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BIRMINGHAM SPORTS HOLDINGS LIMITED

伯明翰體育控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2309)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2023

The Board of Directors (the “Board”) of Birmingham Sports Holdings Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 30 June 2023 together with comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	4	217,097	220,939
Operating expenses		(418,208)	(465,552)
Loss from operations		(201,111)	(244,613)
Interest revenue		2,861	8,965
Other income	6	7,942	12,715
Other (losses)/gains, net	7	(484)	6,713
Football club segment compensation		179,694	201,318
Profit on sales of players’ registration		20,080	33,196
Amortisation of intangible assets		(32,841)	(65,322)
Administrative and other expenses		(38,965)	(35,379)
Finance costs	8	(22,022)	(25,361)

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss before taxation		(84,846)	(107,768)
Income tax (expense)/credit	9	<u>(709)</u>	<u>1</u>
Loss for the year	10	(85,555)	(107,767)
Other comprehensive (expense)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of overseas subsidiaries		(10,892)	25,766
Reclassification of translation reserve to profit or loss upon disposal of a subsidiary		<u>152</u>	<u>–</u>
		<u>(10,740)</u>	<u>25,766</u>
Total comprehensive expense for the year		<u>(96,295)</u>	<u>(82,001)</u>
Loss for the year attributable to:			
Owners of the Company		(25,657)	(40,661)
Non-controlling interests		<u>(59,898)</u>	<u>(67,106)</u>
		<u>(85,555)</u>	<u>(107,767)</u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(24,147)	(47,291)
Non-controlling interests		<u>(72,148)</u>	<u>(34,710)</u>
		<u>(96,295)</u>	<u>(82,001)</u>
Loss per share attributable to owners of the Company			
			(Restated)
– Basic and diluted (<i>HK cents</i>)	13	<u>(3.33)</u>	<u>(5.27)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Non-current assets			
Property, plant and equipment		58,259	34,341
Right-of-use assets		64,893	70,262
Intangible assets		68,199	72,936
Investment properties	14	470,652	477,594
Deposits, prepayments and other receivables		16,041	6,804
		<u>678,044</u>	<u>661,937</u>
Total non-current assets			
		<u>678,044</u>	<u>661,937</u>
Current assets			
Inventories		–	54
Trade receivables	15	7,959	7,080
Deposits, prepayments and other receivables		70,367	128,641
Amount due from a related party	17	188,452	184,384
Pledged bank deposits		–	7,616
Bank balances and cash		14,749	28,092
		<u>281,527</u>	<u>355,867</u>
Total current assets			
		<u>281,527</u>	<u>355,867</u>
Current liabilities			
Transfer fee payables		15,186	15,919
Trade payables	16	14,690	18,983
Accruals and other payables		53,821	63,320
Amount due to a related party	17	302,441	246,995
Contract liabilities		14,068	14,579
Borrowings	18	233,166	74,754
Lease liabilities		9,042	9,361
		<u>642,414</u>	<u>443,911</u>
Total current liabilities			
		<u>642,414</u>	<u>443,911</u>
Net current liabilities			
		<u>(360,887)</u>	<u>(88,044)</u>
Total assets less current liabilities			
		<u>317,157</u>	<u>573,893</u>

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current liabilities			
Transfer fee payables		13,653	–
Contract liabilities		383	–
Borrowings	<i>18</i>	20,296	274,395
Lease liabilities		78,277	74,405
Deferred tax liabilities		3,112	2,280
		<hr/>	<hr/>
Total non-current liabilities		115,721	351,080
		<hr/>	<hr/>
NET ASSETS		201,436	222,813
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Share capital	<i>19</i>	192,890	192,890
Reserves		327,161	295,120
		<hr/>	<hr/>
Equity attributable to owners of the Company		520,051	488,010
Non-controlling interests		(318,615)	(265,197)
		<hr/>	<hr/>
TOTAL EQUITY		201,436	222,813
		<hr/> <hr/>	<hr/> <hr/>

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and by the Hong Kong Companies Ordinance (Cap. 622 of Laws of Hong Kong). The consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values.

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company is Hong Kong dollars (“HK\$”). The consolidated financial statements are presented in Hong Kong dollars for the convenience of users of the consolidated financial statements as the Company is listed in Hong Kong Special Administrative Region (“Hong Kong”) of the People’s Republic of China (the “PRC”). They are presented in HK\$ and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

2. PRINCIPAL ACCOUNTING POLICIES

The Group incurred a loss attributable to owners of the Company of approximately HK\$25,657,000 for the year ended 30 June 2023 and as at 30 June 2023 the Group had net current liabilities of approximately HK\$360,887,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on a going concern basis. The directors of the Company (the “Directors”) are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months after taking into consideration that (i) the Group has a loan facility from a substantial shareholder of the Company, Trillion Trophy Asia Limited (“Trillion Trophy”) under which an unsecured revolving loan facility up to HK\$250,000,000 has been granted to the Group; (ii) the Group has a loan facility from Oriental Rainbow Investments Limited (“Oriental Rainbow”), a wholly-owned subsidiary of a substantial shareholder of the Company under which an unsecured revolving loan facility up to HK\$300,000,000 has been granted to the Group; (iii) the Group has a loan facility from Great Summit Ventures Limited (“Great Summit”), a wholly-owned subsidiary of a substantial shareholder of the Company under which an unsecured revolving loan facility up to HK\$100,000,000 has been granted to the Group; and (iv) the Group has a loan facility with aggregate amount of approximately HK\$4,292,000 from a third party lender.

