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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)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Sole Placing Agent**



### **PLACING**

The Board is pleased to announce that on 21 May 2021 (before trading hours), the Company entered into the Placing Agreement with the Sole Placing Agent, who has agreed to act as agent for the Company, in relation to the placing of an aggregate of 21,500,000 new Shares at the Subscription Price of HK\$30.30 per Placing Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee payable by the purchasers) on the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represent:

- (a) approximately 4.66% of the total existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 4.45% of the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to completion of the Placing, other than the allotment and issue of the Placing Shares).

On the assumption that all Placing Shares are issued pursuant to the Placing, the aggregate gross proceeds from the Placing are expected to be approximately HK\$651,450,000 and the aggregate net proceeds (after deduction of the commissions and expenses relating to the Placing) from the Placing are expected to be approximately HK\$631,950,000. The Company intends to use the net proceeds for investment in technology, global expansion of the Group's customers and general corporate purposes.

#### **GENERAL MANDATE**

The Placing Shares will be allotted and issued under the General Mandate, which authorised the Directors to allot and issue up to 84,974,907 Shares. As at the date of this announcement, 28,901,734 Shares have been issued under the General Mandate, and the Company may further allot and issue up to 56,073,173 new Shares under the General Mandate. The allotment and issue of the Placing Shares under the General Mandate are not subject to the approval of the Shareholders.

#### **APPLICATION FOR LISTING**

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

**Completion of the Placing is subject to fulfilment and/or waiver (as appropriate) of the conditions precedent under the Placing Agreement and the Placing Agreement not being terminated in accordance with its terms. Accordingly, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

The Board is pleased to announce that on 21 May 2021 (before trading hours), the Company entered into the Placing Agreement with the Sole Placing Agent. The principal terms of the Placing Agreement are summarised below.

## **THE PLACING AGREEMENT**

Date: 21 May 2021 (before trading hours)

Parties: (i) the Company, and  
(ii) the Sole Placing Agent.

The Company has appointed CLSA Limited as the Sole Placing Agent, who has agreed to act as agent for the Company to procure, on a best effort basis, not fewer than six Placées for the Placing Shares at the Subscription Price (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee payable by the purchasers) on the terms and subject to the conditions set out in the Placing Agreement.

## **NUMBER OF PLACING SHARES**

The Placing Shares comprise 21,500,000 new Shares to be allotted and issued by the Company having an aggregate nominal value of US\$2,150, representing:

- (a) approximately 4.66% of the total existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 4.45% of the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to completion of the Placing, other than the allotment and issue of the Placing Shares).

## **SUBSCRIPTION PRICE**

The Subscription Price of HK\$30.30 per Placing Share represents:

- (i) a discount of approximately 9.01% to the closing price of HK\$33.30 per Share as quoted on the Stock Exchange on 20 May 2021, being the last trading day immediately prior to the date of the Placing Agreement;
- (ii) a discount of approximately 4.45% to the average closing price of HK\$31.71 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 20 May 2021, being the date immediately prior to the date of the Placing Agreement; and
- (iii) a discount of approximately 1.75% to the average closing price of HK\$30.84 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to and including 20 May 2021, being the date immediately prior to the date of the Placing Agreement.

The Subscription Price, which was agreed after arm's length negotiations between the Company and the Sole Placing Agent, was determined by reference to the prevailing market price and recent trading volume of the Shares and market demand for the Placing Shares. The Directors (including the independent non-executive Directors) consider that the Subscription Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **PROCEEDS FROM THE PLACING**

On the assumption that all Placing Shares are issued pursuant to the Placing, the aggregate gross proceeds from the Placing are expected to be approximately HK\$651,450,000 and the aggregate net proceeds from the Placing, after deducting the commission and expenses of the Placing, are expected to be approximately HK\$631,950,000.

### **REASONS FOR AND BENEFITS OF THE PLACING**

The Group is the leading provider of online video content protection services, helping its content rightsholder customers reduce infringement-induced revenue losses and increase revenue over Internet and mobile distribution.

The Directors have considered various options of raising funds. Having reviewed the terms and conditions to the Placing, the Board considers that it is in the interests of the Company to raise equity funding through the Placing so as to broaden its shareholder base, strengthen the capital base and enhance the financial position and net assets base of the Group for its long-term development and growth.

The Directors are of the view that the terms of the Placing Agreement are fair and reasonable, and consider that the Placing will strengthen the Group's financial position, widen the Company's Shareholder base and is in the interests of the Company and the Shareholders as a whole.

