



**apollo**

**APOLLO FUTURE MOBILITY GROUP LIMITED**

**APOLLO 智慧出行集團有限公司**

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

**(Stock Code: 860)**

*Executive Directors:*

Mr. Ho King Fung, Eric (*Chairman*)  
Mr. Joseph Lee (*Vice Chairman*)  
Mr. Qi Zhenggang

*Non-executive Directors:*

Mr. Freeman Hui Shen (*Co-Chairman*)  
Mr. Wilfried Porth

*Independent non-executive Directors:*

Mr. Teoh Chun Ming  
Mr. Peter Edward Jackson  
Mr. Charles Matthew Pecot III  
Ms. Hau Yan Hannah Lee

*Registered office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman  
KY1-1111  
Cayman Islands

*Principal place of business  
in Hong Kong:*

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189 Des Voeux Road Central  
Sheung Wan  
Hong Kong

27 June 2023

*To the Shareholders*

Dear Sir or Madam,

**SPECIAL DEAL, DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF THE ENTIRE INTEREST IN THE TARGET COMPANY**

**1. INTRODUCTION**

Reference is made to the RTO Announcement, and the announcements of the Company dated 30 December 2022 and 17 January 2023 and 20 January 2023 in relation to the RTO Transactions, the Disposal Agreement and the Disposal contemplated thereunder. On 30 December 2022 (after trading hours), the Seller (a wholly-owned subsidiary of the Company) entered into the Disposal Agreement with the Buyer, pursuant to which the Seller has conditionally agreed to sell and the Buyer has conditionally agreed to acquire the Sale Share, representing the entire issued share capital of the Target Company, for a total Disposal

Consideration of HK\$408,000,000. The Disposal constitutes a discloseable and connected transaction for the Company under the Listing Rules. The Disposal also constitutes a special deal of the Company under Rule 25 of the Takeovers Code and requires the consent of the Executive.

This circular is despatched to the Shareholders for information purposes only and contains, among other things, (i) further details of the Disposal Agreement and the Disposal contemplated thereunder; (ii) a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Disposal Agreement and the Disposal contemplated thereunder which constitutes a connected transaction; (iii) a letter from the Whitewash Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Disposal Agreement and the Disposal contemplated thereunder which constitutes a special deal under Rule 25 of the Takeovers Code; (iv) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee, the Whitewash Independent Board Committee and the Independent Shareholders in respect of the Disposal Agreement and the Disposal contemplated thereunder; (v) a notice of the Disposal EGM; and (vi) a form of proxy.

## **2. THE DISPOSAL AGREEMENT**

The principal terms of the Disposal Agreement are summarised as follows:

### **Date**

30 December 2022 (after trading hours)

### **Parties**

Buyer: Innosophi Company Limited

Seller: Ming Fung Investment Holdings Limited, a wholly-owned subsidiary of the Company

The Buyer is wholly owned by Mr. Shen, a non-executive Director and substantial shareholder of the Company, and is therefore a connected person of the Company.

Please refer to the sections headed “Information on the Group and the Target Company” and “Information on the Buyer and the Guarantor” respectively, in this circular below for more details of the parties.

## **Assets to be disposed of**

Pursuant to the Disposal Agreement, the Seller has conditionally agreed to sell, and the Buyer has conditionally agreed to acquire the Sale Share.

The Target Company is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company prior to the Disposal Completion. Please refer to the section headed “Information on the Group and the Target Company” in this circular below for more details of the Target Company.

## **Disposal Consideration**

The total Disposal Consideration for the sale and purchase of the Sale Share is HK\$408,000,000, and shall be satisfied by the Buyer in the following manner:

- within 30 Business Days from the signing of the Disposal Agreement, a sum of HK\$50,000,000, being the Initial Deposit (which shall become part payment of the Initial Cash Payment at the Disposal Completion), shall be paid in cash by the Buyer to the Seller or the Seller’s nominees;
- upon the Disposal Completion, a sum of HK\$50,000,000, being the remaining balance of the Initial Cash Payment, shall be paid in cash by the Buyer to the Seller or the Seller’s nominees;
- upon the Disposal Completion, a sum of HK\$308,000,000, being the remaining balance of the Disposal Consideration, shall be satisfied by the Promissory Note (as detailed below).

The Initial Deposit has been settled on 31 January 2023 in accordance with the terms of the Disposal Agreement.

