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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the "Board") of directors (the "Directors") of Apollo Future Mobility Group Limited ("AFMG" or the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2023 (the "Year") together with the comparative figures for the fifteen months ended 31 December 2022, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	**Year ended 31 December 2023** *HK$'000*	Fifteen months ended 31 December 2022 *HK$'000*
REVENUE	3	**279,213**	774,888
Cost of sales		**(216,066)**	(615,179)
Gross profit		**63,147**	159,709
Other income		**2,079**	25,042
Other gains/(losses), net		**(597,242)**	523,779
Selling and distribution expenses		**(10,959)**	(19,490)
General and administrative expenses		**(161,022)**	(275,340)
Research and development costs		**(24,773)**	(55,478)
Finance costs		**(22,187)**	(21,450)
Share of profits and losses of:			
Joint venture		**(96,784)**	(25,209)
Associate		**(20,164)**	(43,828)
PROFIT/(LOSS) BEFORE TAX	4	**(867,905)**	267,735
Income tax expense	5	**(1,071)**	(1,376)
PROFIT/(LOSS) FOR THE YEAR/PERIOD		**(868,976)**	266,359
Attributable to:			
Owners of the Company		**(860,535)**	263,459
Non-controlling interests		**(8,441)**	2,900
		(868,976)	266,359
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		(Restated)
Basic		**HK(179.0) cents**	HK61.9 cents
Diluted		**HK(182.9) cents**	HK36.5 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Year ended 31 December 2023 *HK$'000*	Fifteen months ended 31 December 2022 *HK$'000*
PROFIT/(LOSS) FOR THE YEAR/PERIOD	**(868,976)**	266,359
OTHER COMPREHENSIVE INCOME/ (LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(49,805)**	(207,739)
Reclassification adjustments for foreign operations disposed of during the year/period	**792**	457
	(49,013)	(207,282)
Share of other comprehensive income/(loss) of a joint venture and an associate	**(1,591)**	7,052
OTHER COMPREHENSIVE LOSS FOR THE YEAR/PERIOD	**(50,604)**	(200,230)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR/PERIOD	**(919,580)**	66,129
Attributable to:		
Owners of the Company	**(912,234)**	63,181
Non-controlling interests	**(7,346)**	2,948
	(919,580)	66,129

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	**31 December 2023** ***HK$'000***	31 December 2022 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**70,110**	79,237
Investment properties		**12,321**	12,387
Right-of-use assets		**51,480**	56,893
Goodwill		**1,253,509**	1,740,594
Other intangible assets		**260,829**	251,959
Interest in a joint venture		**–**	6,808
Interest in an associate		**–**	–
Financial assets at fair value through profit or loss		**1,466,135**	1,415,199
Loans receivable		**83,983**	27,388
Deferred tax assets		**1,807**	306
Deposits		**155**	2,544
Total non-current assets		**3,200,329**	3,593,315
CURRENT ASSETS			
Inventories		**75,871**	90,605
Accounts receivable	*8*	**1,844**	39,443
Loans receivable		**125,560**	174,649
Prepayments, deposits and other receivables		**451,678**	312,914
Tax recoverable		**98**	203
Cash and cash equivalents		**64,289**	52,528
		719,340	670,342
Assets of disposal groups classified as held for sale	*11*	**–**	670,172
Total current assets		**719,340**	1,340,514

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2023

	Notes	31 December 2023 HK$'000	31 December 2022 HK$'000
CURRENT LIABILITIES			
Accounts payable	9	**101,379**	107,718
Other payables and accruals		**263,718**	172,357
Interest-bearing bank borrowings		**19,586**	74,113
Lease liabilities		**2,743**	1,347
Convertible bonds		**121,182**	176,218
Tax payable		**16,145**	17,062
		524,753	548,815
Liabilities directly associated with the assets classified as held for sale	11	**–**	70,075
Total current liabilities		**524,753**	618,890
NET CURRENT ASSETS		**194,587**	721,624
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,394,916**	4,314,939
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**18,179**	14,063
Lease liabilities		**77**	4,942
Deferred tax liabilities		**35,203**	35,148
Total non-current liabilities		**53,459**	54,153
Net assets		**3,341,457**	4,260,786
EQUITY			
Equity attributable to owners of the Company			
Issued capital	10	**4,807**	961,310
Reserves		**3,358,406**	3,314,137
		3,363,213	4,275,447
Non-controlling interests		**(21,756)**	(14,661)
Total equity		**3,341,457**	4,260,786

NOTES

For the year ended 31 December 2023

1. CORPORATE INFORMATION

Apollo Future Mobility Group Limited was incorporated in the Cayman Islands as an exempted company with limited liability. During the year ended 31 December 2023, the Company redomiciled from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda (the "Change of Domicile"). With effect from the Change of Domicile becoming effective on 12 December 2023, the registered office of the Company has been changed to Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business in Hong Kong remains at Units 2001–2002, 20/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Sheung Wan, Hong Kong.

2.1 BASIS OF PREPARATION

Pursuant to a resolution of the Board passed on 22 August 2022, the Company's financial year end date was changed from 30 September to 31 December with effect from 22 August 2022. Accordingly, the financial statements of the Group for the prior period covered a period of fifteen months from 1 October 2021 to 31 December 2022. The comparative amounts presented for the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes, which covered a period of fifteen months from 1 October 2021 to 31 December 2022, are therefore not comparable with those of the current year.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss and convertible bonds which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. The financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	*Reference to the Conceptual Framework*
HKFRS 17	*Insurance Contracts*
Amendments to HKFRS 17	*Insurance Contracts*
Amendment to HKFRS 17	*Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform — Pillar Two Model Rules*
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to HKAS 37	*Onerous Contracts — Cost of Fulfilling a Contract*
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

(a) Amendments to HKFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the "**Conceptual Framework**") issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2023. Since the amendments apply prospectively to business combinations for which the acquisition date 0s on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

(b) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(c) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(d) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. Upon the application of the amendments, the Group has determined the temporary differences arising from right-of-use assets and lease liabilities separately, which have been reflected in the reconciliation disclosed in the financial statements. However, they did not have any material impact on the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualified for offsetting under HKAS 12.

