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Vobile Group Limited
阜博集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3738)

**PROPOSED ISSUE OF
HK\$100,000,000 CONVERTIBLE BONDS DUE JULY 2022
UNDER GENERAL MANDATE**

ISSUE OF CONVERTIBLE BONDS

The Board is pleased to announce that on June 28, 2020, the Company and the Investor, Poly Platinum Enterprises Limited, entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue to the Investor, and the Investor has conditionally agreed to subscribe for, two series of Convertible Bonds in the aggregate principal amount of HK\$100,000,000.

The first series of Convertible Bonds, Series One Convertible Bonds, is for an aggregate principal amount of HK\$80,000,000 and has an initial Conversion Price of HK\$2.58 per Share and the second series of Convertible Bonds, Series Two Convertible Bonds, is for an aggregate principal amount of HK\$20,000,000 and has an initial Conversion Price of HK\$2.80 per Share. The Series One Convertible Bonds and the Series Two Convertible Bonds are both convertible into Shares of the Company and are referred to collectively as the Convertible Bonds.

Assuming full conversion of the Convertible Bonds at the initial Conversion Price, the Series One Convertible Bonds will be convertible into 31,007,751 Conversion Shares and the Series Two Convertible Bonds will be convertible into 7,142,857 Conversion Shares, for a total of 38,150,608 Conversion Shares representing approximately 8.98% of the issued share capital of the Company as at the date of this announcement and approximately 8.24% of the issued share capital of the Company as enlarged by the allotment and issue of 38,150,608 Conversion Shares.

The initial Conversion Price of the Series One Convertible Bonds of HK\$2.58 represents (a) a premium of 0% to the closing price of HK\$2.58 per Share as quoted on the Stock Exchange on the last trading date prior to the date of the Subscription Agreement; (b) a premium of approximately 15.59% to the average closing price of approximately HK\$2.23 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Subscription Agreement; and (c) a premium of approximately 19.44% to the average closing price of approximately HK\$2.16 per Share as quoted on the Stock Exchange for the ten trading days immediately prior to the date of the Subscription Agreement.

The initial Conversion Price of the Series Two Convertible Bonds of HK\$2.80 represents (a) a premium of approximately 8.53% to the closing price of HK\$2.58 per Share as quoted on the Stock Exchange on the last trading date prior to the date of the Subscription Agreement; and (b) a premium of approximately 25.45% to the average closing price of approximately HK\$2.23 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Subscription Agreement; and (c) a premium of approximately 29.63% to the average closing price of approximately HK\$2.16 per Share as quoted on the Stock Exchange for the ten trading days immediately prior to the date of the Subscription Agreement.

The Convertible Bonds will bear simple interest on their outstanding principal amount at the rate of 5% per annum, payable semi-annually in arrears, and will mature on the Maturity Date falling two years from the Issue Date.

The Conversion Shares will, upon their issue, rank *pari passu* in all aspects with the other Shares in issue.

GENERAL MANDATE

The Conversion Shares will be allotted and issued pursuant to the General Mandate. The issue of the Convertible Bonds and the allotment and issue of the Conversion Shares (upon the conversion of the Convertible Bonds) are not subject to the Shareholders' approval.

APPLICATION OF LISTING

No listing of the Convertible Bonds will be sought in any jurisdiction.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

USE OF PROCEEDS

The estimated net proceeds to the Company from the issue of the Convertible Bonds, after deduction of initial Handling Fee and Investor expenses payable by the Company in connection with the issue of the Convertible Bonds, will be approximately HK\$98.68 million. The Company intends to use the net proceeds from the issue of the Convertible Bonds for development and investment of content distribution related business and other business supporting short-form video platforms.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent contained in the Subscription Agreement. Accordingly, the issue of the Convertible Bonds may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

ISSUE OF CONVERTIBLE BONDS

The Board is pleased to announce that on June 28, 2020, the Company and the Investor entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue to the Investor, and the Investor has conditionally agreed to subscribe for the Series One Convertible Bonds in the principal amount of HK\$80,000,000 and the Series Two Convertible Bonds in the principal amount of HK\$20,000,000

THE SUBSCRIPTION AGREEMENT

Date

June 28, 2020

Parties

- (a) the Company as issuer; and
- (b) the Investor as subscriber.

