APOLLO FUTURE MOBILITY GROUP LIMITED

APOLLO 智慧出行集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 860)

SUPPLEMENTAL INFORMATION IN RELATION TO ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Reference is made to the annual report of Apollo Future Mobility Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") for the year ended 31 December 2024 published on 30 April 2025 (the "**Annual Report**"). Capitalised terms used herein shall have the same meanings as those defined in the Annual Report, unless the context requires otherwise.

The Company would like to supplement the Annual Report with the following information in relation to the qualified opinion issued by the then auditors.

The Qualified Opinion

The Group entered into an agreement (the "**Agreement**") during the year ended 31 December 2024 with a company incorporated in the British Virgin Islands ("**Entity A**"). Under the Agreement, Entity A was engaged to design, develop and manufacture of a crucial component of the Group's hypercars (the "**design and development project**"). In accordance with the Agreement, the Group has made payments, which were recorded as deposit for research and development costs ("**Deposit**") as at 31 December 2024.

However, based on the Agreement and other evidences obtained during the audit, the specific deliverables to be provided by Entity A remain unclear to the then auditors, including but not limited to, the ownership of trademarks and other intellectual property rights (if any). Furthermore, the Group was unable to provide key information regarding to the design and development project before the issuance of the audit opinion, such as a detailed technical roadmap and defined milestones.

Accordingly, the basis of the qualified opinion was that the then auditors were unable to obtain sufficient and appropriate audit evidence during the audit to ascertain the overall arrangement for the design and development project and the nature of the Deposit, for further details please refer to the section headed "Independent Auditors' Report — Basis for Qualified Opinion" in the Annual Report.

The Management's position and view

The Company hereby wishes to clarify that basis of the qualified opinion was not due to the disagreement between the management and the then auditors on assumptions or judgmental areas relating to the Deposit. The reason for the qualified opinion was that the then auditors were unable to obtain sufficient and appropriate audit evidence, which is a limitation on the scope of the audit, rather than unadjusted material misstatements on the financial statements due to disagreement between the management and the then auditors. There was also no disagreement between the management and then auditors regarding the request of audit evidence. The Company was simply unable to satisfy the then auditors' request due to insufficient time.

The then auditors had requested the Company for, among other things, a detailed technical roadmap and detailed defined milestones of the design and development project, including details of specific deliverables (such as the ownership of trademarks and other intellectual property rights) in each of the milestones (the "**Requested Items**"). While the Company had provided and explained the roadmap and key milestones of the design and development project, the then auditors were of the view that more detailed technical roadmap and milestones were necessary for them to ascertain the appropriateness of the accounting treatment for the Deposit as at 31 December 2024, including its classification and recoverability, and the completeness and accuracy of the respective disclosures in the notes to the consolidated financial statements. Even after thorough discussions with the then auditors and Entity A, and despite that the Company had already provided the then auditors with all the information and documents available to the Company and made its best effort to satisfy the then auditors' request, it was unfortunately not feasible for the Company to fully satisfy the then auditors' request within the limited time as (i) the Requested Items from the then auditors would require Entity A's further and quick assistance and Entity A could not commit to providing the Requested Items that could meet the then auditors' requirement within the limited time frame; and (ii) the design and development project was at the initial stage and there was insufficient time within the limited time frame to develop all the clear and tangible deliverables for the then auditors to inspect.

Having considered that (i) the arrangement with Entity A to be commercially fair, reasonable and in line with industry practice for such project which involves substantial investment in manpower, expertise and time, after taking into account of the scope of the design and development project and the experience of the key personnel involved; (ii) after the Group's thorough study and exploration in the market, the cooperation with Entity A is the best and the only practicable option to design, develop and manufacture a crucial component of the Group's hypercars, and the project team of Entity A possesses the necessary experience and such niche expertise in the technologies to be adopted in the Group's hypercars, which missing out such opportunity would be detrimental to the Group's future business and would prejudice the interest of the Company and its shareholders as a whole; and (iii) the Company had already provided the then auditors with all the information and documents available to the Company and made its best effort to satisfy the then auditors' request as discussed above, the management, including the board of Directors of the Company (the "**Board**") is of the view that the Company was simply unable to satisfy the then auditors' request due to insufficient time, whereas there was no difference between the management's view and the then auditors' view on major judgmental areas.