(e) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

(f) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by

HKAS 2 Inventories, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

(g) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

(h) Annual Improvements to HKFRSs 2018–2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendment that is expected to be applicable to the Group are as follows:

- HKFRS 9 *Financial Instruments:* clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.

3. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December 2023 *HK$'000*	Fifteen months ended 31 December 2022 *HK$'000*
Revenue from contracts with customers		
Sales and distribution of vehicles and related components, provision of engineering services, provision of design, development and prototyping of vehicle components and licencing income	**14,223**	218,819
Sales of jewellery products, watches and other commodities	**237,378**	507,760
	251,601	726,579
Revenue from other sources		
Interest income from loan financing	**27,612**	48,309
	279,213	774,888

4. PROFIT/(LOSS) BEFORE TAX

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

	Year ended 31 December 2023 *HK$'000*	Fifteen months ended 31 December 2022 *HK$'000*
Cost of inventories sold	**193,996**	523,986
Fair value gains on investment properties*	**(287)**	(385)
Fair value gains on financial assets at fair value through profit or loss, net*	**(72,691)**	(439,252)
Fair value gains on contingent consideration payables, net*	**–**	(274,943)
Fair value losses/(gains) on convertible bonds*	**(10,617)**	12,418
Impairment of goodwill*	**410,210**	107,824
Impairment/(reversal of impairment) of accounts receivable, net*	**362**	(1,001)
Impairment of loans receivable, net*	**97,195**	38,848
Loss/(gain) on disposal of subsidiaries*	**(24,122)**	4,249
Write-down of inventories to net realisable value	**16,980**	24,249

* Included in "Other gains/(losses), net" on the face of the consolidated statement of profit or loss.

5. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (fifteen months ended 31 December 2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (fifteen months ended 31 December 2022: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (fifteen months ended 31 December 2022: 8.25%) and the remaining assessable profits are taxed at 16.5% (fifteen months ended 31 December 2022: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	Year ended 31 December 2023 *HK$'000*	Fifteen months ended 31 December 2022 *HK$'000*
Current:		
Hong Kong		
Charge for the year/period	**1,997**	10,468
Overprovision in prior years/periods	**(165)**	(3,232)
Elsewhere		
Charge for the year/period	**653**	3,754
Overprovision in prior years/periods	**–**	(8,076)
Deferred	**(1,414)**	(1,538)
Total tax charge for the year/period	**1,071**	1,376

6. DIVIDEND

The board of directors of the Company does not recommend the payment of any dividend in respect of the year ended 31 December 2023 (fifteen months ended 31 December 2022: Nil).

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the year/period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 480,654,928 (fifteen months ended 31 December 2022: 425,792,270 (restated)) in issue during the year/period, as adjusted for the consolidation of ordinary shares of the Company on the basis of every twenty shares into one consolidated share effective from 14 December 2023 and adjusted to exclude the shares repurchased during the fifteen months ended 31 December 2022.

The calculation of the diluted loss per share amount for the year ended 31 December 2023 is based on the loss for the year 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 year ended 31 December 2023 is the number of ordinary shares in issue during the year, as used in the basic loss per share calculation. No adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2023 in respect of a dilution arising from share options and convertible bonds as the impact of the share options and convertible bonds outstanding had an anti-dilutive effect on the basic loss per share amount presented.

The calculation of the diluted earnings per share amount for the fifteen months ended 31 December 2022 is based on the profit 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 earnings per share amount for the fifteen months ended 31 December 2022 is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive share options into ordinary shares. No adjustment has been made to the basic earnings per share amount presented for the fifteen months ended 31 December 2022 in respect of a dilution arising from convertible bonds as the impact of the convertible bonds outstanding had an anti-dilutive effect on the basic earnings per share amount presented.

The calculations of basic and diluted earnings/(loss) per share are based on:

Earnings/(loss)

	Year ended 31 December 2023 *HK$'000*	Fifteen months ended 31 December 2022 *HK$'000*
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic earnings/(loss) per share calculation	**(860,535)**	263,459
Effect of dilutive potential ordinary shares arising from adjustment to the share of loss of an associate	**(18,640)**	(108,127)
Profit/(loss) attributable to ordinary equity holders of the Company, used in the diluted earnings/(loss) per share calculation	**(879,175)**	155,332

Shares

	Number of shares	
	Year ended 31 December 2023	Fifteen months ended 31 December *2022* (Restated)
Weighted average number of ordinary shares in issue during the year/period used in the basic earnings/(loss) per share calculation	**480,654,928**	425,792,270
Effect of dilution – weighted average number of ordinary shares:		
Share options	**–**	6,300
Weighted average number of ordinary shares in issue during the year/period used in the diluted earnings/(loss) per share calculation	**480,654,928**	425,798,570

8. ACCOUNTS RECEIVABLE

	31 December 2023 *HK$'000*	31 December 2022 *HK$'000*
Accounts receivable	**3,020**	40,265
Impairment	**(1,176)**	(822)
	1,844	39,443

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.