Issue price

100% of the principal amount of the Convertible Bonds, being the aggregate of principal amount of HK\$80,000,000 for the Series One Convertible Bonds and HK\$20,000,000 for Series Two Convertible Bonds. The issue price for the Convertible Bonds, after deducting an initial Handling Fee of 1% of the aggregate principal amount of the Convertible Bonds and estimated expenses of the Investor of approximately HK\$320,000, will be paid or caused to be paid by the Investor on the Closing Date in Hong Kong dollars to such Hong Kong dollar account designated by the Company.

Conditions precedent

The obligation of the Investor to subscribe and pay for, and the obligation of the Company to issue, the Convertible Bonds are subject to the fulfilment, prior to or simultaneously at Closing of, among others, the following conditions to the satisfaction of the Investor:

(a) *Compliance:*

- (i) the warranties and covenants of the Company in the Subscription Agreement being true, complete and accurate in all material respects and not misleading in any material respect (except for those which are qualified with materiality or Material Adverse Effect, which shall be true, complete and accurate in all respects and which shall not be misleading in any respect);
- (ii) the Company having performed all its obligations under the Subscription Agreement to be performed on or before the Closing; and
- (iii) there having been delivered to the Investor a closing certificate issued by the Company, approved by the Investor, to such effect and that all other conditions precedent have been satisfied;

(b) *Deliverables:*

on or prior to the Closing Date, there shall have been delivered to the Investor:

- (i) a certified true copy of the resolutions of the Board which are in full force and effect, approving the Transaction Documents (to the extent it is a party) and the transactions contemplated thereunder (including but not limited to the issue of the Convertible Bonds to the Investor);
 - (ii) a certified true copy of the listing approval issued by the Hong Kong Stock Exchange in connection with the new Shares issuable upon the exercise of the conversion right under the Convertible Bonds;
 - (iii) an executed copy of the Subscription Agreement and the instruments of the Convertible Bonds duly executed by the Company and the certificate(s) of the Convertible Bonds issued in the name of the Investor duly executed by the Company; and
 - (iv) a certified copy of the register of convertible bondholders of the Company evidencing the entries in the register of convertible bondholders of the Company in respect of the subscription of the Convertible Bonds by the Investor;
- (c) *Listing:* the listing of and permission to deal in the Conversion Shares (upon conversion of the Convertible Bonds) having been granted by the Listing Committee of the Stock Exchange; and

(d) *Others:*

(i) the Company having:

- (A) duly complied with all requirements under Applicable Laws and its constitutional documents necessary for the validity and enforceability of the Transaction Documents and the transactions contemplated thereunder;
- (B) duly completed all procedural requirements required by any relevant government authority and its constitutional documents in connection with the signing of the Transaction Documents and the transactions contemplated thereunder; and
- (C) obtained all consents and approvals by any relevant government authority and under its constitutional documents in connection with the signing of the Transaction Documents and the transactions contemplated thereunder that is capable of being completed prior to Closing;

(ii) there being no government authority or other person that has:

- (A) requested any information in connection with or instituted or, threatened any action or investigation to restrain, prohibit or otherwise challenge the subscription for the Convertible Bonds by the Investor, or the other transactions contemplated by the Transaction Documents;
- (B) threatened to take any action as a result of or in anticipation of the subscription for the Convertible Bonds by the Investor, or the other transactions contemplated by the Transaction Documents; and
- (C) proposed or enacted any Applicable Laws which would prohibit, materially restrict or materially delay the subscription for the Convertible Bonds by the Investor, or the other transactions contemplated by the Transaction Documents and/or the operation of any Group company after Closing;

(iii) this Announcement having been made in accordance with the Listing Rules;

(iv) there shall not have been any suspension of the trading of the Shares between the date of the Subscription Agreement and the Closing Date on the Stock Exchange;