As at 30 June 2023, the total carrying amount of the borrowings under the above facilities of the Group was approximately HK\$180,421,000. As at 30 June 2023, the Group had approximately HK\$473,871,000 undrawn borrowing facilities available.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. ADOPTION OF NEW AND REVISED HKFRSs

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 July 2022. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

4. REVENUE

Revenue represents amount receivable for goods sold and services provided to external customers in the normal course of business and rental income from investment properties, after deducting discounts and excluding value added tax or other sales related taxes. An analysis of the Group's revenue for the year is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Disaggregation of revenue:		
Revenue from contracts with customers		
<i>Recognised at a point in time</i>		
Commercial income	21,396	11,929
Match day receipts	16,060	15,557
Healthcare and medical related business ("Healthcare Business")	2,238	1,047
	<u>39,694</u>	<u>28,533</u>
<i>Recognised over time</i>		
Commercial income	26,418	28,045
Broadcasting	86,629	88,645
Match day receipts	19,982	28,835
Healthcare Business	93	–
	<u>133,122</u>	<u>145,525</u>
	<u>172,816</u>	<u>174,058</u>
Revenue from other sources		
Commercial income	16,102	18,702
Rental income	28,179	28,179
	<u>44,281</u>	<u>46,881</u>
	<u>217,097</u>	<u>220,939</u>

Revenue from contracts with customers comprise:

- (i) Match day receipts
 - Match day receipts for the football match tickets are recognised when the match was held.
 - Match day receipts for sales of season tickets are recognised on a yearly basis.
- (ii) Broadcasting
 - Television and broadcasting income are recognised over the contract period.
- (iii) Commercial income
 - Catering and programme sales are recognised when control of the products has been transferred or when the services are rendered.
 - Royalties, advertising and sponsorship are recognised over the contract period.
- (iv) Healthcare Business
 - Healthcare and medical related business are recognised when control of the products has been transferred or when the services are rendered.
 - Healthcare club membership fee are recognised over the contract period.

5. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segments, based on the information provided to the chief operating decision maker representing the Board, for the purposes of allocating resources to segments and assessing their performance. This is also the basis upon which the Group is arranged and organised.

During the year ended 30 June 2023, the Group has three (2022: three) reportable and operating segments as follows:

- (i) operation of a professional football club in the United Kingdom of Great Britain and Northern Ireland (the “UK”) and other related business;
- (ii) investment in properties; and
- (iii) the Healthcare Business.

Segment revenue and results

The following is an analysis of the Group’s revenue and results by reportable and operating segments:

For the year ended 30 June 2023

	Football club <i>HK\$’000</i>	Investment in properties <i>HK\$’000</i>	Healthcare Business <i>HK\$’000</i>	Total <i>HK\$’000</i>
Segment revenue				
External sales	<u>186,587</u>	<u>28,179</u>	<u>2,331</u>	<u>217,097</u>
Results				
Segment results	<u>(59,396)</u>	<u>18,045</u>	<u>(4,743)</u>	<u>(46,094)</u>
Interest revenue				19
Other income				358
Other (losses)/gains, net				6,457
Corporate expenses				(36,233)
Finance costs				<u>(9,353)</u>
Loss before taxation				(84,846)
Income tax expense				<u>(709)</u>
Loss for the year				<u>(85,555)</u>

For the year ended 30 June 2022

	Football club <i>HK\$'000</i>	Investment in properties <i>HK\$'000</i>	Healthcare Business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue				
External sales	<u>191,713</u>	<u>28,179</u>	<u>1,047</u>	<u>220,939</u>
Results				
Segment results	<u>(66,776)</u>	<u>21,019</u>	<u>(4,873)</u>	(50,630)
Interest revenue				5
Other income				157
Other (losses)/gains, net				(17,646)
Corporate expenses				(33,049)
Finance costs				<u>(6,605)</u>
Loss before taxation				(107,768)
Income tax credit				<u>1</u>
Loss for the year				<u>(107,767)</u>

Segment results represent the profit or loss incurred by each segment without allocation of certain interest revenue, other income, other (losses)/gains, corporate expenses, finance costs and income tax (expense)/credit.

Geographical information

The following is an analysis of geographical location of the Group's (i) revenue from external customers; and (ii) non-current assets presented based on the location of operations and geographical location of assets respectively.