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 December 2023 *HK$'000*	31 December 2022 *HK$'000*
Within 30 days	**218**	28,725
31 to 60 days	**1**	589
61 to 90 days	**1**	8,095
Over 90 days	**1,624**	2,034
	1,844	39,443

9. 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 December 2023 *HK$'000*	31 December 2022 *HK$'000*
Within 30 days	**721**	18,000
61 to 90 days	**–**	223
Over 90 days	**100,658**	89,495
	101,379	107,718

10. ISSUED CAPITAL

	2023	2022
	HK$'000	*HK$'000*
Authorised:		
200,000,000,000 (2022: 20,000,000,000) ordinary shares of HK$0.01 (2022: HK$0.1) each	**2,000,000**	2,000,000
Issued and fully paid:		
480,654,928 (2022: 9,613,098,562) ordinary shares of HK$0.01 (2022: HK$0.1) each	**4,807**	961,310

A summary of movements in the Company's authorised and issued share capital is as follows:

	Number of ordinary shares	**Nominal value of ordinary shares**
	'000	*HK$'000*
Authorised:		
At 1 October 2021	10,000,000	1,000,000
Increase in authorised share capital	10,000,000	1,000,000
At 31 December 2022 and at 1 January 2023	20,000,000	2,000,000
Consolidation of shares (a)	(19,000,000)	–
Sub-division of shares (c)	199,000,000	–
At 31 December 2023	200,000,000	2,000,000

	Number of ordinary shares *'000*	Issued capital *HK$'000*
Issued and fully paid:		
At 1 October 2021	7,982,795	798,279
Issue of new shares	1,655,232	165,524
Share repurchased and cancelled	(24,928)	(2,493)
At 31 December 2022 and at 1 January 2023	9,613,099	961,310
Consolidation of shares (a)	(9,132,444)	–
Capital reduction (b)	–	(956,503)
At 31 December 2023	480,655	4,807

Notes

(a) Pursuant to an ordinary resolution passed in the extraordinary general meeting of the Company on 24 October 2023, every twenty shares of the Company of HK$0.1 each were consolidated into one consolidate share of the Company of HK$2.0 each with effect on 14 December 2023 (the "Share Consolidation").

(b) The reduction of the issued share capital of the Company by eliminating any fraction of a consolidated share in the issued capital of the Company arising from the Share Consolidation and cancelling the paid-up share capital of the Company to the extent of HK$1.99 per issued consolidated share such that the nominal value of each issued consolidated share be reduced from HK$2.00 to HK$0.01.

(c) The sub-division of each authorised but unissued consolidated share of par value of HK$2.00 each into two hundred new shares of par value of HK$0.01 each.

11. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

(a) On 23 December 2022, the Company (as seller) entered into an agreement with Mobility Technology Group Inc. ("MTG"), pursuant to which the Company had conditionally agreed to sell and MTG had conditionally agreed to acquire 100% equity interest in Ideenion Automobil AG ("Ideenion") for a total consideration EUR15,000,000 (equivalent to approximately HK$124,350,000 as at 23 December 2022) (the "Ideenion Disposal"). Ideenion and its subsidiaries were principally engaged in the design, development and prototyping of internal combustion engine vehicles and new energy vehicles. Accordingly, the assets and liabilities of the Ideenion Group as at 31 December 2022 were classified as a disposal group held for sale. The completion of the Ideenion Disposal took place on 22 February 2023 and gain on disposal of subsidiaries of HK$6,590,000 was recognised during the year ended 31 December 2023.

(b) On 30 December 2022, Ming Fung Investment Holdings Limited ("Ming Fung"), an indirect wholly-owned subsidiary of the Company, (as seller) entered into an agreement with Innosophi Company Limited ("Innosophi"), pursuant to which Ming Fung had conditionally agreed to sell and Innosophi had conditionally agreed to acquire the entire share capital of Chance Achieve Limited ("Chance Achieve") for a total consideration of HK$408,000,000 (the "Chance Achieve Disposal"). Chance Achieve was principally engaged in money lending in Hong Kong. Innosophi is an investment holding company wholly-owned by Mr. Freeman Hui Shen, a former non-executive director of the Company and a substantial shareholder of the Company. Accordingly, the assets and liabilities of Chance Achieve as at 31 December 2022 were classified as a disposal group held for sale. The completion of the Chance Achieve Disposal took place on 31 July 2023 and gain on disposal of a subsidiary of HK$18,163,000 was recognised during the year ended 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Hypercar Market

The hypercar market continued to exhibit momentum during the Year. According to Business Research Company, a leading research company, the global hypercar market size is expected to grow from a value of approximately United States dollars ("US$") 19.16 billion in 2023 to US$25.6 billion in 2024 at a compound annual growth rate ("CAGR") of 33.6%, driven by development of advanced technologies and burgeoning demand from ultra-high-net-worth consumers for peak-performance vehicles. During the Year, Europe and North America remained the key regions driving the hypercar market. Notably, Italy, Germany, and the United Kingdom have emerged as leading producers, actively contributing to the market's growth within Europe. In North America, the United States is anticipated to be a major market for hypercars. The introduction of new products and technologies by industry leaders is expected to provide impetus to the growth of the hypercar market within these regions. Hypercar manufacturers' deployment of state-of-the-art materials, advanced engines, energy absorption technology, crash management technology and others, has further contributed to the sector's growth.

High-end Vehicles and Luxury Vehicles

Expert Market Research, another market research and business intelligence company, revealed that the global luxury car market size recorded a value of US$483.84 billion in 2023 and is projected to grow to US$744.20 billion by 2032 at a CAGR of 4.9% during 2024–2032. The luxury car market has witnessed significant expansion driven by remarkable technological advancements in the realm of high-end automobiles. This growth has been further bolstered by an increasing desire among consumers for premium vehicles as they yearn for superior driving experiences, coupled with the rising disposable income levels.