### **USE OF PROCEEDS**

The Company intends to use the net proceeds for investment in technology, global expansion of the Group's customers and general corporate purposes.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has conducted the following fundraising activities in the past 12 months immediately preceding the date of this announcement:

<b>Date of initial announcement</b>	<b>Event</b>	<b>Net proceeds and intended use of proceeds</b>	<b>Actual use of proceeds</b>
29 June 2020	Issue of HK\$100,000,000 convertible bonds due July 2022 under General Mandate	The Company intended to use the net proceeds of approximately HK\$98.68 million for development and investment of content distribution related business and other business supporting short-form video platforms	HK\$35.71 million was used for development and investment of content distribution related business and other business supporting short-form video platforms and the remaining HK\$62.97 million are placed in the bank account of the Group and will be utilised as intended
20 December 2020	Issue of 28,901,734 Shares under General Mandate	The Company intended to use the net proceeds of approximately HK\$388 million for potential investment opportunities and general working capital of the Group	HK\$224 million was used for potential investment opportunities and general working capital of the group and the remaining HK\$164 million are placed in the bank account of the Group and will be utilised as intended

## RIGHTS OF THE PLACING SHARES

The Placing Shares, when issued pursuant to the Placing Agreement, will be fully paid and will rank *pari passu* in all aspects with the other Shares then in issue free from all liens, charges, and encumbrances, and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on or after the date of issue of the Placing Shares.

## INDEPENDENCE OF THE SOLE PLACING AGENT AND THE PLACEES

It is expected that the Placing Shares will be placed to no fewer than six professional, institutional or other investors. It is not expected that any of the Placees will become a substantial shareholder of the Company immediately after the completion of the Placing.

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Sole Placing Agent, the Placees and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

## CONDITIONS OF THE PLACING

The obligations of the Sole Placing Agent under the Placing Agreement shall be subject to the following conditions:

- (i) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Placing Shares and such listing and permission not subsequently being revoked prior to the Closing (the “**Listing Condition**”);
- (ii) before the Closing, there shall not have occurred:
  - (A) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Group taken as a whole; or
  - (B) any suspension or limitation of trading (a) in any of the Company’s securities by the Stock Exchange or any other exchange or over the counter market on which the Company’s securities are admitted or listed for trading, or (b) generally on the Hong Kong Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq Global Market (save and except for reason of bad weather conditions); or
  - (C) any outbreak or escalation of hostilities, act of terrorism, riot, the declaration by Hong Kong, the Cayman Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the European Economic Area or any other jurisdictions relevant to the Group or the Placing (together, the “**Relevant Jurisdictions**”, each a “**Relevant Jurisdiction**”) of a national emergency or war or other calamity or crisis; or
  - (D) any material disruption in commercial banking or securities settlement or clearance services in any Relevant Jurisdiction and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in any Relevant Jurisdiction; or
  - (E) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in any Relevant Jurisdiction or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation, that, in the sole judgment of the Sole Placing Agent, would make the Placing or the enforcement of contracts to subscribe for or purchase the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market;
- (iii) the representations and warranties made by the Company pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Closing Date;

- (iv) the Company having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing Agreement on or before the Closing Date; and
- (v) the Sole Placing Agent having received on the Closing Date opinions of the counsel of the Company and/or the Sole Placing Agent as to Hong Kong, U.S. and Cayman Islands laws, such opinion to be in form and substance reasonably satisfactory to the Sole Placing Agent.

The Sole Placing Agent in its sole discretion may waive any of the conditions (other than the Listing Condition which may not be waived), in whole or in part and with or without conditions, by notice to the Company.

In the event that:

- (1) the Listing Condition has not been satisfied by 28 May 2021 or such other date as may be agreed between the Company and the Sole Placing Agent; or
- (2) any of the events set out in sub-paragraph (ii) above occurs at any time between the date of the Placing Agreement and the Closing Date; or
- (3) the Company does not deliver the Placing Shares on the Closing Date; or
- (4) any of the conditions set out in sub-paragraph (iii) to (vii) above has not been satisfied or waived in writing on the dates specified therein,

the Sole Placing Agent may elect, in its sole discretion, to terminate the Placing Agreement forthwith.

## **COMPLETION OF THE PLACING**

Subject to the satisfaction of the conditions precedent to the Placing, completion of the Placing shall take place on the Closing Date or as soon as practicable thereafter or such other time and/or date as the Sole Placing Agent and the Company may agree in writing.

## **LOCK-UP**

The Company shall not, without the prior written consent of the Sole Placing Agent, (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing Agreement and ending on the date which is 90 days after the Closing Date.

The foregoing shall not apply to (i) the issue of the Placing Shares under the Placing Agreement; (ii) the grant of options or issue of Shares pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme or the Share Option Scheme; (iii) issue of Shares pursuant to the exercise of the rights attaching to the convertible bonds in the aggregate principal amount of HK\$100,000,000 issued by the Company on 14 July 2020; and (iv) the award of Shares pursuant to the share award scheme adopted by the Company on 6 May 2019, as amended from time to time.

