions of the Subscription Agreements are set out below.

Date : 15 March 2024

Issuer : The Company

Subscribers : each of the Subscribers

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 Subscriptions, the total number of 445,652,177 Subscription Shares (of an aggregate nominal value of approximately HK\$4,456,521.77) to be allotted and issued under the Subscriptions represent (i) approximately 77.26% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 43.59% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately upon Completion.

Details of the Subscription Shares to be subscribed by each of the Subscribers are as follows:

Subscriber	Number of Subscription Shares	As at the date of this announcement	Immediately after Completion <i>Approximate % of the total issued Shares as enlarged by the proposed allotment and issue of the Subscription Shares ^(Note 1)</i>	Aggregate Subscription Price <i>HK\$</i>
Subscriber A	95,652,174	16.58	9.36	44,000,000.04
Subscriber B	153,260,870	26.57	14.99	70,500,000.20
Subscriber C	84,782,609	14.70	8.29	39,000,000.14
Subscriber D	50,869,566	8.82	4.98	23,400,000.36
Subscriber E	12,717,392	2.20	1.24	5,850,000.32
Subscriber F	11,992,501	2.08	1.17	5,516,550.46
Subscriber G	724,891	0.13	0.07	333,449.86
Subscriber H	29,347,826	5.09	2.87	13,499,999.96
Subscriber I	6,304,348	1.09	0.62	2,900,000.08
Total	<u>445,652,177</u>	<u>77.26</u>	<u>43.59</u>	<u>205,000,001.42</u>

Notes:

1. 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 Subscriptions.
2. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Subscription Price

The Subscription Price of HK\$0.46 per Subscription Share represents:

- (i) a discount of approximately 9.80% to the closing price of HK\$0.51 per Share as quoted on the Stock Exchange on 15 March 2024, being the date of the Subscription Agreements; and

(ii) a discount of approximately 16.36% to the average closing price of approximately HK\$0.55 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to, among other things, the prevailing trading price of the Shares and the amount of funds required to be raised by the Company. The Directors (excluding the independent non-executive Directors whose view will be provided after taking into consideration the advice from the Independent Financial Adviser) consider that the Subscription Price and the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Payment terms

Payment of the Subscription Price of approximately HK\$39.0 million by the Subscriber C shall be made at Completion by way of set-off in full against that part of the principal amount under the Convertible Bonds A owing by the Company to the Subscriber C (amounts to HK\$78,000,000 as at the date of this announcement) on a dollar-to-dollar basis (the "CB Offset").

Save as disclosed above, the remaining aggregate Subscription Price of approximately HK\$166.0 million payable by the other Subscribers shall be satisfied in cash at Completion.

Ranking of Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with all other fully paid Shares in issue.

Application for listing

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

Specific Mandate

The Subscriptions will be allotted and issued under the Specific Mandate which will be sought from the Independent Shareholders at the SGM.

Conditions precedent

On the basis that the Subscribers have entered into their respective Subscription Agreements as at the date of this announcement, completion is conditional upon the following conditions being fulfilled as at or prior to Completion:

- (a) the passing by the Shareholders at the SGM all resolutions as may be required under the Listing Rules, the Bye-laws and/or any other applicable Laws and regulations including, without limitation, resolutions approving the issue and allotment by the Company of the Subscription Shares and the transactions thereby contemplated;
- (b) all necessary consents and approvals required to be obtained by the Company in respect of the entering into, execution, delivery and performance of the Subscription Agreements and the transactions thereby contemplated having been obtained;
- (c) the Stock Exchange having granted 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; and
- (d) the representations, warranties and undertakings given and made by the Company to the Subscribers pursuant to the Subscription Agreements remaining true and accurate in all material respects.

If any of the conditions set out above shall not have been fulfilled at or before 6:00 p.m. on the Long Stop Date, the Subscription Agreement(s) shall automatically lapse, and thereupon the Subscription Agreement(s) and everything therein contained including all rights and obligations of the parties under the Subscription Agreement(s) 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

Completion of the Subscription Agreements is not inter-conditional with each other. Subject to the conditions specified in the Subscription Agreements being fulfilled, Completion shall take place in accordance with the terms of the Subscription Agreements at the Hong Kong 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 Subscribers may agree in writing.

REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

Use of proceeds

The gross proceeds from the Subscriptions will be approximately HK\$205.0 million and the net proceeds from the Subscriptions (after taking into account of the CB Offset of approximately HK\$39.0 million and the deduction of all professional fees and related expenses of approximately HK\$3.5 million) is estimated to be approximately HK\$162.5 million, representing a net Subscription Price of approximately HK\$0.36 per Subscription Share. The Subscriptions will enable the Company to strengthen the financial position of the Company. The intended use of the net proceeds from the Subscriptions would be (i) as to approximately HK\$71.3 million or 43.8% for the development of the Mobility Services Business (as defined below); (ii) as to approximately HK\$75.0 million or 46.2% for repayment of the indebtedness; and (iii) as to approximately HK\$16.2 million or 10.0% for general working capital.

Reasons for the Subscriptions

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 (the “**Mobility Services Business**”); (ii) retailing and wholesale of jewellery products, watches and other commodities; and (iii) money lending.

(i) Funding needs for business development

As disclosed in the interim report of the Company for the six months ended 30 June 2023 (the “**2023 Interim Report**”), the growing concern over the negative effects of climate changes has propelled nations worldwide to embrace eco-friendlier modes of transportation and intensify the demand for EVs. According to Bloomberg, the adoption of EVs is expected to increase significantly in the coming years, with a projected 100 million passenger EVs on the roads by 2026. Sales of passenger EVs are expected to rise sharply, with estimates of 42 million units in 2030. Certain countries such as the China, Germany, South Korea, France, the UK and the Nordics countries are expected to have faster EV adoption rates. The outlook for the EV market is highly encouraging, with indications of significant growth and development in the years ahead. The Group is well positioned to capitalise on the vast potential of the global EV market,

leveraging its expertise in the development of high-performance, luxury smart electric passenger cars to meet the needs and aspirations of consumers.

Notwithstanding the bright prospect of the EV market, EV production is a cash-burning business, whereas ramping up production of a new model is a risky and expensive process. The Group has been facing challenges arising from increasingly intensive market competition amid the COVID-19 outbreak, while the Group's next generation hypercar is still under development, which requires substantial and continuous monetary support to invest in the research and development. The Group is racing to bring new models to capitalise on the momentum of the surging demand for EVs, cementing its position as one of the leaders in the luxury mobility market to accommodate the intensive market competition and rising production costs which is expected to require greater cash buffer.

The increasing number of EV players and EV production volume in the market led to increasing demand for key raw materials and components for smart EVs, while the COVID-19 outbreak and restrictive measures adopted by governments together with other adverse macro factors (such as the Russia-Ukraine conflict), had severely disrupted the global supply chain. As a result, the Group has experienced shortages and prices increases of certain key raw materials and components (including semiconductor-containing products and battery cells). The Group foresees that there will still be volatility in the price of the key raw materials and components in near future and the Subscriptions will allow the Group to promptly react to any abrupt market change to satisfy its business needs.

The Group has been continuing to transform into and build up its position as a leading mobility services provider by unveiling to the market its next generation concepts and achievements in technology research and development. In view of the challenging market conditions and in order to ensure the continuous business growth and expansion of the Group, the Directors (excluding the independent non-executive Directors whose view will be provided after taking into consideration the advice from the Independent Financial Adviser) consider that it is in the interests of the Company to raise additional capital in a timely manner to maintain competitiveness and strengthen the cash flow position of the Group in the long run for its business development.

(ii) Repayment of indebtedness

References are made to the announcements of the Company dated 8 September 2023, 9 October 2023 and 18 January 2024 in relation to the Convertible Bonds. As at the date of this announcement, there are outstanding Convertible Bonds with an aggregate principal amount of HK\$113,100,000, which are convertible into 10,281,818 Shares at the conversion price of HK\$11.0 per Share. As at the date of this announcement, 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.

In respect of the Convertible Bonds A, payment of the Subscription Price of approximately HK\$39.0 million by the Subscriber C shall be made at Completion by way of set-off in full against that part of the principal amount under the Convertible Bonds A owing by the Company to the Subscriber C (amounts to HK\$78,000,000 as at the date of this announcement) on a dollar-to-dollar basis. The payment of the remaining balance payable under the Convertible Bonds A (together with the accrued interest) will be made by the Company by utilising part of the net proceeds from the Subscriptions.