(i) *Revenue from external customers*

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
The UK		
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>	37,456	27,486
<i>Recognised over time</i>	132,648	144,703
Revenue from other sources	<u>16,102</u>	<u>18,702</u>
	<u>186,206</u>	<u>190,891</u>
The PRC		
Revenue from contracts with customers:		
<i>Recognised over time</i>	<u>381</u>	<u>822</u>
The Kingdom of Cambodia (“Cambodia”)		
Revenue from other sources	<u>28,179</u>	<u>28,179</u>
Japan		
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>	2,238	1,047
<i>Recognised over time</i>	<u>93</u>	<u>–</u>
	<u>2,331</u>	<u>1,047</u>
	<u>217,097</u>	<u>220,939</u>

(ii) *Non-current assets*

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	248	1,704
The PRC	3	76
Cambodia	470,652	477,594
The UK	206,929	182,318
Japan	<u>212</u>	<u>245</u>
	<u>678,044</u>	<u>661,937</u>

6. OTHER INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Subsidies received from the Premier League (<i>Note (i)</i>)	7,582	12,026
Government subsidies (<i>Note (ii)</i>)	258	669
Sundry income	102	20
	<u>7,942</u>	<u>12,715</u>

Notes:

- (i) During the year ended 30 June 2023, the Group's professional football operation received funding of approximately HK\$7,582,000 (2022: approximately HK\$12,026,000) from the Premier League in the UK under the Elite Player Performance Plan upon fulfilment of certain terms and conditions.
- (ii) These represent COVID-19-related grants provided by various government to retain employees who may otherwise be made redundant and to support businesses affected by COVID-19 respectively. The subsidies are unconditional and granted on a discretionary basis to the Group during the year.

7. OTHER (LOSSES)/GAINS, NET

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Impairment loss on right-of-use assets	(10,694)	(1,075)
Reversal of impairment loss on right-of-use assets	–	371
Fair value change on investment properties	(6,942)	(4,368)
Insurance compensation arising on business interruption caused by COVID-19	–	28,727
Foreign exchange loss, net (<i>Note (i)</i>)	(3,216)	(16,979)
Gain on termination of lease agreement	10	37
Fixed assets written off	(1)	–
Gain on disposal of a subsidiary	20,359	–
	<u>(484)</u>	<u>6,713</u>

Note:

- (i) Foreign exchange loss mainly arose from the football club segment compensation receivable, all are denominated in Pounds Sterling (“GBP”) which depreciated against Hong Kong dollars during the years under review.

8. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest expenses on:		
– Other borrowings	9,059	6,116
– Bank borrowings	428	2,497
– Imputed interest arising on interest-free borrowings from The Football League Limited (the “Football League”)	1,574	3,071
– Notional interest on transfer fee payables	1,784	2,858
– Lease liabilities	9,177	10,819
	<u>22,022</u>	<u>25,361</u>

9. INCOME TAX (EXPENSE)/CREDIT

Income tax (expense)/credit in the consolidated statement of profit or loss and other comprehensive income represents:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Deferred tax:		
– Current year	<u>(709)</u>	<u>1</u>

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong for the years ended 30 June 2023 and 2022.

The Group’s subsidiaries in the UK are subject to Corporation Tax in the UK (“Corporation Tax”). Corporation Tax is calculated at 25% of the estimate assessable profit for the year ended 30 June 2023 (2022: 19%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. No provision for profits tax is made in other jurisdictions as the subsidiaries operating in other jurisdictions have no assessable profits for the years ended 30 June 2023 and 2022.

10. LOSS FOR THE YEAR

Loss for the year is arrived at after charging/(crediting) the following items:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Staff costs (including directors' remuneration):		
– Salaries and wages	288,120	339,060
– Retirement benefits scheme contributions	30,987	37,941
	<u>319,107</u>	<u>377,001</u>
Auditors' remuneration	1,374	1,392
Amortisation of intangible assets	32,841	65,322
Depreciation of property, plant and equipment	5,736	7,026
Depreciation of right-of-use assets	8,888	9,274
Expenses related to short-term lease	5,647	5,125
Cost of inventories recognised as expense	9,865	12,722
Fair value change on investment properties	6,942	4,368
Impairment loss on right-of-use assets	10,694	1,075
Reversal of impairment loss on right-of-use assets	–	(371)
Impairment loss on trade receivables	1,204	1,324
Reversal of impairment loss on other receivables	–	(1)
Foreign exchange loss, net	3,216	16,979

11. DISPOSAL OF A SUBSIDIARY

On 13 February 2023, the Group entered into an equity transfer agreement with an independent third party (the “PRC Buyer”), the Group disposed of its 100% equity interests in Beijing Aim Medical Technology Co., Ltd.* (北京目標醫療科技有限公司) to the PRC Buyer for a consideration of HK\$nil. On the same day, a loan assignment agreement entered into between the Group, the PRC Buyer and the lender to effect the loan assignment immediate on the completion which involves the outstanding amount of approximately HK\$19,307,000 owing by the Group to the lender (the “Assigned Loan”). Upon completion, the Group has assigned to the PRC Buyer all of the Group's liabilities in the Assigned Loan and the PRC Buyer and the lender have accepted such assignment. After the disposal, Beijing Aim Medical Technology Co., Ltd.* (北京目標醫療科技有限公司) was no longer a subsidiary of the Group. The disposal was completed on 13 February 2023.

