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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)

**SUPPLEMENTAL AND CLARIFICATION ANNOUNCEMENT
IN RELATION TO
PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER
GENERAL MANDATE**

Reference is made to the announcement (the “**Announcement**”) of Apollo Future Mobility Group Limited (the “**Company**”) dated 6 December 2024 in relation to the proposed issue of convertible bonds under general mandate. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board would like to provide the Shareholders and potential investors of the Company with the following supplemental information in relation to the adjustment events under the section headed “Principal terms of the Convertible Bonds — Adjustment to the initial Conversion Price” in the Announcement.

The initial Conversion Price is subject to adjustment(s) from time to time on the occurrence of any of the following events:

- (a) changes to the number of issued Shares as a result of consolidation, subdivision or re-classification of Shares, whereas in such case, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such event by the following fraction:

$$\frac{A}{B}$$

Where:

A is the number of Shares in issue immediately before such change; and

B is the number of Shares in issue immediately after such change.

Such adjustment shall become effective from the day on which such consolidation, subdivision or reclassification becomes effective.

- (b) if and whenever the Company shall issue (other than fully paid up Shares issued from profits or reserves and substituting all or part of the specified declared cash dividend, and scrip dividend arrangement in respect of the annual dividend approved by the Company at the annual general meeting) any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), whereas in such case, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such event by the following fraction:

$$\frac{C}{D}$$

Where:

C is the number of Shares in issue immediately before such issue; and

D is the number of Shares in issue immediately after such issue.

Such adjustment shall become effective (if appropriate, retroactively) from the day following the record date for such issue.

- (c) if and whenever the Company shall make any capital distribution to the Shareholders (in their capacity as such) (whether on a reduction of capital or otherwise) or shall grant to such holders right(s) to acquire for cash assets of the Company or any of its subsidiaries, whereas in such cases, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such event by the following fraction:

$$\frac{E - F}{E}$$

Where:

- E is the Market Price (as defined below) on the date of such capital distribution or (as the case may be) such grant or (failing any such announcement) the date immediately preceding the date of such capital distribution or (as the case may be) such grant; and
- F is the fair market value on the day of such announcement or (as the case may be) the preceding day, as determined in good faith by a recognised investment bank, of the portion of such capital distribution or of such rights which is attributable to one Share.

provided that:

- (i) if, in the opinion of any recognised investment bank, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if F meant) the amount of the said market price which should properly be attributed to the value of the capital distribution or rights; and
- (ii) the provisions of this sub-paragraph (c) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

Such adjustment shall become effective (if appropriate, retroactively) from the day following the record date for such capital distribution or such grant.

- (d) an offer or grant being made by the Company to Shareholders by way of rights or of options or warrants to subscribe for new Shares below the market price on the date of the announcement of the terms of the offer or grant, whereas in such case, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the date of the announcement of such offer or grant by the following fraction:

$$\frac{G + \frac{H \times I}{J}}{G + H}$$

Where:

- G is the number of Shares in issue immediately before the date of such announcement;
- H is the aggregate number of Shares offered for;
- I is the amount payable (if any) for such subscription rights, options, or warrants to subscribe for each new Share, plus the subscription price payable for each new Share; and
- J is the Market Price of one Share on the trading day immediately prior to such announcement.

Such adjustment shall become effective (if appropriate, retroactively) from the day following the record date for such offer or grant being made.

Such market price (the “**Market Price**”) being the higher of:

- (i) the closing price on the date of the relevant agreement involving the proposed issue of securities; or
- (ii) the average closing price in the five (5) trading days immediately prior to the earlier of:
- (a) the date of announcement of the proposed transaction or arrangement involving the proposed issue of securities;
- (b) the date of the agreement or other agreement involving the proposed issue of securities; or
- (c) the date on which the subscription price is fixed.

- (e) (i) issues of any securities wholly for cash which are convertible into or exchangeable for or carry rights of subscription for new Shares at a price per Share which is less than the Market Price, whereas in such case, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such event by the following fraction:

$$\frac{K + L}{K + M}$$

Where:

- K is the number of the issued Shares immediately before such issue;
- L is the number of Shares to be purchased at the Market Price by the total actual consideration receivable for the issued securities; and
- M is the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at initial conversion or exchange rate or subscription price.