(v) there being no change in the principal business, operations, properties, conditions (financial or otherwise), personnel or prospects of the Company, nor the happening of any events, in all cases, which had a Material Adverse Effect;

(vi) assuming that (A) Mr. Wang has fully exercised outstanding options to subscribe for 8,000,000 Shares; and (B) 5,214,953 Shares as announced in the Company's announcement dated 23 June 2020 (the "**Consideration Shares**") has been allotted and issued at the Closing Date, Mr. Wang shall (i) be the single largest shareholder of the Company, the executive

director and chairman of the Board, and (ii) directly or indirectly hold such number of the Shares, representing not less than 17.25% of the entire issued share capital of the Company as at the Closing Date;

(vii) there shall not have occurred certain force majeure events including but not limited to the COVID-19 outbreak, which individually or in aggregate is or is likely to have a Material Adverse Effect; and

(viii) there shall not have occurred a suspension or limitation of trading in securities generally on the Stock Exchange.

The Investor may, at its sole discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the above conditions.

If the above conditions are not satisfied or waived on or prior to the Long Stop Date, the Investor may terminate the Subscription Agreement by written notice and no party shall be under any liability to any other in respect of the Subscription Agreement, save for any breach of the Subscription Agreement or liability accrued prior to such termination.

Closing

Closing shall take place on the same business day as the fulfilment or waiver (as the case may be) of all conditions precedent (or such other date as may be agreed in writing between the Company and the Investors) (the “**Closing Date**”).

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Set out below is a summary of the principal terms of the Convertible Bonds:

Issuer	: The Company
Principal amount	: HK\$80,000,000 for Series One Convertible Bonds and HK\$20,000,000 for Series Two Convertible Bonds
Maturity Date	: The date falling two years from the Issue Date, which may, if agreed by the Issuer and the Bondholders, be extended to the date falling three years from the Issue Date. The Company will comply with the relevant requirements of the Listing Rules in the event the Maturity Date is extended.
Status	: The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves.

The payment obligations of the Company under the Convertible Bonds shall at all times rank at least equally with all of the Company's other present and future direct unsecured, unconditional, and unsubordinated obligations.

No application will be made for the listing of the Convertible Bonds on the Hong Kong Stock Exchange or any other stock exchange.

Interest : The Convertible Bonds shall bear simple interest on their outstanding principal amount from and including the Issue Date up to and including the Maturity Date, or if earlier, exercise of the Conversion Rights or the redemption rights in respect of the Convertible Bond at the rate of 5% per annum, payable semi-annually in arrears.

Handling Fee The Company shall pay to the Investor a non-refundable handling fee which equals to one percent (1%) per annum of the outstanding principal amount of the Convertible Bonds (the "**Handling Fee**").

The first payment of the Handling Fee, which equals to one percent (1%) of the Subscription Price, shall be deducted from the Subscription Price by the Investor.

The Handling Fee shall be payable in arrears every twelve (12) calendar months from the Closing Date until the Maturity Date of the Convertible Bonds or the date the Convertible Bonds are redeemed (whichever is earlier); provided, however, that no Handling Fee is due on the first twelve-month anniversary of the Closing Date in light of the payment of the first Handling Fee by way of deduction from the Subscription Price.

Any accrued but unpaid Handling Fee, calculated on the basis of the actual number of days elapsed in a year of 365 days, shall be payable up to and including the Maturity Date of the Convertible Bonds or the date the Convertible Bonds are redeemed (as the case may be).

Conversion Period : Any time on or after the Issue Date up to the close of business on the date falling one business day prior to the Maturity Date (both days inclusive) or on the date of a Bondholder redemption notice after an event of default under the Convertible Bond.

However, the conversion rights will revive and/or will continue to be exercisable until the date upon which the full amount of the moneys payable in respect of the Convertible Bonds has been duly received by the Bondholder, notwithstanding that the Conversion Period may have expired before such relevant Conversion Date. As a condition to such conversion, the Bondholder must repay to the Company any portion of (a) the amount of the Bondholder Redemption Price other than interest or (b) the principal that was previously paid by the Company.