The principal terms of the Promissory Note are summarised below:

<b>Issuer:</b>	The Buyer
<b>Principal Amount:</b>	HK\$308,000,000
<b>Maturity:</b>	One year, as may be extended by one year at the option of the Buyer
<b>Interest:</b>	An interest of 6.2% per annum, which was determined based on the average return per annum of the loans portfolio
<b>Security:</b>	Irrevocable and unconditional guarantee by the Guarantor on behalf of the Buyer to perform its obligations in accordance with the Promissory Note in favour of the Company

**Early repayment:** The Buyer could, at its discretion, repay the Promissory Note in whole or in part prior to the maturity date and will not be subject to any premium over or discount to the payment obligations under the Promissory Note for any early repayment

**Transferability:** The Promissory Note is not transferable or assignable unless with the prior consent of the holder or the issuer of the Promissory Note. The Promissory Note is not transferable to any connected person of the Company, unless with the prior consent of the holder or the issuer of the Promissory Note, and the Company has no plans now to transfer the Promissory Note. The Company confirms that it will comply with the applicable rule requirements under Chapter 14 and 14A under the Listing Rules in case of any transfer of the Promissory Note.

The Disposal Consideration was determined based on arm's length negotiations between the parties to the Disposal Agreement with reference to, among other things: (a) the net liabilities of the Target Company of approximately HK\$9.1 million based on its audited financial statements as at 30 September 2022; (b) the existing intra-group loan amount due from the Target Company to the Company as at 30 September 2022 of HK\$415,456,265; (c) the business development and future prospects of the money lending business in Hong Kong; and (d) the business strategies and asset allocation preference of the Seller and the Buyer. A loan assignment deed will be entered into amongst the Company, the Seller, the Buyer and the Target Company prior to the Disposal Completion, whereby the Disposal Consideration shall include full repayment of the existing intra-group loan amount due from the Target Company to the Company upon the Disposal Completion.

The Company considers the Disposal Consideration fair and reasonable since (i) the Disposal is at such Disposal Consideration which will allow the Company to realise its investment in the Target Company at full book value; (ii) the Disposal Consideration will be settled partly in cash; (iii) the Company will be able to apply the net cash proceeds as the general working capital of its EV business which the Company considers to have better prospects for growth and profitability; (iv) subject to audit, it is expected that the Company will record a net gain on disposal of approximately HK\$1.6 million arising from the Disposal, being the difference between the amount of Disposal Consideration and (a) the net liabilities of approximately HK\$9.1 million of the Target Company as at 30 September 2022; and (b) the amount due from the Target Company to the Company of approximately HK\$415.5 million as at 30 September 2022 will be offset; (v) the Group can be freed from the negative financial contributions of the Target Company which made losses both before and after taxation and extraordinary items of approximately HK\$29,674,000 and approximately HK\$24,496,000, respectively, for the year ended 31 December 2022; and (vi) the Disposal may improve the financial performance of the Group.

When determining the Disposal Consideration, the management also referenced the price-to-book (“P/B”) ratios of the companies in the market which are comparable to the Target Company. Dongxing Securities (Hong Kong) Company Limited (“**Dongxing**”), the financial adviser to the Company, assisted in selecting an exhaustive list of comparable companies. Ten companies which are listed in Hong Kong and are engaged in money lending business were selected, details of which are as below:

<b>Name of comparable company (stock code)</b>	<b>P/B ratio</b>
SY Holdings Group Limited (stock code: 6069)	1.3x
Yangzhou Guangling District Taihe Rural Micro-finance Company Limited (stock code: 1915)	1.3x
Upbest Group Limited (stock code: 335)	0.5x
Greater China Financial Holdings Limited (stock code: 431)	2.9x
China Huirong Financial Holdings Limited (stock code: 1290)	0.4x
Wealthy Way Group Limited (stock code: 3848)	1.4x
Gome Finance Technology Co., Ltd. (stock code: 628)	0.3x
Quanzhou Huixin Micro-credit Co., Ltd (stock code: 1577)	0.3x
Zuoli Kechuang Micro-finance Company Limited (stock code: 6866)	0.1x
China Art Financial Holdings Limited (stock code: 1572)	0.2x
Average	0.9x

*\* Data of the relevant comparable companies taken as of 14 December 2022*

As shown in the above table, the average industry P/B ratio was 0.9x, which implied that market values of these companies approximated their respective book values. As such, the Company considers Disposal Consideration to be fair and reasonable.