The carrying values of the assets and liabilities on the date of disposal were as follows:

	<i>HK\$'000</i>
Net liabilities disposed of:	
Property, plant and equipment	82
Bank balances and cash	152
Other payables	(522)
Lease liabilities	(916)
	<hr/>
Net liabilities disposed of	(1,204)
	<hr/> <hr/>
Gain on disposal of a subsidiary:	
Consideration received	–
Net liabilities disposed of	1,204
Assigned Loan	19,307
Release of translation reserve	(152)
	<hr/>
	20,359
	<hr/> <hr/>

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

Cash consideration	–
Cash and cash equivalents disposed of	(152)
	<hr/>
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	(152)
	<hr/> <hr/>

12. DIVIDEND

No dividend was paid or proposed for the years ended 30 June 2023 and 2022, nor has any dividend been proposed since the end of the reporting periods.

13. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic loss per share

Loss per share is calculated by dividing the loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss:		
Loss attributable to owners of the Company for the purpose of calculating basic loss per share	<u>(25,657)</u>	<u>(40,661)</u>
	2023	2022 (Restated)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share attributable to owners of the Company	<u>771,559,941</u>	<u>771,559,940</u>

Diluted loss per share

The computation of diluted loss per share for both years did not assume the exercise of the Company's outstanding share options since it would result in a decrease in the loss per share. Therefore, the amount of diluted loss per share is the same as the amount of basic loss per share.

The weighted average number of ordinary shares used to calculate the basic and diluted loss per share for both years has been adjusted to reflect the share consolidation during the year ended 30 June 2023. Accordingly, the basic and diluted loss per share for the year ended 30 June 2022 are restated.

14. INVESTMENT PROPERTIES

The carrying amount of the Group's investment properties as at 30 June 2023 and 30 June 2022 were stated based on the valuation conducted by JP Assets Consultancy Limited, an independent qualified professional valuer, on market value using the existing use basis. The loss arising from changes in fair value of investment properties of approximately HK\$6,942,000 was recognised in profit or loss during the year ended 30 June 2023 (2022: approximately HK\$4,368,000). As at 30 June 2023, investment properties of the Group were stated at fair values of approximately HK\$470,652,000 (2022: approximately HK\$477,594,000).

The Group leases out its investment properties under operating leases. The average lease term is three years. All leases are on a fixed rental basis and do not include variable lease payments.

15. TRADE RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	12,299	10,043
Less: Impairment loss recognised	<u>(4,340)</u>	<u>(2,963)</u>
	<u><u>7,959</u></u>	<u><u>7,080</u></u>

Notes:

- (i) In general, the Group grants a credit period of about 14 days to 90 days to its customers. The ageing analysis of trade receivables (net of provision for impairment) based on the invoice date is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 30 days	4,112	4,657
31 days to 90 days	1,014	778
91 days to 180 days	1,566	807
181 days to 365 days	<u>1,267</u>	<u>838</u>
	<u><u>7,959</u></u>	<u><u>7,080</u></u>

- (ii) The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	Less than 90 days past due	Over 90 days past due	Total
At 30 June 2023				
Weighted average expected loss rate	0.0%	0.0%	77.4%	
Receivables amount (<i>HK\$'000</i>)	5,126	1,566	5,607	12,299
Loss allowance (<i>HK\$'000</i>)	–	–	4,340	4,340
At 30 June 2022				
Weighted average expected loss rate	0.0%	0.0%	78.0%	
Receivables amount (<i>HK\$'000</i>)	5,435	807	3,801	10,043
Loss allowance (<i>HK\$'000</i>)	–	–	2,963	2,963

16. TRADE PAYABLES

The ageing analysis of trade payables based on the invoice date is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 30 days	3,114	6,756
31 days to 90 days	6,711	7,291
91 days to 180 days	2,856	2,636
181 days to 365 days	844	1,045
Over 365 days	1,165	1,255
	<u>14,690</u>	<u>18,983</u>

The credit periods of the Group's trade payables normally granted from suppliers averaging at 90 days (2022: 90 days).