Conversion : Subject to the Terms and Conditions, each Convertible Bond shall entitle the Bondholder to convert such Convertible Bond into Conversion Shares credited as fully paid at any time during the Conversion Period.

Conversion Shares : The number of Shares to be issued upon conversion of the Convertible Bonds shall be determined by dividing the principal amount of the Convertible Bonds to be converted by the Conversion Price in effect on the relevant Conversion Date.

The Conversion Shares will, upon their issue, rank *pari passu* in all aspects with the other Shares in issue.

Conversion Price : Initially HK\$2.58 per Conversion Share for the Series One Convertible Bonds and HK\$2.80 per Conversion Share for the Series Two Convertible Bonds, which was determined after arm's length negotiations between the Company and the Investor with reference to the prevailing market price of the Shares on the Stock Exchange and the business performance of the Group under the prevailing market conditions.

The initial Conversion Price of HK\$2.58 for the Series One Convertible Bonds represents:

- (a) a premium of 0% to the closing price of HK\$2.58 per Share as quoted on the Stock Exchange on the last trading date before the date of the Subscription Agreement;
- (b) a premium of approximately 15.59% to the average closing price of approximately HK\$2.23 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Subscription Agreement; and

- (c) a premium of approximately 19.44% to the average closing price of approximately HK\$2.16 per Share as quoted on the Stock Exchange for the ten trading days immediately prior to the date of the Subscription Agreement.

The initial Conversion Price of HK\$2.80 for the Series Two Convertible Bonds represents:

- (a) a premium of approximately 8.53% to the closing price of HK\$2.58 per Share as quoted on the Stock Exchange on the last trading date prior to the date of the Subscription Agreement;
- (b) a premium of approximately 25.45% to the average closing price of approximately HK\$2.23 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Subscription Agreement; and
- (c) a premium of approximately 29.63% to the average closing price of approximately HK\$2.16 per Share as quoted on the Stock Exchange for the ten trading days immediately prior to the date of the Subscription Agreement.

Assuming the conversion of the Convertible Bonds into the Conversion Shares in full at the initial Conversion Price after deducting the initial Handling Fee and costs and expenses of the Investor incurred in connection with the issue of the Convertible Bonds which the Company has agreed to pay, it is estimated that the net proceeds from the issue of the Convertible Bonds to be received by the Company from the Investor are approximately HK\$98.68 million, representing a net issue price of approximately HK\$2.59 per Conversion Share.

The breakdown between the Series One Convertible Bonds and the Series Two Convertible Bonds, assuming that the expenses of the Investor to be reimbursed by the Company is allocated pro rata to the principal amounts is as follows:

- (a) assuming the conversion of the Series One Convertible Bonds into Conversion Shares in full at the initial Conversion Price after deducting the initial Handling Fee and costs and expenses of the Investor incurred in connection with the issue of the Series One Convertible Bonds which the Company has agreed to pay, it is estimated that the net proceeds from the issue of the Series One Convertible Bonds are approximately HK\$78.94 million, representing a net issue price of approximately HK\$2.55 per Conversion Share; and
- (b) assuming the conversion of the Series Two Convertible Bonds into Conversion Shares in full at the initial Conversion Price after deducting the initial Handling Fee and costs and expenses of the Investor incurred in connection with the issue of the Series Two Convertible Bonds which the Company has agreed to pay, it is estimated that the net proceeds from the issue of the Series Two Convertible Bonds are approximately HK\$19.74 million, representing a net issue price of approximately HK\$2.76 per Conversion Share.

**Adjustment of the
Conversion Price**

: The Conversion Price is subject to adjustment in accordance with the Terms and Conditions when any of the following events occur:

- (a) consolidation or subdivision of the Shares;
- (b) issue of Shares credited as fully paid to the Shareholders by way of capitalization of profits or reserves (except any scrip dividend), which would not have constituted a distribution;
- (c) issue of Shares by way of a scrip dividend, which would not have constituted a distribution;
- (d) payment or making of any capital distribution to the Shareholders;

- (e) issue of Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, at less than the current market price calculated in accordance with the Terms and Conditions;
- (f) issue of any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares);
- (g) the Company or any of its subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them; and
- (h) the Company issues Shares or Share Equivalents at less than the current Conversion Price except for Shares or Share Equivalents issued to Company service providers, that is, directors, officers, employees, and consultants, and Shares issued or issuable in connection with bona fide acquisitions, mergers, strategic partnership/joint venture collaboration or commercial transactions, licenses, real estate or equipment leases, commercial loans or similar transactions, the terms of which are approved by the Board. The adjustment is via a broad-based weighted average formula.