Dongxing also assisted in seeking for independent third parties buyer, on a best effort basis, to gauge the interest in acquiring the Target Company. While three potential buyers were approached, none expressed any interest. As such, the Directors believe that it is difficult in finding a willing buyer of the Target Company at a consideration substantially exceeding that offered by the Buyer.

After taking into account of the value of the Guarantor's shareholding in WM Group; and the investment holding nature of the Guarantor, the Board is of the view that the Guarantor is capable of providing the Guarantee in favour of the Company.

As the Promissory Note (i) has a term of one year (as may be extended by one year at the option of the Buyer); (ii) bears an interest of 6.2% per annum, which was determined based on the average return per annum of the loans portfolio; and (iii) has been irrevocably and unconditionally guaranteed by the Guarantor in favour of the Company, the Board (excluding members of the Independent Board Committee and the Whitewash Independent Board Committee whose views have been set out in the letter from the Independent Board Committee and the letter from the Whitewash Independent Board Committee, respectively, after considering the advice of the Independent Financial Adviser) is of the view that the terms of the Promissory Note and the Guarantee are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Conditions Precedent**

The Disposal Completion is subject to and conditional upon the following Conditions Precedent being satisfied or (in respect of paragraph (iv) only) waived (whether in full or in part, and with or without conditions) by the Buyer:

- (i) the transactions contemplated under the Disposal Agreement and the performance of the Seller's and Buyer's obligations under the Disposal Agreement in compliance with the Listing Rules, the Takeovers Code and all other applicable laws and regulations;
- (ii) the passing of the ordinary resolutions by the Independent Shareholders at the Disposal EGM to be convened and held to approve the Disposal Agreement and the transactions contemplated thereunder;
- (iii) all other necessary regulatory consents and approvals required to be obtained on the part of the Seller, the Buyer and/or the Target Company in respect of the Disposal Agreement and the transactions contemplated thereunder having been obtained and such consents and approvals not having been revoked (including the consent of the Executive to the Disposal under Note 4 of Rule 25 of the Takeovers Code as the Disposal constitutes a special deal under Rule 25 of the Takeovers Code by virtue of the Whitewash Waiver); and
- (iv) the warranties given by the Seller under the Disposal Agreement (other than the warranty on legal and beneficial ownership over the Sale Share) being true and correct in all material respects upon the Disposal Completion, as if it is repeated at all times from the date of the Disposal Agreement to the Disposal Completion and

the warranty given by the Buyer in relation to the legal and beneficial ownership over the Sale Share being true and correct in all respects on the Disposal Completion, as if it is repeated at all times from the date of the Disposal Agreement to the Disposal Completion.

If any or all of the Conditions Precedent are not satisfied or otherwise waived by the Buyer on or before the Long Stop Date, the Disposal Agreement shall terminate and cease to have effect on the Long Stop Date except for certain provisions referred to in the Disposal Agreement in relation to definitions, costs and expenses, notices and governing law and any rights, remedies, obligations or liabilities of the parties to the Disposal Agreement that have accrued up to the date of termination, including the right to claim damages in respect of any antecedent breach. On termination of the Disposal Agreement, the Seller shall refund the Initial Deposit in full without interest to the Buyer within 30 Business Days after the Long Stop Date.

As at the Latest Practicable Date, none of the above Conditions Precedent have been fulfilled. As at the Latest Practicable Date, the Company is not aware any other necessary regulatory consents and approval required under applicable laws and regulations under paragraph (iii) of the Conditions Precedent above.

### **The Disposal Completion**

Subject to the fulfilment (or, where applicable, waiver) of the Conditions Precedent, the Disposal Completion shall take place on the Disposal Completion Date.

As at the date of this circular, the Target Company is an indirect wholly-owned subsidiary of the Company. Upon the Disposal Completion, the Company will cease to hold any interest in the Target Company and the Target Company will cease to be a subsidiary of the Company.

### **3. REASONS FOR AND BENEFITS OF THE DISPOSAL AGREEMENT**

As disclosed in the Interim Results Announcement, the Group has reinforced its position in the market as one of the leading mobility technology solutions providers and adhered to its focus in developing its proprietary future mobility technologies. The Group continues to pursue opportunities in the smart EVs adoption trend across the globe and strives to become one of the leaders in the mobility industry. As such, the Group plans to continue gradually phasing out its legacy businesses including the money lending business as part of the its rebranding and restructuring exercise and to avoid risks of uncertainty in the operation and profitability of the Target Company. Upon the Disposal Completion, the Group's money lending business will be significantly downsized. The Group will continue to look for opportunities to dispose of its remaining money lending business and more fully focus on its mobility technology business.