As disclosed in the 2023 Interim Report, the Group's revenue decreased from approximately HK\$463.4 million for the six months ended 31 March 2022 to approximately HK\$127.6 million for the six months ended 30 June 2023, and recorded a net loss of approximately HK\$82.4 million. Such decrease was mainly due to the decrease in sales and distribution of vehicles as the next generation hypercar was still under development. The Group also recorded a net cash outflow from operating activities of approximately HK\$29.9 million for the six months ended 30 June 2023. As at 30 June 2023, the Group's interest-bearing bank borrowings and convertible bonds amounted to approximately HK\$81.4 million and HK\$159.2 million, respectively, whilst its cash and cash equivalents amounted to approximately HK\$117.2 million. Having considered the deteriorating financial position of the Group, and the repayment deadline of the Convertible Bonds as discussed above, the Directors consider that immediate financing is necessary to settle the Convertible Bonds in full on one hand and, on the other hand, sufficient liquidity and cash reserve shall be made available for future development of the Group's core businesses. Hence, the Directors consider that it is essential to remain cautious in its treasury planning and to maintain a relatively high level of cash on hand to support the working capital requirements of the Group's daily operation.

Taking into consideration of the Group's (i) outstanding indebtedness; (ii) working capital requirement; and (iii) current financial conditions, the Company has been proactively seeking equity and debt financing opportunities and implementing strategies to conduct active dialogue with the CB Holder A and CB Holder B and major Shareholders on the Group's business developments so as to improve overall financing cash flows and accommodate the payment terms of the current and future indebtedness of the Group. In light of the above, the Subscriptions will allow the Company to fully settle the Convertible Bonds (together with the accrued interest) with sufficient fundings retained for general working capital and business development, while improving the gearing level and hence strengthening the overall financial position of the Group.

Financing alternatives

The Directors have considered various fund raising proposals including debt financing and bank borrowings, and various means of equity financing such as rights issue, open offer and placement of Shares.

In respect of debt financing and bank borrowings, taking into consideration that (i) one of the rationales for the Subscriptions is to improve the Group's gearing level which could not be achieved by debt financing; (ii) the Subscriptions do not incur any interest expenses as compared to bank financing or the issue of bonds; and (iii) bank financing generally involves pledge of assets and/or securities which may reduce the Group's flexibility, therefore, the Directors considered debt financing and bank borrowings are not viable financing alternatives for the Group.

In respect of equity financing, taking into consideration on that (i) pre-emptive fundraising methods such as rights issue or open offer normally take at least five to six weeks, and lengthy discussions with potential commercial underwriters may also be involved; (ii) additional costs, including but not limited to underwriting commission and other professional fees may be incurred; (iii) rights issue, open offer and placement of new Shares may be subject to underwriting uncertainty and market risk; and (iv) the Company attempted to engage placing agent for share placement or underwriter for rights issue/open offer but in vain under the current market conditions, therefore, the Directors considered equity financing is not a viable financing alternative for the Group.

In light of the above, in particular the time and costs incurred, and the uncertainties involved for the debt financing and equity financing as compared to that of the Subscriptions, the Directors are of the view that the Subscriptions are comparatively a more appropriate and viable mean of fund raising in light of the Group's circumstances.

In view of the foregoing, the Directors considered that the Subscriptions can (i) relieve the Group from short-term repayment obligations for the indebtedness; (ii) maintain available cash for the future business development of the Group; and (iii) enlarge the Shareholders' base by introducing new shareholders. As such, the Directors (excluding the independent non-executive Directors whose view will be provided after taking into consideration the advice from the Independent Financial Adviser) consider that the terms of the Subscription Agreements and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

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

Set out below the details of the equity fund raising activity of the Company conducted in the past twelve months immediately preceding the date of this announcement.

Date of announcements	Fund raising activity	Net proceeds raised (Approx.)	Intended use of the net proceeds (Approx.)	Actual use of proceeds (Approx.)
15 January 2024 and 24 January 2024	Placing of new Shares under general mandate	HK\$48.0 million	(i) HK\$10.0 million for repayment of the indebtedness of the Group; and (ii) HK\$38.0 million for general working capital.	(i) HK\$10.0 million has been used as intended. (ii) HK\$12.2 million has been used as intended.

