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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 SHARE SUBDIVISION

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The Board proposes that each of the existing issued and unissued Shares of US\$0.0001 each in the share capital of the Company be subdivided into four (4) Subdivided Shares of US\$0.000025 each. The Share Subdivision will become effective upon the fulfilment of the conditions set out in the section headed “Conditions of the Share Subdivision” below.

The Shares are currently traded in board lot size of 1,000 Shares. Upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will remain as 1,000 Subdivided Shares.

GENERAL

An EGM is proposed to be convened for the Shareholders to consider, and if thought fit, to approve the Share Subdivision. A circular containing details of the Share Subdivision, the arrangement and procedure for the free exchange of share certificates together with the notice of EGM will be despatched to Shareholders on or around 23 June 2021.

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Effect of the Share Subdivision

As at the date of this announcement, the authorised share capital of the Company is US\$800,000 divided into 8,000,000,000 Shares of US\$0.0001 each, of which 485,201,556 Shares have been issued and are fully paid or credited as fully paid.

Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be US\$800,000 divided into 32,000,000,000 Subdivided Shares of US\$0.000025 each, of which 1,940,806,224 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares are issued or repurchased prior to the Share Subdivision becoming effective.

All Subdivided Shares will rank *pari passu* with each other in all respects with the Shares in issue prior to the Share Subdivision and the Share Subdivision will not result in any change in the relevant rights of the Shareholders.

The Shares are currently traded in board lot size of 1,000 Shares. Upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will remain as 1,000 Subdivided Shares.

The Share Subdivision is not expected to result in any odd lots other than those that already exist.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon:

- (a) the passing by the Shareholders at the EGM of an ordinary resolution approving the Share Subdivision; and
- (b) the Listing Committee granting the listing of, and permission to deal in, (i) the Subdivided Shares arising from the Share Subdivision; (ii) any Subdivided Shares which may fall to be issued upon exercise of the outstanding share options granted under the share option schemes adopted by the Company on 30 December 2016 and 8 December 2017; (iii) all Subdivided Shares which may fall to be issued upon exercise of options to be granted from time to time under the share option scheme adopted by the Company on 8 December 2017 (under the refreshed scheme mandate limit approved by the Shareholders on 18 March 2021); and (iv) any Subdivided Shares which may fall to be issued upon conversion of the Convertible Bonds issued by the Company on 14 July 2020.

The Share Subdivision will become effective after the conditions of the Share Subdivision above are fulfilled.

ADJUSTMENT TO SHARE OPTIONS AND THE CONVERTIBLE BONDS

As at the date of this announcement, there were 50,427,000 outstanding options granted under the Company's share option schemes adopted on 30 December 2016 and 8 December 2017 to subscribe for an aggregate of 50,427,000 Shares. Upon the Share Subdivision becoming effective, pro-rata adjustments will be made to the exercise prices and the number of outstanding share options. The Company will appoint an auditor to certify in writing that such pro-rata adjustments are in accordance with the terms of the share option schemes adopted on 30 December 2016 and 8 December 2017 and the supplementary guidance regarding the adjustment of share options under Rule 17.03(13) of the Listing Rules.

As at the Latest Practicable Date, there are outstanding Series One Convertible Bonds with a principal amount of HK\$80,000,000 with an initial conversion price of HK\$2.58 per Share which may convert into 31,007,751 new Shares and outstanding Series Two Convertibles Bonds with a principal amount of HK\$20,000,000 with an initial conversion price of HK\$2.80 per Share which may convert into 7,142,857 new Shares issued on 14 July 2020. As a result of the Share Subdivision, the conversion price of Series One Convertible Bonds will be adjusted from HK\$2.58 to HK\$0.645 per Share, which the maximum number of new Shares to be converted from Series One Convertible Bonds will be adjusted from 31,007,751 new Shares to 124,031,004 new Shares and the conversion price of Series Two Convertible Bonds will be adjusted from HK\$2.80 to HK\$0.70 per Share which the maximum number of new Shares to be converted from Series Two Convertible Bonds will be adjusted from 7,142,857 new Shares to 28,571,428 new Shares.