17. AMOUNT DUE FROM/TO A RELATED PARTY

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Amount due from a related party (<i>Note (i)</i>)	188,452	184,384
Amount due to a related party (<i>Note (ii)</i>)	302,441	246,995
	<u>490,893</u>	<u>431,379</u>

Notes:

- (i) Amount due from a related party of approximately HK\$188,452,000 (2022: approximately HK\$184,384,000) represented the compensation income from football club segment in the UK receivable from Oriental Rainbow under the profit and loss sharing arrangement between the Company and Oriental Rainbow pursuant to the shareholders' agreement dated 9 October 2020. The profit and loss sharing arrangement, however, was expired on 30 June 2023. Details of the shareholders' agreement, please refer to the announcement of the Company dated 9 October 2020 and the circular of the Company dated 17 November 2020. The balances are denominated in Pounds Sterling, interest-free, unsecured and repayable on demand. The maximum amount outstanding during the year is approximately HK\$188,452,000 (2022: approximately HK\$184,384,000).
- (ii) The carrying amount of approximately HK\$302,441,000 as at 30 June 2023 (2022: approximately HK\$246,995,000) represented amount due to Oriental Rainbow. The balances are denominated in Pounds Sterling and are unsecured, interest-free and have no fixed repayment term.

18. BORROWINGS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Bank borrowings, secured	–	44,489
Other borrowings, unsecured:		
– Loan from Football League	28,980	54,595
– Loan from substantial shareholders	198,536	233,049
– Loan from a related party	5,000	–
– Loan from third parties	20,763	16,840
– Other loan	183	176
	<u>253,462</u>	<u>349,149</u>

At 30 June 2023 and 2022, total borrowings were repayable as follows:

	2023 Other borrowings <i>HK\$'000</i>	Bank borrowings <i>HK\$'000</i>	2022 Other borrowings <i>HK\$'000</i>	Total <i>HK\$'000</i>
Carrying amounts repayable:				
– On demand or within one year	233,166	44,489	30,265	74,754
– Between one and two years	19,581	–	212,850	212,850
– Between two and five years	330	–	61,038	61,038
– Over five years	385	–	507	507
	<u>253,462</u>	44,489	304,660	349,149
Less: Amounts due within one year shown as current liabilities	<u>(233,166)</u>	<u>(44,489)</u>	<u>(30,265)</u>	<u>(74,754)</u>
Amounts shown as non-current liabilities	<u>20,296</u>	<u>–</u>	<u>274,395</u>	<u>274,395</u>

	2023	2022
	HK\$'000	HK\$'000
Carrying amounts are denominated in the following currencies:		
Hong Kong dollars	192,576	233,049
Pounds Sterling	59,787	101,449
Renminbi	345	13,734
Japanese Yen	754	917
	<u>253,462</u>	<u>349,149</u>
Effective interest rates per annum:		
Hong Kong dollars	4.50% - 10.50%	4.50%
Pounds Sterling	0.00% - 6.00%	0.00% - 6.00%
Renminbi	5.00%	5.00%
Japanese Yen	0.46% - 1.36%	0.46%

19. SHARE CAPITAL

	Number of shares	Amount HK\$'000
<i>Ordinary shares of HK\$0.01 each (before share consolidation) and HK\$0.25 each (after share consolidation)</i>		
Authorised:		
At 1 July 2021, 30 June 2022 and 1 July 2022	50,000,000,000	500,000
Share consolidation (<i>Note (ii)</i>)	(48,000,000,000)	—
At 30 June 2023	<u>2,000,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 1 July 2021, 30 June 2022 and 1 July 2022	19,288,998,508	192,890
Issuance of shares upon exercise of share options (<i>Note (i)</i>)	17	—**
Share consolidation (<i>Note (ii)</i>)	(18,517,438,584)	—
At 30 June 2023	<u>771,559,941</u>	<u>192,890</u>

** Amount less than HK\$1,000.

Notes:

- (i) On 20 December 2022, a total of 17 new ordinary shares of the Company of HK\$0.01 each were issued upon exercise of the share options of the Company.
- (ii) On 21 December 2022, the Company proposed to implement a share consolidation on the basis that every twenty-five (25) issued and unissued shares of HK\$0.01 each would be consolidated into one (1) consolidated share of HK\$0.25 each. Pursuant to an ordinary resolution passed on 2 February 2023, the share consolidation was approved by the shareholders of the Company (the “Shareholders”) and has become effective on 6 February 2023. Immediately after the share consolidation, the total number of issued shares of the Company was adjusted from 19,288,998,525 to 771,559,941.
- (iii) The new shares rank *pari passu* with the existing shares of the Company in all respects.

20. CONTINGENT LIABILITIES

Player transfer costs

As at 30 June 2023, under the terms of certain contracts with other football clubs in respect of player transfers, additional player transfer cost would become payable if certain specific conditions are met. The maximum amount not provided that could be payable in respect of the transfers up to 30 June 2023 was approximately HK\$92,580,000 (equivalent to approximately GBP9,361,000) (2022: approximately HK\$67,315,000, equivalent to approximately GBP7,071,000).