Save as disclosed above, 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 outstanding 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 Subscriptions); and (iii) immediately

after Completion (assuming that outstanding Share Options are fully exercised, the Convertible Bonds are fully converted 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 Subscriptions):

	As at the date of this announcement		Immediately after Completion (assuming that the outstanding 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 Subscriptions)		Immediately after Completion (assuming that outstanding Share Options are fully exercised, the Convertible Bonds are fully converted 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 Subscriptions)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
A: Non-public Shareholders						
Subscriber A ^(Note 1)	124,485,808	21.58	220,137,982	21.53	222,637,982	20.49
Subscriber B	—	—	153,260,870	14.99	153,260,870	14.10
Mr. Teoh Chun Ming ^(Note 2)	—	—	—	—	250,000	0.02
Mr. Peter Edward Jackson ^(Note 3)	—	—	—	—	250,000	0.02
Mr. Charles Matthew Pecot III ^(Note 4)	—	—	—	—	200,000	0.02
Sub-total	124,485,808	21.58	373,398,852	36.52	376,598,852	34.65
B: Public Shareholders						
Subscriber C ^(Note 5)	—	—	84,782,609	8.29	88,328,063	8.13
Subscriber D	—	—	50,869,566	4.98	50,869,566	4.68
Subscriber E ^(Note 6)	16,523,292	2.86	29,240,684	2.86	32,431,593	2.98
Subscriber F	15,580,975	2.70	27,573,476	2.70	27,573,476	2.54
Subscriber G	942,316	0.16	1,667,207	0.16	1,667,207	0.15
Subscriber H	21,593,800	3.74	50,941,626	4.98	50,941,626	4.69
Subscriber I	2,476,200	0.43	8,780,548	0.86	8,780,548	0.81
Sub-total	57,116,583	9.89	253,855,716	24.83	260,592,079	23.98
Sub-total of Subscribers	181,602,391	31.47	627,254,568	61.35	636,490,931	58.57
C: Other public Shareholders						
WM Motor Holdings Limited ^(Note 7)	113,777,267	19.73	113,777,267	11.13	113,777,267	10.47
Other public Shareholders	281,406,255	48.80	281,406,255	27.52	335,730,655	30.90
Sub-total	395,183,522	68.53	395,183,522	38.65	449,507,922	41.37
(B+C): Sub-total of public Shareholders	452,300,105	78.42	649,039,238	63.48	710,100,001	65.35
(A+B+C): Total	576,785,913	100.00	1,022,438,090	100.00	1,086,698,853	100.00

Notes:

1. Among 124,485,808 Shares, (i) 123,641,208 Shares are owned by Ruby Charm Investment Limited, a private company directly wholly-owned by Mr. Ho King Man, Justin; and (ii) 844,600 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 under the 2013 Share Option Scheme (with an exercise price of HK\$35.64).
2. 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).
3. 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).
4. 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).
5. Upon Completion (after taking into account of the CB Offset), Walong Holdings Limited will hold these Shares and the Convertible Bonds A in the principal amount of approximately HK\$39.0 million (convertible into 3,545,454 Shares).
6. Vivaldi International Limited holds Convertible Bonds B in the principal amount of HK\$35,100,000 (convertible into 3,190,909 Shares).
7. These Shares are 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.
8. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

INFORMATION ON THE SUBSCRIBERS

Subscriber A

Subscriber A, 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 Subscriber A is Mr. Ho King Man, Justin.

As at the date of this announcement, Mr. Ho King Man is a senior advisor to the Board and is interested in 124,485,808 Shares, representing approximately 21.58% of the existing issued share capital of the Company as at the date of this announcement, and therefore is a connected person of the Company under the Listing Rules. Upon Completion, Mr. Ho King Man, Justin will be interested in 220,137,982 Shares, representing approximately 21.53% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

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.

Subscriber B

Subscriber B, Atlantis Multi-Strategy Capital VCC (on behalf of MPW Index Supreme Investment Fund), which is a variable capital company incorporated in Singapore under the Singapore Variable Capital Companies Act. The investment strategy of MPW Index Supreme Investment Fund is to consistently generate positive returns in the long run throughout diverse economic cycles by seeking high conviction investment opportunities. The manager of MPW Index Supreme Investment Fund is Atlantis Investment Management (Singapore) Pte. Ltd., a holder of Capital Markets Services Licence issued pursuant to the Securities and Futures Act 2001 of Singapore.