Redemption

: (a) *Redemption at maturity*

The Company shall redeem all the outstanding principal amount of the Convertible Bonds held by a Bondholder on the Maturity Date, without the need for the relevant Bondholder to serve any notice, at their principal amount as at such date together with (i) accrued but unpaid interest from the Issue Date to such date and any unpaid default interest and all accrued and unpaid Handling Fees; (ii) an agreed internal investment return of twelve percent (12%) per annum (taking into account all paid interest and Handling Fees in respect of the Convertible Bond (but excluding any default interest paid) and calculated on the basis of the actual number of days elapsed in a year of 365 days), and (iii) all other outstanding amounts (if any) payable by the Company to the Bondholder (“**Bondholder Redemption Price**”).

(b) *Redemption upon event of default*

If any event of default specified under the Terms and Conditions occurs and a written notice is served by a Bondholder to the Company specifying the event of default, the relevant Bondholder shall have the right (but not the obligation) to demand the Company to, and the Company shall, redeem all or part of the relevant Convertible Bonds, at their principal amount as at such date together with (i) accrued but unpaid interest from the Issue Date up to (and including) the date of full payment of the Bondholder Redemption Price by the Company, (ii) unpaid default interest (if any) and accrued and unpaid Handling Fees in respect of the Convertible Bonds, (iii) such amount as would result in an internal rate of return of eighteen percent (18%) per annum on the outstanding principal amount of the Convertible Bonds from the Issue Date up to (and including) the date of full payment of the Bondholder Redemption Price by the Company (taking into account all paid interest and Handling Fee in respect of the Convertible Bonds (but excluding any default interest paid) and calculated on the basis of the actual number of days elapsed in a year of 365 days), and (iv) all other outstanding amounts (if any) payable by the Company to the Bondholder under the Transaction Documents.

Cancellation

: All Convertible Bonds which are redeemed or converted will be cancelled, and such Convertible Bonds shall not be reissued or resold.

Transferability : The Convertible Bonds are freely transferable in whole or in part by delivery of the bond certificate issued in respect of such Convertible Bonds, with the form of transfer on the back duly completed and signed by the relevant Bondholder or his attorney duly authorized in writing to a designated office of the Company except that the express prior written consent of the Company is required if such transfer will result in other Person other than Mr. Wang becoming the single largest shareholder of the Company or if the transferee is an Affiliate of any Person who has publicly announced or otherwise made it known in the investment community that such Person intends to become the single largest shareholder of the Company.

In no event shall consent of the Company be needed for (a) transfers after the end of the term of the Convertible Bonds, if the Convertible Bonds have not been timely paid in full or (b) transfers at any time to any Affiliate of the initial holder of the Convertible Bonds.

GENERAL MANDATE

At the 2019 AGM, the General Mandate was granted to the Directors, pursuant to which the Directors are authorized to allot and issue such Shares of not exceeding 20% of the aggregate number of issued Shares as at the date of the 2019 AGM, being a maximum of 84,974,907 Shares. As at the date of this announcement, subject to approval of the Stock Exchange, 5,214,953 Consideration Shares are planned to be utilized for the issue and allotment of Consideration Shares under the supplemental compensation agreement as described in the Company's announcement date June 23, 2020.