New Energy Vehicles

The global automotive industry has built a resilient recovery from the COVID-19 pandemic with electric vehicles ("EV(s)") outperforming the market during the Year. This performance is primarily attributable to the global commitment to environmental protection and the vital role that new energy vehicles ("NEV(s)") play in reducing carbon emissions in the global transportation sector. Governments across different nations have continued to provide ongoing financial incentives, extensive charging infrastructure and favourable policies that support the adoption and proliferation of NEVs. Data released by research institution EV Volumes shows that global delivery of Battery Electric Vehicles ("BEV") and Plug-in Hybrids ("PHEV') reached 14.2 million units in 2023, representing a year-on-year growth of 35%. Among them, 10 million were BEVs and 4.2 million were PHEVs and Range Extender EVs.

China has maintained its position as the world's largest market for EVs for nine consecutive years, with sales reaching 8.4 million units during the Year, accounting for 59% of global sales. It is also the largest EV production base as 65% of global EVs were produced in China. To further consolidate and expand China's advantages in developing the NEV industry, the Chinese government announced that the NEV purchase tax exemption policy has been extended by four years until the end of 2027. Specifically, from 1 January 2024 to 31 December 2025, no vehicle purchase tax will be levied, and the tax exemption amount for each new energy passenger vehicle will not exceed Renminbi ("RMB") 30,000. From1 January 2026 to 31 December 2027, the vehicle purchase tax will be reduced by half, and the tax reduction amount for each new energy passenger vehicle will not exceed RMB15,000. This policy demonstrates continued government support for developing the NEV industry with an aim to ensure the stability of market development.

BUSINESS REVIEW

During the Year, the Group continued to develop top-tier hypercars and luxury EVs, further solidifying its leading position in the luxury mobility sector.

Apollo Hypercar

Apollo Intensa Emozione ("Apollo IE"), being the Group's flagship hypercar model, epitomises an extraordinary blend of raw performance and sheer emotion. Equipped with a striking design, a lightweight carbon fiber body, and a powerful naturally aspirated V12 engine, the Apollo IE delivers an exhilarating driving experience. Its aerodynamic features and advanced suspension system provide exceptional handling and track performance. This hypercar stands as a testament to the Group's unwavering commitment to pushing the boundaries of automotive engineering and delivering an unparalleled driving sensation.

Succeeding the critically acclaimed Apollo IE, Apollo Project EVO marks a groundbreaking leap in hypercar innovation. This exceptional vehicle inherits the characteristics of the Apollo IE, featuring carbon-fibre bodywork and captivating aesthetics that leave a lasting impression. Redefining the landscape of internal combustion engine hypercars, this exceptional car showcases unparalleled innovation and performance. With its advanced carbon monocoque, it achieves a perfect balance of lightweight design and robustness, promising exceptional handling and driving dynamics. Beyond its engineering prowess, Apollo Project EVO is a true masterpiece of design, with every curve meticulously crafted for an intense visual experience. Anticipated to open for pre-orders in the coming year, this hypercar is poised to capture the imagination of automotive enthusiasts worldwide.

During the Year, the Apollo IE and Apollo Project EVO made waves at various prestigious events across Europe, providing enthusiasts and potential buyers with a first-hand personal experience with these exceptional vehicles. From the test week in Guadix, Spain, to Munich's Mobility Festival (MYLE) in May, which drew over 42,000 visitors, and the 3-day MIMO event in Italy, attended by more than 60,000 enthusiasts, the Apollo hypercars demonstrated their stunning propulsion and top-speed performance. They also graced the Le Mans Classic 2023, a globally renowned motorsports event, and made an appearance in the 24 Hours of Spa in Belgium, brandishing their prowess and solidifying their reputation among the finest in the hypercar world.

In addition, Apollo IE was showcased in the prestigious Gold Coast Motor Festival 2023 in November. The event celebrated the 30th anniversary of Hong Kong's Gold Coast and featured a diverse array of automobiles and yachts, from classic and collector cars to super and hypercars. Apollo IE brandished its prowess with its avant-garde design and peak performance powered by its uniquely designed chassis and the naturally aspirated 6.3 litre V12 engine. The event highlighted the Group's high value branding and state-of-the-art innovation, positioning Apollo IE as the sought-after hypercar.

Apollo EV

During the Year, the Group has actively engaged in exploring the luxury EV market and assessing the potential of this segment. Drawing upon its extensive expertise in hypercar development, the Group has envisioned a plan to develop luxury EV models that encapsulate the unique identity of the Apollo brand, featuring visionary design and cutting-edge technology, and emphasising intelligent and interactive experiences to meet the growing demand for a seamless integration of luxury, technology, and sustainability. Positioned as luxurious, premium, and high-tech, the Group's forthcoming luxury EV models are poised to revolutionise the industry and establish new benchmarks for exquisite and opulent electric sports cars.

Mobility Ecosystem

Mobility Development and Engineering Services

During the Year, the Group continued to offer a wide range of mobility development, and engineering services to its clients through its subsidiary, GLM Co., Ltd ("GLM"), which holds the distinction of being the first company to obtain a license for EV production in Japan.

Backed by exceptional in-house research and development ("R&D") team and cutting-edge technologies, the Group's mobility development services encompass various aspects, such as development of own branded high-end vehicles for the Group and offering low-volume complete vehicle production and national certification services to other automobile companies. Throughout the Year, the Group has continued to provide outstanding R&D services in a business-to-business capacity, catering to both established and emerging automotive brands. These include vehicle concept development, customised interior and exterior design tailored to each vehicle project, as well as optimisation of imported vehicles to meet Japanese safety standards, ensuring top-notch quality and design. By providing professional support, the Group assisted its clients in navigating the highly competitive Japanese automobile market.

Leveraging its in-depth expertise in the development of complete vehicles, the Group offers advanced platform engineering services to its clients. The GLM vehicle platform, known for its separate structure for the outer panel and chassis, which is designed for race cars, provides remarkable stiffness and strength to the entire vehicle. It is designed to operate independently and features high-performance components such as a motor, inverter, battery unit, suspension, and steering. During the Year, the Group continued to act as a trusted partner in the field of advanced engineering and provide platform engineering services to major Japanese automobile corporates. Taking advantage of the distinctive features of the GLM vehicle platform, the Group's clients utilised such platform to study and demonstrate the integration of advanced development components.