Subscriber C

Subscriber C, Walong Holdings Limited, which is a company incorporated in the British Virgin Islands with limited liability and an investment holding company. Subscriber C is also referred herein to as CB Holder A.

Subscriber D

Subscriber D, Talent Frontier Limited, which is a company incorporated in the British Virgin Islands with limited liability and an investment holding company.

Subscriber E

Subscriber E, Vivaldi International Limited, which is a company incorporated in the British Virgin Islands with limited liability and an investment holding company. Subscriber E is also referred herein to as CB Holder B.

Subscriber F

Subscriber F, Ocean Dynasty Investments Limited, which is a company incorporated in the British Virgin Islands with limited liability and an investment holding company.

Subscriber G

Subscriber G, Goldrank Limited, which is a company incorporated in the British Virgin Islands with limited liability and an investment holding company.

Subscriber H

Subscriber H, Sino-Alliance International, Ltd., which is a private company directly wholly owned by Shanghai Alliance Investment Ltd.* (上海聯和投資有限公司) (“**SAIL**”).

As at the date of this announcement, WESail New Energy Automotive Co. Ltd.* (上海聯和力世紀新能源汽車有限公司) (the “**JV**”) is a non-wholly owned subsidiary of the Company, which is held as to 60% by a wholly-owned subsidiary of the Company and as to 40% by SAIL. The related applicable percentage ratios of the JV as defined under Rule 14A.09 of the Listing Rules did not exceed 10% for each of the three consecutive years ended 31 December 2022. Therefore, the JV is an insignificant subsidiary of the Company under Rule 14A.09(1) of the Listing Rules, pursuant to which, Subscriber G or its controlling shareholder(s) is not a connected person of the Company under Chapter 14A of the Listing Rules.

Subscriber I

Subscriber I, Top Laurels Limited, which is a company incorporated in the Cayman Islands with limited liability and an investment holding company.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquires, (i) save for Subscribers A, C, E, F, G, H and I, none of the other Subscribers or its controlling shareholder(s) hold any Shares or underlying Shares prior to the entering into of the Subscription Agreements;

and (ii) save for Subscriber A, each of the Subscribers and their ultimate beneficial owners is a third party independent of and not connected with the Company and its connected persons.

Upon Completion, save for Subscribers A and B, none of the other Subscribers nor their respective associates will become a substantial shareholder of the Company.

LISTING RULES IMPLICATIONS

As the ultimate beneficial owner of Subscriber A, Mr. Ho King Man, Justin, is a substantial Shareholder and hence a connected person of the Company, the Subscription Agreement A and the transactions contemplated thereunder constitute a connected transaction of the Company and shall be subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Subscriptions are conditional upon, among other things, the passing of ordinary resolutions by the Independent Shareholders at the SGM and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Subscription Agreements and the transactions contemplated thereunder, including the approval for the connected transaction pursuant to the Subscription Agreement A, the granting of the Specific Mandate and the issue of the Subscription Shares.

As at the date of this announcement, Subscribers A, E, F, G, H and I are considered to have material interest in the transactions contemplated under the relevant Subscription Agreements, and therefore are required to abstain from voting on the relevant resolution(s) at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, save as disclosed above, none of the other Shareholders has any material interest in the Subscription Agreements and the transactions contemplated thereunder or is otherwise required to abstain from voting on the relevant resolution(s) at the SGM.

The Independent Board Committee comprising all independent non-executive Directors has been established to make recommendation to the Independent Shareholders regarding the Subscription Agreement A and the transactions contemplated thereunder (including the granting of the Specific Mandate for

the allotment and issue of the relevant Subscription Shares). An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Subscription Agreement A and the transactions contemplated thereunder (including the granting of the Specific Mandate for the allotment and issue of the relevant Subscription Shares) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

A circular containing, among other things, (i) further information on the Subscriptions; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of convening the SGM, will be despatched to the Shareholders on or before 10 April 2024.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors of the Company should note that the Subscriptions are subject to the fulfilment of the conditions precedent to the Subscription Agreements and may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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
“2023 Share Option Scheme”	the share option scheme adopted by the Company on 30 June 2023
“associate(s)”	having the meaning ascribed thereto under the Listing Rules
“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