It is expected that the Disposal Agreement and the Disposal contemplated thereunder will be in the interests of the Company and Shareholders as a whole for the following reasons:

- (i) consistent with the Interim Results Announcement, the Group is actively exploring various options to scale down legacy businesses including the money lending business. The Target Company's book of debts represents approximately 75% of the total outstanding loan of the money lending business. The Company has established the money lending team and also a money lending committee to oversee this business which requires substantial amount of management focus on the risk control of such business even while the Group's business focus has changed in recent years to that of the future EV mobility platform. Moreover, considering the Group's transition and significant investments into its new business focus, the need for active monitoring of the legacy money lending business does not represent an optimum use of management resources and is in some ways distracting since this business neither appeals to the Group's strategic investors nor complements its new focus on the EV business. 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. The Disposal allows a gradual redeployment of the Group's human resources and internal financial resources to concentrate on the implementation of strategies to fully transform the Group into and reinforce its position as a leading mobility technology provider for next generation concepts and would be much more in tune with the investors' expectations. To implement the aforesaid business blueprint in the years to come, the Company intends to continue to operate the smart EV business of the Acquisition Target Group;
- (ii) in particular, during discussions with potential investors in the build out of the EV related research and development activities and production line for EVs, the Group received clear feedback that market participants including commercial lenders would prefer the Group to have a cleaner platform focus;
- (iii) all of these factors collectively strengthened the management's resolve to proceed with the significant business restructuring to pursue a sharper focus on its renewed business mission statement;
- (iv) the Directors have also undertaken a stringent process to implement a price discovery process to ensure the terms offered are favourable to the Group. Under current market conditions, being driven by significant macroeconomics uncertainty, the Directors understand the difficulty in finding a willing buyer of the portfolio held by the Target Company without a significant discount to book value substantially exceeding that offered by the Buyer. The upfront cash payment of HK\$50 million in the form of the Initial Deposit by the Buyer prior to the Disposal Completion would also provide an immediate boost to financial resources of the Group and further demonstrates Mr. Shen's confidence in the Group and alignment of interests for mutual benefits;



- (v) detailed analysis on Mr. Shen's financial position also demonstrated solid financials and provide confidence in his ability to ensure the discharge of the Buyer's obligations. Moreover, the Buyer has agreed to pay an interest rate of 6.2% on the Promissory Note which would help defray potential loss of bargain from the portfolio under the Disposal while allowing the Group to make a clean exit from this business; and
- (vi) the Buyer is a connected person of the Company by virtue of being an associate of Mr. Shen, a substantial shareholder of the Company and whose interests are fully aligned with that of the Group. Therefore, the Buyer is willing to assume the risks with a slight premium to the book value of the portfolio under the Disposal because of mutual benefits.

Weighing up the slight premium to the book value of the portfolio under the Disposal together with the benefits of (i) the Buyer assuming the risks of default by borrowers; (ii) the Group exiting from a significant portion of the legacy business in relation to money lending operations and improving its branding focus to meet investors' expectations; (iii) the immediate boost to the Group's internal financial resources to speed up the implementation of its EV expansion business from the Initial Cash Payment of the Disposal Consideration; (iv) the freeing up of management time and resources to focus on executing its future plans; and (v) the Independent Shareholders being advised on the terms of the Disposal Agreement and the Disposal contemplated thereunder by the Independent Board Committee, the Whitewash Independent Board Committee and the Independent Financial Adviser, the Directors (excluding members of the Independent Board Committee and the Whitewash Independent Board Committee whose views have been set out in the letter from the Independent Board Committee and the letter from the Whitewash Independent Board Committee, respectively, after considering the advice of the Independent Financial Adviser) are of the view that the Disposal Agreement and the Disposal contemplated thereunder is in the interests of the Group, and the terms of the Disposal Agreement and the Disposal contemplated thereunder fair and reasonable and in the interests of the Shareholders as a whole.

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

Subject to audit, it is expected that the Company will record a net gain on disposal of approximately HK\$1.6 million arising from the Disposal, being the difference between the amount of Disposal Consideration and (i) the net liabilities of approximately HK\$9.1 million of the Target Company as at 30 September 2022; and (ii) the amount due from the Target Company to the Company of approximately HK\$415.5 million as at 30 September 2022.