Cooperation with ShanghaiTech University in Smart Mobility Development

In early 2023, the Group joined forces with ShanghaiTech University on Smart Mobility Development, focusing on the Smart Cockpit Project, Smart Mobility Database, and Smart Mobility Talent Cultivation. This strategic partnership aims to advance technology and intelligence in future mobility through education and research. This cooperation will provide an opportunity for the Group and ShanghaiTech University to further develop multi-faceted cooperation, and promote in-depth integration between industry, academia and research.

Strategic Cooperation with Greater Bay Technology

The Group and Guangzhou Greater Bay Technology Co., Ltd signed a strategic cooperation agreement in March 2023 focusing on the development and application of the eXtreme Fast Charging ("XFC") battery system. By leveraging each other's' technological and industrial strengths, the parties will closely collaborate in areas such as component supply and joint R&D. The two parties will jointly promote the advancement of XFC technology in the luxury EV market, expedite the implementation of the technology and facilitate the sharing of charging pile resources to interconnect respective charging networks with each other, offering users a brand-new luxury charging experience.

Other Corporate Developments

Strategic Disposal Initiatives

The Group completed the disposal of Ideenion Automobil AG, a German automotive engineering services provider, for a total cash consideration of Euro ("EUR") 15 million on 22 February 2023. This strategic move will enhance operational efficiency and help increase the focus on developing own brand hypercars and luxury EVs. Additionally, the Group continued its strategic divestment of legacy businesses, including a portion of its money lending business, generating a total consideration of Hong Kong dollars ("HK$") 408 million. These actions align with the Group's objective of sharpening its focus on luxury mobility and demonstrate a commitment to sustained success in the automobile industry. Further details are available in the "Material Acquisitions or Disposals" section.

Board Changes and Strategic Appointments

In a series of strategic appointments, the Group welcomes Mr. Hui Chun Ying and Ms. Chen Yizi to its executive ranks, effective from 20 September 2023 and 1 November 2023, respectively. Mr. Hui Chun Ying, with extensive experience in banking and capital markets has been appointed as an executive Director and the Chairman of the Board. Ms. Chen Yizi, with over a decade of experience in investment, has been appointed as an executive Director. With the wealth of expertise possessed by these top executives, the Group is well-prepared to make further inroads into the mobility industry, exemplifying its dedication to achieving long-term success and fostering growth in this sector.

Capital Reorganisation and Change of Domicile

To optimise the Company's shareholder base, the Board proposed to change the domicile of the Company from the Cayman Islands to Bermuda and to implement the capital reorganisation after the change of domicile becomes effective. Further details are set out in the sections headed "Change of Domicile; Adoption of The New Memorandum of Continuance and The New Bye-Laws; Cancellation of Share Premium Account; and Capital Reorganisation" in this announcement.

Termination of the Proposed Acquisition of WM Motor Global Investment Limited

On 8 September 2023, the Group announced the termination of the acquisition of the entire issued share capital of WM Motor Global Investment Limited ("WM Motor"). The Group took into account various commercial considerations, including the volatile global market conditions, geopolitical conflicts, and the ongoing uncertainties in the financial market sentiment and post-pandemic economic recovery. The Board believes that the termination of the acquisition will not have a material adverse impact on the Group's financial position and existing business operations. Further details in respect of the termination are available in the section headed "Material Acquisitions or Disposals" below.

PROSPECTS AND OUTLOOK

Renowned internationally, the Apollo brand is synonymous with premium craftsmanship and cutting-edge innovation in the hypercar industry. Emphasising its in-house design, development, and engineering capabilities, the Group stands as a beacon of exclusivity and sophistication in the automotive landscape. The Apollo brand boasts a high-value, coveted, and prestigious automotive branding that resonates with ultra-high net worth customers and a dedicated following of car enthusiasts and fans worldwide. These valuable assets, comprising a loyal customer base and a widespread admiration for our vehicles, form the solid foundation upon which our future success, fuelling our drive for innovation and excellence, ensuring that the Group continues to thrive in the dynamic and competitive automotive industry.

The continual expansion of the high-net-worth individual segment has propelled the global luxury goods market to demonstrate remarkable resilience, outperforming other consumer sectors and positioning the Group to capitalise on this trend. The highly anticipated Apollo Project EVO, a distinguished successor to the revered Apollo IE, reinforces the Group's commitment to evolving and delivering superior performance in contemporary hypercars. This new model is on the verge of entering its pre-order phase, marking a remarkable milestone for this exceptional car and a manifestation to the Group's resolute commitment to cutting-edge engineering, design, and performance. The avant-garde aesthetics and unparalleled technical craftsmanship prowess of Apollo have garnered worldwide acclaim and a devoted following. With the imminent triumph of the Apollo Project EVO, the Group is poised to further elevate its reputation for revolution and solidify its preeminent position in the dynamic automotive industry.

Meanwhile, the increasing global concern over climate change has prompted nations to embrace eco-friendly transportation, leading to a surge in demand for EVs. BloombergNEF forecasts that EV sales are expected to reach another record high in 2024, with passenger EV sales estimated at 16.7 million units. It is projected that nearly 60% of global EV sales in 2024 will be in China, benefiting from favourable policies, technological innovation, and a growing middle class. Advancements in battery technology, rapid infrastructure development and consumption upgrade will further bolster the demand for luxury EVs.