21. EVENTS AFTER THE REPORTING PERIOD

The Group had the following significant events subsequent to the end of the reporting period and up to the date of this announcement:

On 7 May 2023, the Company entered into a share purchase agreement (the “Share Purchase Agreement”) with Shelby Companies Limited (the “UK Buyer”), in relation to (i) the disposal of approximately 24.34% issued share capital of Birmingham City Limited (previously Birmingham City PLC) (“BCL”); and (ii) the assignment of approximately 32% of the remaining shareholder’s loans owing by BCL to the Company to the UK Buyer following completion of debt reorganisation exercise (the “Disposal”). The Share Purchase Agreement, together with various transaction documents in relation to the Disposal, were approved by the independent Shareholders on 13 July 2023 and the Disposal was completed on the same day. Following the completion of the Disposal, BCL and its subsidiaries remain to be non-wholly owned subsidiaries of the Company and their financial results continue to be consolidated in the consolidated financial statements of the Group. For details, please refer to the circular of the Company dated 27 June 2023 and the announcements of the Company dated 9 May 2023, 30 May 2023, 5 June 2023, 7 June 2023 and 13 July 2023.

On 7 August 2023, in order to better reflect the Group’s business and its direction of future development, the Board proposed to change the name of the Company from “Birmingham Sports Holdings Limited 伯明翰體育控股有限公司” to “ZO Future Group 大象未來集團” (the “Proposed Change of Company Name”). The Board believes that the new name can better reflect the Company’s business direction, demonstrate its commitment on looking forward to future development and will provide the Company with a better corporate identity and image which can be beneficial in capturing potential business opportunities for its future development. The Proposed Change of Company Name was approved by the Shareholders on 7 September 2023. The Company has applied for the registration of the new company name in relevant regulatory bodies and the Proposed Change of Company Name will take effect after completion of all relevant registrations. For details of the Proposed Change of Company Name, please refer to the announcements of the Company dated 7 August 2023 and 7 September 2023 and the circular of the Company dated 17 August 2023.

Save as disclosed in this announcement, up to the date of this announcement, there has been no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after 30 June 2023.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT ON THE COMPANY’S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

An extract of the Company’s independent auditor’s report for the year ended 30 June 2023 is as follows:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material uncertainty related to going concern

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss attributable to owners of the Company of approximately HK\$25,657,000 for the year ended 30 June 2023 and as at 30 June 2023 the Group had net current liabilities of approximately HK\$360,887,000. These conditions indicate a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2023 (2022: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Performance and Results

For the year ended 30 June 2023, the revenue of the Group was approximately HK\$217.1 million (2022: approximately HK\$220.9 million), representing a decrease of approximately 1.7% as compared with that for the year ended 30 June 2022.

The Group recorded a loss attributable to owners of the Company of approximately HK\$25.7 million for the year ended 30 June 2023, representing a decrease of approximately 36.9% as compared to the loss of approximately HK\$40.7 million for the year ended 30 June 2022. The decrease in loss was mainly due to, during the year under review: (i) the Group recorded a gain on disposal of a subsidiary; (ii) a decrease in foreign exchange loss arising from appreciation in Pounds Sterling; and (iii) lower players' costs and relevant expenses were incurred, which were partly offset by (i) lower profit on sales of players' registration being recorded; (ii) an absence of insurance compensation on business interruption caused by COVID-19; (iii) an increase in loss arising on fair value change on investment properties and impairment loss on right-of-use assets; and (iv) a decrease in the compensation from the football club segment for the year ended 30 June 2023.

The basic loss per share was approximately HK3.33 cents (2022: approximately HK5.27 cents (restated)).

Business Review and Prospect

During the year ended 30 June 2023, the Group is principally engaged in three reportable business segments: (i) operation of a professional football club in the UK and other related business; (ii) investment in properties; and (iii) the Healthcare Business.

(i) Football club

The Group operates Birmingham City Football Club (i.e. BCFC or the Club) in the UK. Revenue streams of BCFC comprised (i) match day receipts which consisted of season and match day tickets; (ii) broadcasting income, including distributions of broadcasting revenue from the English Football League (the "EFL"), cup competitions, solidarity payment from the Premier League and revenue from the media; and (iii) commercial income which comprised sponsorship income, corporate hospitality, conferences and events and other sundry income.

During the season 2022/23, the Club was in the EFL Championship Division and finished at the 17th position. The Club continues to play in the EFL Championship Division in the season 2023/24. At the date of this announcement, the Club stood at the 10th position.

The Birmingham City Football Academy (the “Academy”) operates as a Category 2 Academy for the season 2023/24 under the Elite Player Performance Plan. The Academy has a clear pathway that exists from our Academy to our first team and remains committed to training players capable of competing for places in the senior squad. Through a clearly defined strategy, strong culture and age specific coaching curriculum, the Academy staff will utilise all available resources to progress players through the development phases and meet the goal.