The Company intends to use the proceeds from the Disposal in the further development of its design, development, manufacturing and sales of high performance hypercars and luxury smart EVs, provision of mobility technology solutions business, and as general working capital of the Group.

## 5. INFORMATION ON THE GROUP AND THE TARGET COMPANY

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

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in money lending in Hong Kong.

Set out below are certain financial information of the Target Company (prepared in accordance with Hong Kong Financial Reporting Standards and audited by CL Partners CPA Limited) for each of the two financial years ended 30 September 2021 and 30 September 2022.

	<b>Year ended 30 September 2021 (HK\$'000) (audited)</b>	<b>Year ended 30 September 2022 (HK\$'000) (audited)</b>
Net gain/(loss) before taxation and extraordinary items	10,954	(29,674)
Net gain/(loss) after taxation and extraordinary items	8,618	(24,496)

As at 30 September 2022, the audited net liabilities of the Target Company (prepared in accordance with Hong Kong Financial Reporting Standards) was approximately HK\$9.1 million.

As at 30 September 2022, the Target Company had outstanding loans to 13 corporate borrowers and one individual borrower, with an average loan size of approximately HK\$39.7 million. The loans had tenure ranging from one to three year(s) and bore interest at rates ranging from 6.0% to 7.5% per annum. The weighted-average interest rate of the loan portfolio was 6.2% per annum. Certain loans receivable were secured by personal guarantees provided by independent third parties.

As disclosed in the announcement of the Company dated 17 January 2023, pursuant to Rule 10 and Practice Note 2 of the Takeovers Code, the unaudited net gain/(loss) before and after taxation and extraordinary items of the Target Company for the year ended 30 September 2022 constituted a profit forecast which would need to be reported on by the Company's financial advisers and auditors or accountants, and their reports must be included in the next document sent to the Shareholders under Rule 10.4 of the Takeovers Code.

As the audited net gain/(loss) before and after taxation and extraordinary items of the Target Company for the year ended 30 September 2022 is available as at the Latest Practicable Date and is included in this circular (as disclosed above), the requirements to report on the

unaudited net gain/(loss) before and after taxation and extraordinary items of the Target Company for the year ended 30 September 2022 under Rule 10.4 of the Takeovers Code no longer applies.

## **6. INFORMATION ON THE BUYER AND THE GUARANTOR**

The Buyer is a company incorporated in Samoa with limited liability engaged in investment holding and wholly owned by Mr. Shen.

The Guarantor is a company incorporated under the laws of BVI with limited liability and wholly-owned by Mr. Shen. The Guarantor principally engages in investment holding and holds approximately 4.55% equity interest in WM Motor, which in turn is a substantial shareholder of the Company that holds approximately 23.67% of the entire issued share capital of the Company as at the date of this circular.

Upon the Disposal Completion, the Buyer will hold the loan portfolio in the amount of approximately HK\$415.5 million which could be used to settle the Promissory Note and interest payments. The Company further conducted examination on the financial position of the Guarantor based on its shareholding in WM Group. As at the Latest Practicable Date, the Guarantor holds approximately 4.55% shares of WM Motor, which directly and wholly owns the Acquisition Target Company. The value of such indirect interest in the Acquisition Target Company was approximately US\$92.1 million (equivalent to approximately HK\$721.3 million) based on the valuation under the RTO Transactions. Please refer to the section headed “Basis of determination of the Acquisition Consideration” in the RTO Announcement for further details.

WM Group is a pioneer in bringing innovative smart EV technologies to China’s mainstream market. WM Group is the first EV automaker in China to have established its own manufacturing facilities and the brand of WM Group is aiming to deliver smart EVs that offer safe and reliable performance, consistent quality and superior user experience at affordable prices in China.