The Company will inform each of the grantees of the share options regarding the adjustments to be made pursuant to the respective terms and conditions of the share option schemes and the holder of the Convertible Bonds regarding the adjustments to be made pursuant to the respective terms and conditions of the Convertible Bonds.

Save as disclosed above, the Company has no other outstanding share options or convertible securities to subscribe for any Share.

EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Subdivision having become effective, the existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on 18 August 2021 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one (1) Share for four (4) Subdivided Shares.

Upon the Share Subdivision becoming effective, the Shareholders can submit their existing certificates in the colour of blue for the Shares to the Company's branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for the new share certificates for the Subdivided Shares free of charge between 9:00 a.m. and 4:00 p.m. on any Business Day from 15 July 2021 to 20 August 2021 (both days inclusive). After the expiry of such period, existing certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each existing share certificate cancelled or new share certificate issued (whichever number of share certificates involved is higher). It is expected that the new share certificates for the Subdivided Shares will be available for collection within a period of 10 Business Days after the submission of the existing share certificates for the Shares to Tricor Investor Services Limited for exchange.

The new share certificates will be orange in colour so as to be distinguished from the existing share certificates which are blue in colour.

REASONS FOR THE SHARE SUBDIVISION

The proposed Share Subdivision will reduce the nominal value and trading price of each Share and increase the number of Shares in issue. Although the Share Subdivision will result in downward adjustment to the trading price of the Shares, the Board believes that the Share Subdivision would enhance the liquidity in trading of Shares and thereby would enable the Company to attract more investors and broaden its Shareholder base. Accordingly, the Board considers that the Share Subdivision is in the interest of the Company and its Shareholders as a whole.

As at the date of this announcement, the Directors confirm that the Company has no intention to carry out other corporate action which may have an effect of undermining or negating the intended purpose of the Share Subdivision in the coming twelve (12) months. The Directors also confirm that the Company does not have any concrete plan to conduct any potential equity fund raising activities as at the date of this announcement. The Directors are of the view that the Share Subdivision is fair and reasonable and in the best interests of the Company and Shareholders as a whole. Nevertheless, the Board cannot rule out the possibility that the Company may conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules if and when appropriate.

Save for the expenses to be incurred by the Company in relation to the Share Subdivision, the implementation of the Share Subdivision will not, by itself, alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interest of the Shareholders.

EXPECTED TIMETABLE

Set out below is the expected timetable for the proposed Share Subdivision where all times and dates refer to Hong Kong local times and dates:

| Event | Hong Kong date and time |
|---|---|
| Despatch of the Circular and the related form of proxy to the Shareholder | Wednesday, 23 June 2021 |
| Latest time for lodging transfer of existing Shares in order to qualify for attending and voting at the EGM..... | 4:30 p.m. on Wednesday, 7 July 2021 |
| Register of members of the Company closed | Thursday, 8 July 2021 to Tuesday, 13 July 2021 (both days inclusive) |
| Latest date and time of lodging the form of proxy for the EGM | 9:00 a.m. on Sunday, 11 July 2021 |
| Expected date and time of the EGM | 9:00 a.m. on Tuesday, 13 July 2021 |
| Publication of the announcement of the results of the EGM..... | Tuesday, 13 July 2021 |
| The following events are conditional on the fulfilment of the conditions for the implementation of the Share Subdivision. | |
| Effective date of the Share Subdivision..... | Thursday, 15 July 2021 |
| First day for free exchange of existing share certificates for the new share certificates for Subdivided Shares..... | Thursday, 15 July 2021 |
| Dealings in Subdivided Shares commence | 9:00 a.m. on Thursday, 15 July 2021 |
| Original counter for trading in Shares in board lot of 1,000 Shares temporarily closes..... | 9:00 a.m. on Thursday, 15 July 2021 |
| Temporary counter for trading in Subdivided Shares in board lot of 4,000 Subdivided Shares (in the form of existing share certificates) opens..... | 9:00 a.m. on Thursday, 15 July 2021 |
| Original counter for trading in Subdivided Shares in board lot of 1,000 Shares (only new share certificates for Subdivided Shares can be traded at this counter) reopens..... | 9:00 a.m. on Thursday, 29 July 2021 |