Assuming there is no further issue or repurchase of the Shares and there is no adjustment to the initial Conversion Price, upon the conversion of the Convertible Bonds, a total of approximately 38,150,608 Conversion Shares will be issued, which represent approximately 8.98% of the issued share capital of the Company as at the date of the 2019 AGM. Under the same assumptions, breaking this down between Series One Convertible Bonds and Series Two Convertible Bonds:

- (a) upon conversion of the Series One Convertible Bonds, a total of approximately 31,007,751 Conversion Shares will be issued, which represent approximately 7.30% of the issued share capital of the Company as at the date of the 2019 AGM, and
- (b) upon the conversion of the Series Two Convertible Bonds, a total of approximately 7,142,857 Conversion Shares will be issued, which represent approximately 1.68% of the issued share capital of the Company as at the date of the 2019 AGM.

Accordingly, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares (upon conversion of the Convertible Bonds) are not subject to the Shareholders' approval.

REASONS FOR ISSUING THE CONVERTIBLE BONDS

The Investor's interest in making an investment into the Group reflects its confidence in the Group's business and growth potential. The Directors (including the independent non-executive Directors) are of the view that the raising of funds by the issue of the Convertible Bonds will enhance the Group's capital structure and liquidity and to finance the Group's future development and expansion.

The Directors (including the independent non-executive Directors) consider that the terms, including the Conversion Price, of the Subscription Agreement and the transactions contemplated thereunder, which were arrived at after arm's length negotiations between the Company and the Investor, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The estimated net proceeds from the issue of the Convertible Bonds, after deduction of expenses payable in connection with the issue of the Convertible Bonds, will be approximately HK\$98.68 million. The Company intends to use the net proceeds from the issue of the Convertible Bonds for development and investment of content distribution related business and other business supporting short-form video platforms.

INFORMATION ON THE PARTIES

The Group is the leading provider of online video content protection services, helping its content owner customers reduce infringement-induced revenue losses and increase revenues with pay-per transaction model over Internet and mobile distribution.

The Investor is a British Virgin Islands business company with limited liability which is principally engaged in the business of investments. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Investor and its ultimate beneficial owners are third parties independent of and not connected with the Company and its core connected persons (as defined under the Listing Rules).

The Company confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Investor is a third party independent of the Company and its connected persons.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS PERIOD

There has not been any fund raising activity involving the issue of equity securities of the Company in the 12 months preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE

Assuming there is no further issue or repurchase of the Shares, based on the respective initial Conversion Prices of the Convertible Bonds and assuming full conversion of the Convertible Bonds at their initial Conversion Price, the Convertible Bonds will be convertible into 38,150,608 Shares,

representing approximately 8.98% of the issued share capital of the Company as at the date of this announcement and approximately 8.24% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

Under the same assumptions, breaking this down between Series One Convertible Bonds and Series Two Convertible Bonds, the Series One Convertible Bonds will be convertible into 31,007,751 Shares, representing approximately 7.30% of the issued share capital of the Company as at the date of this announcement and approximately 6.70% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares and the Series Two Convertible Bonds will be convertible into 7,142,857 Shares, representing approximately 1.68% of the issued share capital of the Company as at the date of this announcement and approximately 1.54% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The following table sets out, for illustrative purpose only, (i) the existing shareholding structure of the Company; (ii) the shareholding structure immediately after the issue of the Convertible Bonds and assuming full conversion of the Convertible Bonds into Conversion Shares at their respective initial Conversion Prices; and (iii) the shareholding structure immediately after the issue of the Convertible Bonds and assuming full conversion of the Convertible Bonds into Conversion Shares at their respective initial Conversion Price and issue and allotment of the Consideration Shares under the supplemental compensation agreement dated June 23, 2020.

	As at the date of this announcement		Immediately after Completion (assuming the issue and allotment of the Consideration Shares has not been completed)		Immediately after Completion (assuming the issue and allotment of the Consideration Shares has completed)	
	Approximate percentage No. of Shares of issued share capital		Approximate percentage No. of Shares of issued share capital		Approximate percentage No. of Shares of issued share capital	
Mr. Wang ⁽¹⁾	75,290,480	17.72%	75,290,480	16.26%	75,290,480	16.08%
New York Private Trust Company ⁽²⁾	34,857,144	8.20%	34,857,144	7.53%	34,857,144	7.44%
Mr. Lu	32,190,480	7.58%	32,190,480	6.95%	32,190,480	6.87%
Mr. Xie ⁽³⁾	31,800,000	7.48%	31,800,000	6.87%	31,800,000	6.79%
Mr. Wargo ⁽⁴⁾	29,270,339	6.89%	29,270,339	6.32%	29,270,339	6.25%
The Investor ⁽⁵⁾	—	—	38,150,608	8.24%	38,150,608	8.15%
Mr. Leatherland	—	—	—	—	5,214,953	1.11%
Other public Shareholders	221,466,093	52.13%	221,466,093	47.83%	221,466,093	47.31%
Total issued Shares	424,874,536	100%	463,025,144	100%	468,240,097	100%