## EFFECT ON SHAREHOLDING STRUCTURE

Based on the information available to the Company, set out below is the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Placing on the Closing Date (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Closing Date, other than the allotment and issue of the Placing Shares):

	As at the date of this announcement		Immediately after completion of the Placing	
	No. of Shares	Approximate % of issued share capital	No. of Shares	Approximate % of issued share capital
Mr. Wang <sup>(1)</sup>	67,640,480	14.66%	67,640,480	14.00%
Mr. Wargo	26,270,339	5.69%	26,270,339	5.44%
Mr. Witte <sup>(2)</sup>	1,200,000	0.26%	1,200,000	0.25%
Mr. Wong	600,000	0.13%	600,000	0.12%
Placee(s)	—	—	21,500,000	4.45%
Other public Shareholders	<u>365,826,737</u>	<u>79.26%</u>	<u>365,826,737</u>	<u>75.74%</u>
<b>Total issued shares</b>	<u><u>461,537,556</u></u>	<u><u>100%</u></u>	<u><u>483,037,556</u></u>	<u><u>100%</u></u>

- (1) Mr. Wang is a settlor, a trustee and a beneficiary of the JYW Trust. Mr. Wang and the JYW Trust are the settlors and Mr. Wang is the trustee and beneficiary of the YBW Trust. Mr. Wang is interested in (a) 43,450,000 Shares beneficially owned by him, comprised of 7,450,000 Shares beneficially owned by him as at the date of this announcement, 8,000,000 Shares beneficially owned by him upon the exercise in full of 8,000,000 Share Options granted to him under the Pre-IPO Share Option Scheme, and 28,000,000 Shares beneficially owned by him upon the exercise in full of the 28,000,000 Share Options granted to him under the Share Option Scheme, (b) 52,190,480 Shares held by him in his capacity as trustee and beneficiary of the JYW Trust, and (c) 8,000,000 Shares in his capacity as trustee and beneficiary of the YBW Trust.
- (2) Mr. Witte is interested in 1,200,000 Shares beneficially owned by him and 400,000 Shares which may be issued pursuant to the exercise of Share Options granted under the Pre-IPO Share Option Scheme.



## **GENERAL MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares will be allotted and issued by the Company pursuant to the General Mandate, under which the Directors are authorised to allot and issue up to 84,974,907 new Shares. As at the date of this announcement, the Company has issued 28,901,734 Shares pursuant to the General Mandate, and the Company may further allot and issue up to 56,073,173 new Shares under the General Mandate. The allotment and issue of the Subscription Shares under the General Mandate are not subject to the approval of the Shareholders.

## **APPLICATION FOR LISTING**

Application will be made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

## **GENERAL**

**Completion of the Placing is subject to fulfilment and/or waiver (as appropriate) of the conditions precedent under the Placing Agreement and the Placing Agreement not being terminated in accordance with its terms. Accordingly, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **TERMS AND DEFINITIONS**

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

“Board”	the board of directors of the Company
“Closing”	the closing of the Placing
“Closing Date”	28 May 2021, or such other date as the Company and the Sole Placing Agent may agree in writing
“Company”	Vobile Group Limited (卓博集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3738)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) 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 30 June 2020, under which up to a total of 84,974,907 Shares (being up to 20% of the total number of issued Shares as at the date of the passing of the relevant resolution, which was 30 June 2020) can be allotted, issued and dealt with by the Directors
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Witte”	Mr. Michael Paul WITTE
“Mr. Wong”	Mr. WONG Wai Kwan
“Mr. Wang”	Mr. Yangbin Bernard WANG
“Mr. Wargo”	Mr. J David WARGO
“Placee(s)”	professional, institutional or other investor(s) whom the Sole Placing Agent shall procure to purchase any of the Placing Shares pursuant to its obligations under the Placing Agreement
“Placing”	placement of the Placing Shares to the Placees procured by the Sole Placing Agent pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement entered into on 21 May 2021 between the Company and the Sole Placing Agent in respect of the Placing
“Placing Shares”	an aggregate of 21,500,000 new Shares to be allotted and issued by the Company
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-IPO Share Option Scheme”	the share option scheme of the Company adopted on 30 December 2016
“SFC”	The Securities and Futures Commission of Hong Kong

“Shareholder(s)”	holders of the Shares
“Share(s)”	ordinary share(s) in the issued capital of the Company with a nominal value of US\$0.0001 each
“Share Option Scheme”	the post-IPO share option scheme of the Company adopted on 8 December 2017
“Share Option(s)”	the options granted or to be granted under the Share Option Scheme or any other schemes of the Company to subscribe for the Shares
“Sole Placing Agent”	CLSA Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$30.30 per Placing Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent

By order of the Board  
**Vobile Group Limited**  
**Yangbin Bernard WANG**  
*Chairman*

Hong Kong, 21 May 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.*