Parallel trading in Shares and Subdivided Shares

(in the form of existing share certificates and

new share certificates) commences 9:00 a.m. on Thursday, 29 July 2021

Temporary counter for trading in Subdivided Shares

in board lot of 4,000 Subdivided Shares

(in the form of existing share certificates) closes 4:10 p.m. on Wednesday, 18 August 2021

Parallel trading in Shares and Subdivided Shares

(in the form of existing share certificates) closes 4:10 p.m. on Wednesday, 18 August 2021

Last day for free exchange of existing share certificates for

the Shares for new share certificates for the Subdivided Shares Friday, 20 August 2021

Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

GENERAL

An EGM will be convened and held to approve the Share Subdivision.

An application will be made to the Stock Exchange for the listing of and permission to deal in:

- (i) the Subdivided Shares arising from the Share Subdivision;
- (ii) any Subdivided Shares which may fall to be issued upon exercise of the outstanding share options granted under the share option schemes adopted by the Company on 30 December 2016 and 8 December 2017;
- (iii) all Subdivided Shares which may fall to be issued upon exercise of options to be granted from time to time under the share option scheme adopted by the Company on 8 December 2017 (under the refreshed scheme mandate limit approved by the Shareholders on 18 March 2021); and
- (iv) any Subdivided Shares which may fall to be issued upon conversion of the Convertible Bonds issued by the Company on 14 July 2020.

The Circular containing, amongst others, further details of the Share Subdivision will be despatched to the Shareholders on or around 23 June 2021.

DEFINITIONS

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

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|--------------------------------|---|
| “Board” | the board of Directors of the Company |
| “Business Day(s)” | any day(s) on which the Stock Exchange is open for the transaction of business |
| “Circular” | circular containing, among other things, further details of the Share Subdivision and the notice of EGM, which will be despatched to the Shareholders on or around 23 June 2021 |
| “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 |
| “Convertible Bonds” | the Series One Convertible Bonds and the Series Two Convertible Bonds issued on 14 July 2020 |
| “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 |
| “Conversion Shares” | The Shares to be issued by the Company upon conversion of each Convertible Bond |
| “Directors” | the directors of the Company |
| “EGM” | the extraordinary general meeting of the Company to be convened to consider, if thought fit, approve the Share Subdivision |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Committee” | the listing committee of the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Sock Exchange |
| “Series One Convertible Bonds” | The first series of Convertible Bonds for an aggregate principal amount of HK\$80,000,000 and has an initial Conversion Price of HK\$2.98 per Share |

| | |
|--------------------------------|--|
| “Series Two Convertible Bonds” | The second series of Convertible Bonds for an aggregate principal amount of HK\$20,000,000 and has an Initial Conversion Price of HK\$2.80 per Share |
| “Share(s)” | existing ordinary share(s) in the capital of the Company with a nominal value of US\$0.0001 each |
| “Share Subdivision” | the proposed subdivision of each issued and unissued Share into four (4) Subdivided Shares |
| “Shareholders” | holders of Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subdivided Share(s)” | ordinary share(s) in the capital of the Company with a nominal value of US\$0.000025 each upon the Share Subdivision becoming effective |
| “US\$” | United States dollars, the lawful currency of the United States of America |

By Order of the Board
Vobile Group Limited
Yangbin Bernard WANG
Chairman

Hong Kong, 8 June 2021

As at the date of this announcement, the Board comprises Mr. Yangbin Bernard WANG and Mr. Michael Paul WITTE as executive Directors; Mr. J David WARGO and Mr. WONG Wai Kwan as non-executive Directors; and Mr. CHAN King Man Kevin, Mr. Derek CHANG, Mr. Alfred Tsai CHU and Mr. Charles Eric EESLEY as independent non-executive Directors.