## **7. LISTING RULES IMPLICATIONS**

### **Discloseable Transaction**

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

### **Connected Transaction**

As at the Latest Practicable Date, the Buyer was wholly owned by Mr. Shen, a non-executive Director and a substantial shareholder of the Company, and is therefore a connected person of the Company. As such, the Disposal Agreement and the Disposal contemplated

thereunder also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **8. TAKEOVERS CODE IMPLICATIONS**

Reference is made to the RTO Announcement, the announcement issued by the Company on 2 February 2023 regarding the delay in despatch of the RTO Circular, and the announcements issued by the Company on 2 March 2023, 31 March 2023, 28 April 2023 and 28 May 2023 regarding the monthly update of the RTO Transactions. Since the Disposal Agreement is an agreement entered into between the Seller and the Buyer, which is wholly owned by Mr. Shen (who directly and indirectly, together with Ms. Wang Lei, his spouse, held 30.82% of the total issued shares of WM Motor, which in turn holds approximately 23.67% of the entire issued share capital of the Company), a substantial shareholder of the Company and a party acting in concert with WM Motor under the Takeovers Code, when the Whitewash Waiver was reasonably in contemplation and which is not capable of being extended to all Shareholders, the Disposal Agreement and the Disposal contemplated thereunder constitutes a special deal of the Company under Rule 25 of the Takeovers Code and requires the consent of the Executive. The RTO Transactions and the Whitewash Waiver and the Disposal Agreement are not inter-conditional with each other. The RTO Transactions would still proceed even if the Disposal Agreement and the Disposal contemplated thereunder which constitutes a special deal is not approved by the Independent Shareholders and the Disposal does not proceed.

The consent, if granted by the Executive, will be subject to (i) the Independent Financial Adviser publicly stating that in its opinion the terms of the Disposal Agreement and the Disposal contemplated thereunder are fair and reasonable; and (ii) the approval of the Disposal Agreement and the Disposal contemplated thereunder by the Independent Shareholders by way of poll at the Disposal EGM.

## **9. ADDITIONAL INFORMATION**

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to consider the terms of the Disposal Agreement and the Disposal contemplated thereunder, and to advise the Independent Shareholders as to whether the terms of the Disposal Agreement and the Disposal contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Whitewash Independent Board Committee, comprising the non-executive Director who has no direct or indirect interest in the Disposal, namely Mr. Wilfried Porth and all the independent non-executive Directors, namely Mr. Teoh Chun Ming, Mr. Peter Edward Jackson, Mr. Charles Matthew Pecot III and Ms. Hau Yan Hannah Lee, has been formed for the purpose of advising the Independent Shareholders in respect of the Disposal Agreement and the Disposal contemplated thereunder which constitutes a special deal under Rule 25 of the Takeovers Code.

Altus Capital Limited has been appointed as the Independent Financial Adviser to make recommendations to the Independent Board Committee, the Whitewash Independent Board Committee and the Independent Shareholders on the terms of the Disposal Agreement and the Disposal contemplated thereunder which constitutes a connected transaction and special deal under Rule 25 of the Takeovers Code. The appointment of Altus Capital Limited has been approved by the Independent Board Committee pursuant to Rule 13.39(6) of the Listing Rules and the Whitewash Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

Accordingly, your attention is drawn to the letter from the Independent Board Committee set out on pages 22 to 23 of this circular and the letter from the Whitewash Independent Board Committee set out on pages 24 to 25 of this circular, containing their recommendation to the Independent Shareholders, and the letter from the Independent Financial Adviser set out on pages 26 to 49 of this circular, which contains its advice to the Independent Board Committee, the Whitewash Independent Board Committee and the Independent Shareholders.

## **10. DISPOSAL EGM**

The Disposal EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve, among other matters, the Disposal Agreement and the Disposal contemplated thereunder.

A notice convening the Disposal EGM to be held at Units 2001–2002, 20/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Sheung Wan, Hong Kong on Tuesday, 18 July 2023 at 4:00 p.m. is set out on pages 56 to 57 of this circular. A form of proxy for use at the Disposal EGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.apollofmg.com](http://www.apollofmg.com)).

Whether or not you are able to attend the Disposal EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event no less than 48 hours before the time appointed for the holding of the Disposal EGM (i.e. before 4:00 p.m. on Sunday, 16 July 2023) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Disposal EGM or any adjourned meeting should you so wish.

The RTO Transactions are subject to the approval of the Independent Shareholders at the RTO EGM. The Disposal EGM will be convened to approve the Disposal Agreement and the Disposal contemplated thereunder first. The RTO EGM will be convened subsequent to the Disposal EGM to approve the RTO Transactions (other than the Disposal Agreement and the Disposal contemplated thereunder, which will be contemplated at the Disposal EGM and further details of which are contained in this circular). The time and place to hold the RTO EGM will be announced by the Company later.