The Group is constantly exploring new frontiers and embracing emerging trends to remain at the forefront of innovation. Riding on our proven success in hypercars, the Group has been actively exploring the realm of clean mobility, with plans underway to develop luxury EVs in the pipeline which will embody the Apollo brand distinctive identity. This expansion into the luxury EV market is a testament to the Group's drive for continuous innovation while ensuring a sustainable future. Meanwhile, backed by the expert team from GLM in Japan, the Group is building a promising project pipeline for its mobility development and platform engineering services, customised to meet the specific needs of its clients. These projects are expected to generate additional momentum for the Group's mobility businesses, serving as catalysts for its continued growth and further cementing the Group's leading position in the industry.

Looking forward, the Group will continue to pride itself on its uncompromising pursuit of excellence in the development of hypercars. Our highly respected and unique branding serves as a testament to our commitment to perfection. Building upon our rich heritage and a strong foundation of expertise in automobile design and technological advancement, the Group is committed to delivering an unmatched level of luxury and performance combining exquisite materials and unparalleled craftmanship. We will continue to captivate the hearts and minds of automotive enthusiasts worldwide, and push the boundaries of innovation, aiming to set a novel benchmark for the future of luxury mobility.

FINANCIAL REVIEW

For the year ended 31 December 2023, the revenue of the Group decreased by approximately 64.0% to approximately HK$279.2 million as compared to approximately HK$774.9 million for the fifteen months ended 31 December 2022. The revenue comprised revenue from mobility services segment of approximately HK$14.2 million (fifteen months ended 31 December 2022: HK$218.8 million), sales of jewellery products, watches and other commodities of approximately HK$237.4 million (fifteen months ended 31 December 2022: HK$507.8 million), and interest income from loan financing of approximately HK$27.6 million (fifteen months ended 31 December 2022: HK$48.3 million). During the Year, revenue from mobility services segment decreased mainly due to the decrease in licensing income and sales and distribution of vehicles as the next generation hypercar was still under development and the strategic disposal of certain subsidiaries during the Year. Sales of jewellery products, watches and other commodities decreased due to negative sentiment in the PRC market. Income from loan financing decreased mainly due to continued scaling down of the non-core legacy business during the Year.

The Group's gross profit amounted to approximately HK$63.1 million for the Year as compared to approximately HK$159.7 million for the fifteen months ended 31 December 2022. The gross profit margin increased to approximately 22.6% for the Year (fifteen months ended 31 December 2022: 20.6%) mainly due to the decrease in sales of low margin trading business during the Year.

General and administrative expenses decreased by 41.5% to approximately HK$161.0 million (fifteen months ended 31 December 2022: HK$275.3 million) mainly due to (i) the absence of equity-settled share options expense for the Year as no share options were granted during the Year; and (ii) the disposal of certain subsidiaries during the Year.

Other gains/losses, net mainly comprised: (i) the fair value gains of approximately HK$72.7 million (fifteen months ended 31 December 2022: HK$439.3 million) on financial assets at fair value through profit or loss due to changes in financial market conditions; and (ii) impairment of certain assets, including goodwill of approximately HK$410.2 million (fifteen months ended 31 December 2022: HK$107.8 million), loans receivable of approximately HK$97.2 million (fifteen months ended 31 December 2022: HK$38.8 million) and other receivables of approximately HK$179.1 million (fifteen months ended 31 December 2022: Nil), due to increasingly competitive business landscape and challenging external environment.

Overall, the loss attributable to owners of the Company for the Year turned around to approximately HK$860.5 million from the profit of approximately HK$263.5 million for the fifteen months ended 31 December 2022 due to the reasons as explained above.

Significant Investments Held

Investment in EV Power Holdings Limited ("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. EV Power is China's largest charging point operator in terms of number of charging sites in operation in residential areas. It operates over 7,600 charging sites and over 38,000 charging piles (or 72,000 charging bays), covering over 60 cities in the country. 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.

Investment in Divergent Technologies Inc. ("Divergent")

Divergent is a company based in the United States of America which uses 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 reduces 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.

Liquidity, Financial Resources and Gearing

As at 31 December 2023, the cash and cash equivalents of the Group amounted to approximately HK$64.3 million (31 December 2022: HK$52.5 million), which were mainly denominated in HK$, RMB, EUR and Japanese Yen.

The total current assets and total current liabilities of the Group as at 31 December 2023 were approximately HK$719.3 million and HK$524.8 million, respectively (31 December 2022: total current assets of HK$1,340.5 million and total current liabilities of HK$618.9 million). The Group's net current assets as at 31 December 2023 comprised inventories of approximately HK$75.9 million (31 December 2022: HK$90.6 million), accounts receivable, prepayments, deposits and other receivables of approximately HK$453.5 million (31 December 2022: HK$352.4 million) and loans receivable of approximately HK$125.6 million (31 December 2022: HK$174.6 million).

The Group's inventory turnover, accounts receivable turnover and accounts payable turnover periods were 141 days, 27 days and 177 days, respectively. The turnover ratios were consistent and compliant with the respective policies of the Group on credit terms granted to customers and credit terms obtained from suppliers.

During the Year, 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 and convertible bonds. As at 31 December 2023, equity attributable to owners of the Company amounted to approximately HK$3,363.2 million (31 December 2022: HK$4,275.4 million).

The Group's total interest-bearing bank borrowings and convertible bonds issued by the Company as at 31 December 2023 amounted to approximately HK$37.8 million (31 December 2022: HK$88.2 million) and approximately HK$121.2 million (31 December 2022: 176.2 million), respectively, which were mainly denominated in HK$, RMB and Japanese Yen. The interest-bearing bank borrowings and convertible bonds were mainly used for investment in business opportunities in order to expand into the mobility technology solutions and related business and 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 December 2023, the gearing ratio was approximately 1.1% (31 December 2022: 2.1%). This ratio is calculated as total interest-bearing bank borrowings (other than convertible bonds) divided by total equity.