Notes:

- (1) Mr. Wang is a settlor, a trustee and a beneficiary of the JYW Family Living Trust (“**JYW Trust**”). Mr. Wang and the JYW Trust are the settlors and Mr. Wang is the trustee and beneficiary of the YBW 2016 Annuity Trust (“**YBW Trust**”). Mr. Wang is interested in 7,100,000 Shares beneficially owned by him, 52,190,480 Shares held by him in his capacity as trustee and beneficiary of the JYW Trust, 8,000,000 Shares in his capacity as trustee and beneficiary of the YBW Trust and 8,000,000 Shares which may be issued pursuant to the exercise of options granted under a pre-IPO share option scheme.
- (2) Leading Season Limited is wholly owned by Gorgeous Holding Limited, which is wholly owned by New York Private Trust Company. Under the Securities and Futures Ordinance, New York Private Trust Company is deemed to be interested in the 34,857,144 Shares held by Leading Season Limited.
- (3) Navibell Venture Corp. is wholly owned by Colombo Development Limited, which is wholly owned by Equity Trustee Limited. Mr. Xie is a trustee and a beneficiary of The XIE Family Trust which is the beneficiary of Equity Trustee Limited, and is deemed to be interested in the 31,800,000 Shares held by Navibell Venture Corp.
- (4) Mr. Wargo is interested in 29,270,339 Shares beneficially owned by him.
- (5) This assumes conversion by the Investor at the initial Conversion Prices of the Convertible Bonds.

APPLICATION FOR LISTING

No listing of the Convertible Bonds will be sought in any jurisdiction.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

GENERAL

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent contained in the Subscription Agreement. Accordingly, the issue of the Convertible Bonds may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the same meanings set out below unless the context otherwise requires:

“2019 AGM” the annual general meeting of the Company held on June 27, 2019;

“Affiliate”	with respect to any person, any of such person’s connected person(s) or core connected person(s), any other person directly or indirectly controlling, controlled by or under common control with such person (including any Subsidiary) or any investment funds managed or advised by such Person or any of its other Affiliates and, for any person who is an individual, includes such individual’s spouse, children or any person(s) cohabiting as a spouse of such person. Notwithstanding the foregoing, in the case of a person that is a pooled investment vehicle or an entity wholly owned by a pooled investment vehicle, “Affiliates” shall include any of its general partners and fund managers and pooled investment vehicles managed by its fund managers, and any officers, general partners and fund managers thereof. For the purpose of this definition, the term “control” (including with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise;
“Applicable Laws”	any laws, regulations, rules, notices, guidelines, treaties, orders and other legislative decisions, executive or judicial decisions or pronouncements of any governmental authority that is applicable to a given person, including, without limitation, securities laws applicable to such person or any instrument held by such Person;
“Board”	the board of Directors;
“Bondholder”	the person in whose name a Convertible Bond is registered;
“Closing”	the completion of the subscription of the Convertible Bonds in accordance with the Subscription Agreement;
“Closing Date”	the same business day as the fulfilment or waiver (as the case may be) of all conditions precedent under the Subscription Agreement, or such other date as may be agreed in writing between the Company and the Investor;
“Company”	Vobile Group Limited (阜博集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;