WM Motor, Mr. Shen, Mr. Joseph Lee and their respective associates and parties acting in concert with any of them, any shareholders of WM Motor and their respective associates and parties acting in concert with any of them (including Ruby Charm Investment Limited and

Jumbo Eagle Investments Limited, together with their beneficial owner Mr. Ho King Man, Justin), and any of those Shareholders who are involved in or interested in the Acquisition Agreement, the Whitewash Waiver, the Disposal Agreement and the Disposal contemplated thereunder are required to abstain from voting on the resolutions to be proposed at the Disposal EGM to approve, among others, the Disposal Agreement and the Disposal contemplated thereunder. WM Motor, holding 2,275,545,343 Shares (approximately 23.67% of the entire issued share capital of the Company) and Mr. Joseph Lee, holding 2,400,000 Shares, (approximately 0.02% of the entire issued share capital of the Company) will abstain from voting on the resolutions to be proposed at (i) the Disposal EGM to approve, among others, the Disposal Agreement and the Disposal contemplated thereunder; and (ii) the RTO EGM to approve, among others, the Acquisition Agreement and the Whitewash Waiver. Ruby Charm Investment Limited, a minority shareholder of WM Motor and wholly owned by Mr. Ho King Man, Justin, is holding 884,220,474 Shares (approximately 9.20% of the entire issued share capital of the Company), so Ruby Charm Investment Limited has a conflict of interest and will, together with Jumbo Eagle Investments Limited (which holds 22,112,000 Shares (approximately 0.23% of the entire issued share capital of the Company) and wholly owned by Mr. Ho King Man, Justin), abstain from voting on the resolutions to be proposed at (i) the Disposal EGM to approve, among others, the Disposal Agreement and the Disposal contemplated thereunder; and (ii) the RTO EGM to approve, among others, the Acquisition Agreement and the Whitewash Waiver. No other Shareholder is required to abstain from voting on the proposed resolution in respect of the Disposal Agreement and the Disposal contemplated thereunder at the Disposal EGM.

In order to determine the Shareholders' entitlements to attend and vote at the Disposal EGM, the register of members of the Company will be closed from 13 July 2023 to 18 July 2023 (both days inclusive) during which period no transfer of Shares will be registered. All properly completed transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 12 July 2023.

The voting at the Disposal EGM will be taken by poll in accordance with the Listing Rules, the Takeovers Code and the memorandum and articles of association of the Company. The chairman at the Disposal EGM will explain the detailed procedures for conducting a poll at the commencement of the Disposal EGM.

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy shall have one vote for every fully paid Share held. A Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy who is entitled to more than one vote need not use all his/her/its votes or cast all his/her/its votes in the same way.

After the conclusion of the Disposal EGM, the poll results will be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.apollofmg.com](http://www.apollofmg.com).



## **11. RECOMMENDATION**

Apart from Mr. Shen, being the ultimate beneficial owner of the Buyer, and a non-executive Director and a substantial shareholder of the Company, who is considered to have a material interest in the Disposal Agreement and the Disposal contemplated thereunder and has abstained from voting on the relevant Board resolutions approving the Disposal Agreement and the Disposal contemplated thereunder, none of the Directors has any material interest in such transaction or was required to abstain from voting on the relevant Board resolutions.

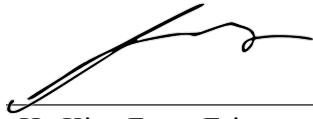
After taking into account the reasons for and benefits of the Disposal, the Directors (excluding Mr. Shen who was considered to be interested in the Disposal Agreement and the Disposal contemplated thereunder and has abstained from voting in respect of the Board resolutions proposed to approve the Disposal Agreement and the Disposal contemplated thereunder, and excluding members of the Independent Board Committee and the Whitewash Independent Board Committee whose views have been set out in the letter from the letter from the Independent Board Committee and the letter from the Whitewash Independent Board Committee, respectively, after considering the advice of the Independent Financial Adviser), are of the view that (i) the terms of the Disposal Agreement, including the terms of the Promissory Note, are not in the ordinary and usual course of business of the Company, but they are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole; and (ii) the Disposal Agreement and the Disposal contemplated thereunder is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors advise the Independent Shareholders to vote in favour of the ordinary resolution to approve the Disposal Agreement and the Disposal contemplated thereunder at the Disposal EGM.

## **12. ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
By order of the Board  
**Apollo Future Mobility Group Limited**

A handwritten signature in black ink, appearing to read 'Eric Ho King Fung', written over a horizontal line.

Ho King Fung, Eric  
*Chairman*