The Audit Committee's view

The Audit Committee is of the view that the reason for the qualified opinion was that the then auditors were unable to obtain sufficient and appropriate audit evidence, which is a limitation on the scope of the audit, rather than unadjusted material misstatements on the financial statements due to disagreement between the Audit Committee and the then auditors. There was also no disagreement between the Audit Committee and then auditors regarding the request of audit evidence.

Having considered the documents and information that were considered by the Board, which includes (i) the arrangement with Entity A to be commercially fair, reasonable and in line with industry practice for such project which involves substantial investment in manpower, expertise and time, after taking into account of the scope of the design and development project and the experience of the key personnel involved; (ii) after the Group's thorough study and exploration in the market, the cooperation with Entity A is the best and the only practicable option to design, develop and manufacture a crucial component of the Group's hypercars, and the project team of Entity A possesses the necessary experience and such niche expertise in the technologies to be adopted in the Group's hypercars, which missing out such opportunity would be detrimental to the Group's future business and would prejudice the interest of the Company and its shareholders as a whole; and (iii) the Company had already provided the then auditors with all the information and documents available to the Company and made its best effort to satisfy the then auditors' request as discussed above, the Audit Committee is of the view that the Company was simply unable to satisfy the then auditors' request due to insufficient time, whereas there was no difference between the management's view and the then auditors' view on major judgmental areas. The Audit Committee agrees with the management's position and basis on matters involving management's substantial judgments.

Accordingly, the Group is of the view that it has complied with the risk management and internal control code provisions under Code Provision D.2.4 of Appendix C1 to the Listing Rules, in particular the process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects. Furthermore, the Group is of the view that there is no potential impact on the Group's financial position.

As the Company is determined to resolve the audit issue, the Company has conducted the following in relation to the design and development project:

1. entered into a supplemental agreement with Entity A to (i) set out the arrangements for the development of a more detailed technical roadmap and defined milestones with detailed phases, timeline and specific deliverables in each milestones, including ownership of trademarks and other intellectual property rights; and (ii) set out a mechanism, including the establishment of an escrow arrangement and a break clause, to better manage the recoverability of the Deposit;

2. established an internal technical committee ("**Internal Technical Committee**") to oversee the design and development project;

3. discussed with the auditors the detailed technical roadmap and defined milestones from Entity A for addressing the audit evidence required; and

4. attended regular meetings with Entity A and representative of the Company to assess the progress based on the defined milestones and to ensure the required audit evidence is obtained by the Company; and

5. communicated with the auditors for the required audit procedures in relation to the design and development project to ensure that there is sufficient and appropriate audit evidence available to the auditors.

The Company has also implemented the following internal control enhancement measures in relation to contracts and commitments involving long term research and development projects to avoid re-occurrence of similar audit issue:

1. required the Internal Technical Committee to oversee such contracts, from contract negotiations to completion;

2. required the Company's responsible directors and officers to cooperate proactively with the auditors to promote better communication to ensure that the Company has sufficient time to gather sufficient and appropriate audit evidence as requested by auditors; and

3. engaged an internal control consultant to advise if there can be further enhancement to the Group's internal control measures relating to engineering and technology research projects and recommend if any corresponding changes and improvements to the Company's risk management and internal control measures are required.

The internal control consultant conducted its review of the Group's internal control measures relating to engineering and technology research projects and has recommended the Group to further enhance its internal control measures by:

1. setting up an approval matrix for research and development projects (and requiring approval from the Board for material research and development projects);

2. requesting Internal Technical Committee to pre-vet material research and development projects before entering into any binding agreements; and

3. enhancing the documentation required for the pre-vetting of the Internal Technical Committee.

The above additional information does not affect other information contained in the Annual Report. Save as disclosed in this announcement, the contents of the Annual Report remain unchanged.

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

Hong Kong, 24 March 2026

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Hui Chun Ying (Chairman) and Ms. Chen Yizi; and three independent non-executive Directors, namely Mr. Charles Matthew Pecot III, Ms. Hau Yan Hannah Lee and Mr. Zhuang Qiyu.