“Bye-laws”	the bye-laws of the Company as amended from time to time
“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 Subscriptions in accordance with the terms and conditions set out in the Subscription Agreements
“Completion Date”	the fifteenth (15th) Business Day after the day on which the conditions precedent to the Subscription Agreements have been fulfilled, or such other date as the Company and the Subscribers may agree in writing, on which Completion shall take place
“connected person(s)”	having the meaning ascribed thereto under the Listing Rules
“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 (i.e., Subscriber C or CB Holder A) 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 issued by the Company in favour of Vivaldi International Limited (i.e., Subscriber E or CB Holder B) as at the date of this announcement
“COVID-19”	novel coronavirus (COVID-19), a coronavirus identified as the cause of an outbreak of respiratory illness

“Directors”	directors of the Company
“EV(s)”	electric vehicle(s)
“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 PRC
“Independent Board Committee”	an independent board committee which comprises all the independent non-executive Directors to advise the Independent Shareholders as to the Subscription Agreements and the transactions contemplated thereunder (including the granting of the Specific Mandate for the allotment and issue of the Subscription Shares)
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement A and the transactions contemplated thereunder (including the granting of the Specific Mandate for the allotment and issue of the relevant Subscription Shares)
“Independent Shareholders”	the Shareholder(s), other than those who are required under the Listing Rules to abstain from voting at the SGM to approve the Subscription Agreement A and the transactions contemplated thereunder (including the granting of the Specific Mandate for the allotment and issue of the relevant Subscription Shares)

“Law(s)”	all applicable laws, legislation, statutes, directives, rules, regulations, judgments, decisions, decrees, orders, guidelines, instruments, by-laws, and other legislative measures or decisions having the force of law, treaties, conventions and other agreements between states, or between states and other supranational bodies, rules of common law, customary law and equity and all civil or other codes and all other laws of, or having effect in, any jurisdiction from time to time
“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 six (6) months from the date of the Subscription Agreements (or such later date as may be agreed by the parties in writing)
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SGM”	a special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Subscription Agreements and the transactions contemplated thereunder (including the approval for the connected transaction pursuant to the Subscription Agreement A, the granting of the Specific Mandate for the allotment and issue of the Subscription Shares)
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Share Options”	57,524,400 outstanding options granted under the 2013 Share Option Scheme and the 2023 Share Option Scheme

“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be obtained from the Independent Shareholders at the SGM to allot and issue the Subscription Shares to the Subscribers pursuant to the Subscription Agreements
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber A”	Ruby Charm Investment Limited, details of which are described in the section headed “Information on the Subscribers” in this announcement
“Subscriber B”	Atlantis Multi-Strategy Capital VCC (on behalf of MPW Index Supreme Investment Fund), details of which are described in the section headed “Information on the Subscribers” in this announcement
“Subscriber C” or “CB Holder A”	Walong Holdings Limited, details of which are described in the section headed “Information on the Subscribers” in this announcement
“Subscriber D”	Talent Frontier Limited, details of which are described in the section headed “Information on the Subscribers” in this announcement
“Subscriber E” or “CB Holder B”	Vivaldi International Limited, details of which are described in the section headed “Information on the Subscribers” in this announcement
“Subscriber F”	Ocean Dynasty Investments Limited, details of which are described in the section headed “Information on the Subscribers” in this announcement
“Subscriber G”	Goldrank Limited, details of which are described in the section headed “Information on the Subscribers” in this announcement
“Subscriber H”	Sino-Alliance International, Ltd., details of which are described in the section headed “Information on the Subscribers” in this announcement

“Subscriber I”	Top Laurels Limited, details of which are described in the section headed “Information on the Subscribers” in this announcement
“Subscribers”	the subscribers subscribing for the Subscription Shares under the Subscriptions, that is, Subscribers A, B, C, D, E, F, G, H and I, and each a “Subscriber”
“Subscription Agreement A”	the Subscription Agreement entered into between the Company and the Subscriber A dated 15 March 2024
“Subscription Agreements”	the subscription agreements entered into between the Company and each of the Subscribers respectively dated 15 March 2024 in relation to the Subscriptions, and each a “Subscription Agreement”
“Subscription Price”	HK\$0.46 per Subscription Share
“Subscription Shares”	445,652,177 Shares to be issued pursuant to the Subscriptions
“Subscriptions”	the subscriptions of the Subscription Shares by the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“substantial shareholder(s)”	having the meaning ascribed thereto under the Listing Rules
“%”	per cent

* *For identification purpose only*

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

Hong Kong, 15 March 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.