Pursuant to the shareholders’ agreement entered into between the Company and Oriental Rainbow, a wholly-owned subsidiary of the ultimate beneficial owner of a substantial Shareholder and the then non-controlling shareholder of the Club, on 9 October 2020, Oriental Rainbow undertook to the Company that in the event the football club segment in the UK incurs a loss after taxation (the “Loss”) for the financial years ended 30 June 2021, 2022 and 2023 respectively in which the Club does not compete in the English Premier League, Oriental Rainbow shall pay a compensation to the Company equivalent to the Company’s share of the Loss in full (“Profit and Loss Sharing Arrangement”). During the year ended 30 June 2023, the Company recorded a football club segment compensation of approximately HK\$179.7 million. The Profit and Loss Sharing Arrangement was expired on 30 June 2023.

On 7 May 2023, the Company and the UK Buyer entered into the Share Purchase Agreement in relation to (i) the disposal of approximately 24.34% of the total issued capital of BCL; and (ii) the assignment of approximately 32% of remaining shareholder’s loans owing by BCL to the Company to the UK Buyer following completion of debt reorganisation exercise. The Share Purchase Agreement was approved by the independent Shareholders on 13 July 2023 and the Disposal was completed on the same day. Details of the Disposal are set out in the circular of the Company dated 27 June 2023 and the announcements of the Company dated 9 May 2023, 30 May 2023, 5 June 2023, 7 June 2023 and 13 July 2023.

(ii) *Investment in properties*

The Group holds certain residential apartments and commercial properties in Phnom Penh, Cambodia. All the properties are leased out to secure a stable stream of income for the Group. During the year ended 30 June 2023, the Group recorded rental income of approximately HK\$28.2 million from the investment properties.

As at 30 June 2023, investment properties of the Group were stated at fair value and amounted to approximately HK\$470.7 million (2022: approximately HK\$477.6 million) representing approximately 49.0% (2022: approximately 46.9%) of the total assets of the Group.

(iii) Healthcare Business

Healthcare Business principally comprises the provision of medical consultation and healthcare and wellness referral related services in Japan and the sales of health-related products. Customers are mainly from overseas seeking medical services such as health checks, medical diagnosis and treatments in Japan and distributors and retailers of health-related products. During the year ended 30 June 2023, the Group recorded income of approximately HK\$2.3 million from this business segment.

Disposal of a subsidiary

On 13 February 2023, the Group and an independent third party of the Company, entered into an equity transfer agreement and a loan assignment agreement in relation to the disposal of the entire equity interests in Beijing Aim Medical Technology Co., Ltd.* (北京目標醫療科技有限公司) and the total amount owing by the Group to the lender. Following the completion of the disposal on 13 February 2023, the financial results of Beijing Aim Medical Technology Co., Ltd.* (北京目標醫療科技有限公司) is deconsolidated from the Group. The Company no longer holds any interest in the shares of Beijing Aim Medical Technology Co., Ltd.* (北京目標醫療科技有限公司) upon completion.

Disposal of interests in subsidiaries without change of control

On 7 May 2023, the Company and the UK Buyer entered into the Share Purchase Agreement in relation to the Disposal. The Share Purchase Agreement and various relevant transaction documents in relation to the Disposal were approved by the independent Shareholders on 13 July 2023 and the Disposal was completed on the same day. For details, please refer to the circular of the Company dated 27 June 2023 and the announcements of the Company dated 9 May 2023, 30 May 2023, 5 June 2023, 7 June 2023 and 13 July 2023.

Upon completion of the Disposal, the Group's equity interest in BCL decreased from approximately 75% to approximately 51.72% and non-controlling interests in BCL increased correspondingly. BCL and its subsidiaries remain as non-wholly owned subsidiaries of the Company and their financial results and financial positions continue to be consolidated in the consolidated financial statements of the Group.

Outlook

Although most of the business activities have resumed as normal with the majority of domestic and international COVID-19 preventive measures and control lifted, the global economic growth remained resilient, with the United States and several other economies forecasting recession in near future, and for China to experience a notably slow recovery in 2023. The inflationary pressure around the world triggered substantial increase in the interest rate in most major economies. Moreover, the Russia-Ukraine war continue to create pressure and uncertainty on economic activities, and the tension between China and United States further introduced uncertainties and disruptions to the business environment. These challenges affected all businesses and industries, and no one can stay immune from them.

The management will continue to be prudent in managing our business operations and financial resources and maximise our business potential during this challenging time. In parallel, we will proactively explore new businesses that will enhance the value of the Group. At the moment, the management is studying various potential investment opportunities like sports accessories, health supplements as well as high technologies and eco-friendly technologies businesses which may help to diversify the business of the Group.

Looking forward, business environment will still be challenging as uncertainty, complexity and inflationary effect are likely to remain. The management of the Group is cautiously optimistic for the coming year, facing with the possible disturbances and challenges ahead, we will stay vigilant and continue to adopt a cautious and disciplined approach in managing the businesses of the Group.