Such adjustment shall be effective (if appropriate, retrospectively) from the close of business hours in Hong Kong on the Business Day next preceding whichever is the earlier of the announcement date and the date on which the Company determines the conversion or exchange rate or subscription price.

- (ii) any modification of the rights of conversion, exchange or subscription attaching to any such securities mentioned in (e)(i) above arises, so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is reduced and is less than the Market Price, whereas in such case, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such event by the following fraction:

$$\frac{N + O}{N + P}$$

Where:

- N is the number of the issued Shares immediately before such modification;

O is the number of Shares to be purchased at the Market Price by the total actual consideration receivable for the issuance of securities at the modified conversion or exchange or subscription price; and

P is the number of Shares to be issued upon the conversion or exchange of the above securities at the modified conversion rate or exchange price or upon the exercise of the subscription rights conferred by such securities.

Such adjustment shall be effective (if appropriate, retrospectively) as at the date upon which such modification shall take effect. If the adjustment is made in connection with a rights issue or capitalisation issue and other events which have given rise to adjustment to the terms of exchange or conversion or subscription, the adjustment of the Conversion Price under this adjustment shall not be treated as modified for the foregoing purpose, provided such corresponding adjustment has been made to the Conversion Price;

(f) issues of any Shares by the Company wholly for cash, other than those issues referred in (d) and (e) above, at a price per Share which is less than the Market Price, whereas in such case, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such event by the following fraction:

$$\frac{Q + R}{Q + S}$$

Where:

Q is the number of the issued Shares immediately before the date of the announcement;

R is the number of Shares to be purchased with the total amount payable for the issue at the Market Price; and

S is the number of Shares so issued.

The adjustment shall be effective on the issue date.

(g) issues of Shares as consideration for acquisition of assets at a price per Share which is less than the Market Price, the Conversion Price shall be adjusted in such manner as may be determined by the recognised investment bank. Such adjustment shall become effective on the issue date;

- (h) if and whenever the Company or any of its subsidiaries shall issue, sell or distribute any securities in connection with an offer and pursuant to the conditions of such offer, the Shareholders generally are entitled to participate in arrangements in relation to such grant (except where the Conversion Price falls to be adjusted under sub-paragraphs (a) to (g) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the date of the announcement of such offer or grant by the following fraction:

$$\frac{T - U}{T}$$

Where:

T is the Market Price of one Share on the trading day immediately prior to such announcement; and

U is the fair market value of the entitlement of one Share on the day of such announcement as determined in good faith by a recognised investment bank.

- (i) if the Company or the Bondholder(s) determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances (whether or not refer to in sub-paragraphs (a) to (h) above) (even if the relevant event or circumstance is specifically excluded from sub-paragraphs (a) to (h) above), or that an adjustment should be made in a manner other than sub-paragraphs (a) to (h) above (including, for example, any demerger, spin-off or similar arrangement in respect of any business of the Company and the Group), then, in any such case, the Company and the Bondholder(s) shall discuss such matters in good faith, provided that if the Company and the Bondholder(s) are unable to agree on any such adjustment within 10 Business Days, the Company shall, at its own expense, within a further 10 Business Days request a recognised investment bank (acting as an expert) to determine (1) after considering the adjustment, what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and (2) the date on which such adjustment should take effect and upon such determination, the adjustment (if any) shall be made and take effect in accordance with the determination, provided that an adjustment shall only be made pursuant to this anti-dilution adjustment provision if the recognised investment bank is so requested to make such a determination.

For the avoidance of doubt, the above adjustments are solely for anti-dilution purposes which are customary for convertible instruments of such nature.

In addition, the Board would like to make the following clarifications and amendments (with the amendments underlined and bolded) in relation to the use of proceeds.

“The intended use of the net proceeds from the Subscription would be (i) as to approximately HK\$269.3 million or 90.01% for research and development of hypercars and EVs; and (ii) as to approximately HK\$29.9 million or **9.99%** for general working capital including salary payments, legal and professional fees and other general corporate purposes.”

Save as disclosed above, all other information and contents of the Announcement remain unchanged.

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

Hong Kong, 10 December 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 three independent non-executive Directors, namely Mr. Peter Edward Jackson, Mr. Charles Matthew Pecot III and Ms. Hau Yan Hannah Lee.