Pledge of Assets

As at 31 December 2023, 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$35.2 million (fifteen months ended 31 December 2022: 120.1 million) were pledged to secure certain bank loans to the Group of principal amount of approximately HK$13.1 million (fifteen months ended 31 December 2022: HK$46.2 million).

Final Dividend

The Board does not recommend the payment of any dividend in respect of the Year (fifteen months ended 31 December 2022: Nil).

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 maximising the return to shareholders of the Company through the optimisation of its debt and equity balance. The Group manages the amount of capital in proportion to risk, and makes adjustments to its overall capital structure through the payment of dividend, new share issues as well as the issue of new debts or the repayment of existing debts.

Foreign Exchange Exposure

The Group's sales and purchases during the Year were mostly denominated in HK$, RMB, EUR and Japanese Yen. The Group was exposed to certain foreign currency exchange risks but it does not anticipate future currency 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.

Material Acquisitions or Disposals

(i) On 23 December 2022, the Company (as seller) entered into an agreement with Mobility Technology Group Inc. ("MTG"), pursuant to which the Company had conditionally agreed to sell and MTG had conditionally agreed to acquire the entire share capital of Ideenion, for a total consideration EUR15,000,000 (equivalent to approximately HK$124,350,000 as at 23 December 2022) (the "Ideenion Disposal"). Ideenion Group was principally engaged in the design, development and prototyping of internal combustion engine vehicles and NEVs, including vehicle components and accessories for vehicles. The completion of the Ideenion Disposal took place on 22 February 2023. Further details of the Ideenion Disposal are set out in the announcements of the Company dated 23 December 2022 and 3 January 2023.

(ii) On 30 December 2022, Ming Fung Investment Holdings Limited ("Ming Fung") (as seller) entered into an agreement with Innosophi Company Limited ("Innosophi"), pursuant to which Ming Fung had conditionally agreed to sell and Innosophi had conditionally agreed to acquire the entire share capital of Chance Achieve Limited ("Chance Achieve"), for a total consideration of HK$408,000,000 (the "Chance Achieve Disposal"). Chance Achieve is principally engaged in money lending in Hong Kong. Innosophi is an investment holding company wholly owned by Mr. Freeman Hui Shen, a former non-executive Director and a substantial shareholder of the Company. The Chance Achieve Disposal constituted (i) a disclosable transaction for the Company under Chapter 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"); (ii) a connected transaction of the Company under Chapter 14A of the Listing Rules; and (iii) a special deal under Note 4 to Rule 25 of the Hong Kong Code on Takeovers and Mergers.

The Chance Achieve Disposal was approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 18 July 2023, and the completion of the Chance Achieve Disposal took place on 31 July 2023.

Further details of the Chance Achieve Disposal are set out in the announcements of the Company dated 30 December 2022, 11 January 2023, 17 January 2023, 20 January 2023, 2 March 2023, 31 March 2023, 28 April 2023, 24 May 2023 and 28 May 2023 and the circular of the Company dated 27 June 2023.

(iii) On 11 January 2023, Castle Riches Investments Limited ("Castle Riches"), a wholly-owned subsidiary of the Company, and WM Motor entered into an acquisition agreement, pursuant to which WM Motor conditionally agreed to sell and Castle Riches conditionally agreed to purchase the entire issued share capital of WM Motor (the "WM Acquisition"). The consideration for the WM Acquisition was US$2,023.27 million (equivalent to approximately HK$15,853.71 million), and would be settled by way of allotment and issue of consideration shares of the Company at the issue price of HK$0.55 per share. The WM Acquisition constituted a very substantial acquisition and reverse takeover for the Company under the Listing Rules and the Company would be treated as if it were a new listing applicant under the Listing Rules. The WM Acquisition also constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

Further details of the WM Acquisition and the ancillary matters including, among other things, the proposed placing of shares, whitewash waiver, interim financing, repayment of a shareholder's loan and increase in authorised share capital of the Company are set out in the announcements of the Company dated 11 January 2023, 17 January 2023, 2 February 2023, 2 March 2023, 31 March 2023, 28 April 2023, 24 May 2023, 28 May 2023 and 31 July 2023.

On 8 September 2023, taking into account, amongst other commercial considerations of volatile global market conditions and geopolitical conflicts, the continued uncertainties of the financial market sentiment and the recovery of post pandemic economy in the short term, Castle Riches, WM Motor and the Company mutually agreed to enter into a deed of termination to terminate the acquisition agreement in relation to the WM Acquisition (the "Termination"). Further details of the Termination are set out in the announcement of the Company dated 8 September 2023.

Save as disclosed above and in this announcement, there was no other material acquisition or disposal of subsidiaries, associates or joint ventures by the Group during the Year.

Events After the Reporting Period

(a) On 15 January 2024, the Company entered into a subscription agreement with Ruby Charm Investment Limited (the "Ruby Charm"), pursuant to which the Ruby Charm has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 96,130,985 Shares at the subscription price of HK$0.51 per Share (the "2024 January Subscription"). The completion of the 2024 January Subscription took place on 24 January 2024 and a total number of 96,130,985 Shares were allotted and issued to Ruby Charm. Further details of the 2024 January Subscription are set out in the announcements of the Company dated 15 January 2024 and 24 January 2024.

(b) On 15 March 2024, the Company entered into a subscription agreement with each of Ruby Charm, Atlantis Multi-Strategy Capital VCC (on behalf of MPW Index Supreme Investment Fund), Walong Holdings Limited, Talent Frontier Limited, Vivaldi International Limited, Ocean Dynasty Investments Limited, Goldrank Limited, Sino-Alliance International, Ltd. and Top Laurels Limited (collectively the "Subscribers") 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 Shares (the "Subscription Shares") at the subscription price of HK$0.46 per Share (the "2024 March Subscription").