“Consideration Shares”	5,214,953 Shares to be issued by the Company to Mr. Leatherland pursuant to a supplemental compensation agreement dated June 23, 2020;
“Conversion Date”	means, in relation to the Convertible Bonds, the date with effect from which the Convertible Bonds are converted into the Shares in accordance with the Terms and Conditions;
“Conversion Period”	any time on or after the Issue Date up to the close of business on the date falling one business day prior to the Maturity Date (both days inclusive) or on the date of a Bondholder redemption notice after an event of default under the Convertible Bond, subject to revival if the redemption price has not timely paid in full until close of business on the date the redemption price is paid in full;
“Conversion Price”	an initial conversion price of HK\$2.58 per Conversion Share for Series One Convertible Bonds and HK\$2.80 per Conversion Share for Series Two Convertible Bonds, subject to adjustments set out in the Terms and Conditions;
“Conversion Shares”	the Shares to be issued by the Company upon conversion of each Convertible Bond;
“Convertible Bonds”	the Series One Convertible Bonds and the Series Two Convertible Bonds;
“Director(s)”	the directors of the Company;
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on June 27, 2019, under which up to a total of 84,974,907 Shares (being up to 20% of the total issued share capital of the Company as at the date of the passing of the relevant resolution, which was June 27, 2019) can be allotted, issued and dealt with by the Directors;
“Group”	the Company, its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Investor”	Poly Platinum Enterprises Limited, a business company incorporated under the laws of the British Virgin Islands with limited liability;

“Issue Date”	the date of issue of the Convertible Bonds;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	July 17, 2020, or any other dates as agreed in writing between the Investor and the Company;
“Maturity Date”	the date falling two years from the Issue Date, which may, if agreed by the Issuer and the Bondholders, be extended to the date falling three years from the Issue Date;
“Material Adverse Effect”	a material adverse effect on, amongst others, (i) the assets, liabilities, condition (financial or otherwise), business, general affairs, results of operations of the Group companies, taken as a whole, (ii) the ability of the Group companies, taken as a whole, to perform their obligations under any of the Transaction Documents, or (iii) the validity or enforceability of any of the Transaction Documents;
“Mr. Leatherland”	Mr. Adrian LEATHERLAND, the Chief Technology Officer of Vobile Australia Pty. Ltd., a wholly-owned subsidiary of the Company;
“Mr. Lu”	Mr. LU Jian;
“Mr. Wang”	Mr. Yangbin Bernard WANG;
“Mr. Wargo”	Mr. J David WARGO;
“Mr. Xie”	Mr. XIE Shihuang;
“Share(s)”	the ordinary share(s) of a par value of US\$0.0001 each in the share capital of the Company;
“Securities Act”	the United States Securities Act of 1933, as amended;
“Series One Convertible Bonds”	the convertible bonds in the principal amount of HK\$80,000,000 to be issued by the Company and to be subscribed by the Investor at Closing;
“Series Two Convertible Bonds”	the convertible bonds in the principal amount of HK\$20,000,000 to be issued by the Company and to be subscribed by the Investor at Closing;
“Share Equivalents”	any options, warrants, convertible notes or other rights to subscribe or purchase Shares or other securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company on their conversion, exchange or subscription;

“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	the subscription agreement dated June 28, 2020 entered into between the Company and the Investor in respect of the subscription and the issue of the Convertible Bonds;
“Subscription Price”	the principal amount of the Convertible Bonds to be issued to the Investor which shall be not more than HK\$100,000,000;
“Terms and Conditions”	the terms and conditions of the Convertible Bonds;
“Transaction Documents”	The forms of Convertible Bonds and the Subscription Agreement and any other documents relating to the transactions contemplated therein which may be entered into from time to time; and
“%”	percent.

By order of the Board
Vobile Group Limited
Yangbin Bernard WANG
Chairman, Executive Director and
Chief Executive Officer

Hong Kong, June 29, 2020

As at the date of this announcement, the Board comprises Mr. Yangbin Bernard WANG, and Mr. Michael Paul WITTE as executive Directors; Mr. Vernon Edward ALTMAN, Mr. J David WARGO and Mr. WONG Wai Kwan as non-executive Directors; and Mr. CHAN King Man Kevin, Mr. James Alan CHIDDIX and Mr. Charles Eric EESLEY as independent non-executive Directors.