    As the ultimate beneficial owner of Ruby Charm, Mr. Ho King Man, Justin, is a substantial shareholder and hence a connected person of the Company, the subscription agreement entered into between the Company and Ruby Charm 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 completion of the 2024 March Subscription is conditional upon, among others, the passing by the shareholders at the special general meeting (the "SGM") all resolutions as may be required under the Listing Rules, the Bye-laws of the Company 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.

    The Subscription Shares will be allotted and issued under the specific mandate which will be sought from the independent shareholders of the Company at the SGM. Further details of the 2024 March Subscription are set out in the announcements of the Company dated 15 March 2024.

Employees and Remuneration Policies

As at 31 December 2023, the Group had 42 (31 December 2022: 139) employees. The related employees' costs for the Year (including directors' remuneration) amounted to approximately HK$66.6 million (fifteen months ended 31 December 2022: HK$177.4 million). In addition to basic salary, employees are entitled to other benefits including those under social insurance contribution, employee provident fund schemes and share option scheme of the Company. The remuneration of employees was in line with market trend and commensurate to the levels of pay in the industry and to the performance of individual employees that are regularly reviewed each year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, there was no other specific plan for material investments or capital assets as at 31 December 2023.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities during the Year.

CHANGE OF DOMICILE; ADOPTION OF THE NEW MEMORANDUM OF CONTINUANCE AND THE NEW BYE-LAWS; CANCELLATION OF SHARE PREMIUM ACCOUNT; AND CAPITAL REORGANISATION

At the extraordinary general meeting of the Company held on 20 November 2023 (the "EGM"), the shareholders of the Company (the "Shareholders") have approved, among other things, (i) the change of domicile of the Company by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda (the "Change of Domicile"); (ii) the adoption of a memorandum of continuance of the Company (the "New Memorandum of Continuance") and a new set of bye-laws of the Company (the "New Bye-laws") upon continuation of the Company in Bermuda; (iii) the cancellation of the entire amount standing to the credit of the share premium account of the Company (the "Cancellation of Share Premium Account"); and (iv) the share capital reorganisation (the "Capital Reorganisation"), involving the Share Consolidation, the Capital Reduction and the Share Sub-division (all as defined below).

Change of Domicile, Principal Share Registrar and Registered Office

The Change of Domicile became effective on 12 December 2023. With effect from the Change of Domicile becoming effective, (a) the registered office of the Company has been changed to Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda; and (b) Conyers Corporate Services (Bermuda) Limited of Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda has been appointed as the principal share registrar and transfer office of the Company in Bermuda. Tricor Tengis Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong remains as the branch share registrar and transfer office of the Company in Hong Kong.

Adoption of the New Memorandum of Continuance and the New Bye-laws

With effect from the Change of Domicile becoming effective, the New Memorandum of Continuance and the New Bye-laws, approved and adopted pursuant to the passing of special resolutions by the Shareholders at the EGM, became effective on 12 December 2023.

Cancellation of Share Premium Account

With the passing of special resolutions by the Shareholders at the EGM to approve the Cancellation of Share Premium Account, the transfer of the credit arising from the cancellation of the entire amount standing to the credit of the share premium account of the Company to an account designated as the contributed surplus account of the Company has been approved and that such designated contributed surplus account of the Company has become the contributed surplus account of the Company within the meaning of the Bermuda Companies Act.

Capital Reorganisation

The Capital Reorganisation involved the following:

(i) the consolidation of every twenty ordinary shares of the Company of HK$0.10 each into one consolidated share of HK$2.00 each (the "Share Consolidation");

(ii) the reduction of the issued share capital of the Company by (a) eliminating any fraction of a consolidated share in the issued capital of the Company arising from the Share Consolidation; and (b) cancelling the paid-up share capital of the Company to the extent of HK$1.99 per issued consolidated share such that the nominal value of each issued consolidated share be reduced from HK$2.00 to HK$0.01 (the "Capital Reduction"); and

(iii) the sub-division of each authorised but unissued consolidated share of par value of HK$2.00 each into two hundred new shares of par value of HK$0.01 each (the "Share Sub-division").

Upon the Capital Reorganisation becoming effective on 14 December 2023, the authorised share capital of the Company was HK$2,000,000,000.00 divided into 200,000,000,000 Shares of par value of HK$0.01 each, of which 480,654,928 Shares of par value of HK$0.01 each were in issue and the aggregate nominal value of the issued share capital was HK$4,806,549.28.

Further details of the above changes are set out in the announcements of the Company dated 24 October 2023, 5 December 2023 and 12 December 2023, and the circular of the Company dated 3 November 2023.

CORPORATE GOVERNANCE

During the Year, the Company has complied with the code provisions set out in the Corporate Governance Code (the "Code") as stated in Part 2 of Appendix C1 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 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 Year.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the Code.

As at the date of this announcement, the Audit Committee consists of four independent non-executive Directors, namely Mr. Teoh Chun Ming (Chairman of the Audit Committee), Mr. Peter Edward Jackson, Mr. Charles Matthew Pecot III and Ms. Hau Yan Hannah Lee.

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 annual results of the Group for the Year and this announcement.

SCOPE OF WORK OF THE COMPANY'S AUDITOR IN RESPECT OF THIS ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, Ernst & Young, certified public accountants, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

PUBLICATION OF ANNUAL REPORT

The 2023 annual report of the Company will be published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.apollofmg.com) and despatched to the Shareholders in due course.

APPRECIATION

On behalf of all members of the Board, I would like to express my sincere appreciation to all Shareholders and staff members for their dedication and commitment over the Period as well as my heartfelt gratitude to our customers and business partners for their enduring support.

On behalf of the Board
Apollo Future Mobility Group Limited
Hui Chun Ying
Chairman and executive Director

Hong Kong, 28 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.