FINANCIAL REVIEW

Revenue

The revenue of the Group for the year ended 30 June 2023 was approximately HK\$217.1 million (2022: approximately HK\$220.9 million), representing a decrease of approximately 1.7% over the same period last year.

The Club recorded an increase in revenue, in terms of Pounds Sterling, by approximately 7.5% over the same period last year. The increase in the Club's revenue, however was mostly offset by devaluation of Pounds Sterling during the year which caused the revenue of the Club decreased by approximately 2.5% to approximately HK\$186.2 million in terms of Hong Kong dollars. The overall revenue from the football club segment for the year ended 30 June 2023 was approximately HK\$186.6 million (2022: approximately HK\$191.7 million), representing a decrease of approximately 2.7% compared with the corresponding period in 2022. The decrease was primarily due to devaluation of Pounds Sterling during the year under review.

The revenue derived from the investment in properties for the year ended 30 June 2023 was approximately HK\$28.2 million (2022: approximately HK\$28.2 million), all of which was the rental income from the premises of the Group.

The revenue derived from the Healthcare Business for the year ended 30 June 2023 was approximately HK\$2.3 million (2022: approximately HK\$1.0 million), representing an increase of approximately 122.6% compared with the corresponding period in 2022 due to the government of Japan reopening its boarder to individual travellers during the year under review.

Operating Expenses

Operating expenses incurred during the year ended 30 June 2023 were approximately HK\$418.2 million (2022: approximately HK\$465.6 million), representing a decrease of approximately 10.2% over the same period in 2022. The decrease in operating expenses was mainly attributable to devaluation of Pounds Sterling during the year under review.

Other Income

Other income during the year ended 30 June 2023 was approximately HK\$7.9 million (2022: approximately HK\$12.7 million) which was approximately 37.5% lower than that during the year ended 30 June 2022. The decrease in other income was mainly attributable to less subsidies received from the Premier League.

Other (Losses)/Gains, Net

For the year ended 30 June 2023, the Group recorded other losses of approximately HK\$0.5 million (2022: other gains of approximately HK\$6.7 million). Other losses and gains mainly include (i) a loss arising on changes in fair value of investment properties of approximately HK\$6.9 million; (ii) a foreign exchange loss of approximately HK\$3.2 million; (iii) an impairment loss on right-of-use assets of approximately HK\$10.7 million; and (iv) a gain on disposal of a subsidiary of approximately HK\$20.4 million. The turnaround from gain to loss was mainly attributable to absence of insurance compensation arising on business interruption caused by COVID-19 and increase in impairment loss on right-of-use assets.

Football Club Segment Compensation

Football club segment compensation represented the compensation income of approximately HK\$179.7 million pursuant to the Profit and Loss Sharing Arrangement recorded by the Company for the year ended 30 June 2023 (2022: approximately HK\$201.3 million).

Profit on Sales of Players' Registration

Profit on sales of players' registration for the year ended 30 June 2023 was approximately HK\$20.1 million (2022: approximately HK\$33.2 million), representing a decrease of approximately 39.5% over the same period in 2022. The decrease was mainly because lower revenue from sales of players were generated during the year ended 30 June 2023.

Amortisation of Intangible Assets

Amortisation of intangible assets during the year under review was approximately HK\$32.8 million (2022: approximately HK\$65.3 million), representing a decrease of approximately 49.7% over the same period in 2022. The decrease was primarily due to certain players' registration being fully amortised during the year ended 30 June 2022 and devaluation of Pounds Sterling during the year under review.

Administrative and Other Expenses

Administrative and other expenses for the year ended 30 June 2023 amounted to approximately HK\$39.0 million (2022: approximately HK\$35.4 million), representing an increase of approximately 10.1% over the same period in 2022, which included mainly depreciation charges, professional fees, staff costs and office overheads. The management will continue to adopt stringent measures on control and management so as to maintain the administrative and other expenses at a reasonable level.

Finance Costs

During the year ended 30 June 2023, the Group incurred finance costs of approximately HK\$22.0 million (2022: approximately HK\$25.4 million), representing a decrease of approximately 13.2% as compared to the corresponding period in the previous year. Such decrease was mainly attributable to the decrease in interest on bank borrowings and notional interest on transfer fee payables, which was partially offset by increase in other borrowing costs as compared to the corresponding period last year.

Contingent Liabilities

Other than disclosed in note 20 above, the Group did not have any material contingent liabilities as at 30 June 2023.

Capital Commitments

As at 30 June 2023, the Group had capital commitments in respect of property, plant and equipment which are contracted for but not provided for of approximately HK\$12.0 million (2022: nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Financial Ratios

As at 30 June 2023, the Group's current ratio (calculated as current assets divided by current liabilities) was approximately 43.8% (2022: approximately 80.2%) and the gearing ratio (calculated as total borrowings divided by equity attributable to owners of the Company plus total borrowings) was approximately 32.8% (2022: approximately 41.7%). The ratio of total liabilities to total assets of the Group was approximately 79.0% (2022: approximately 78.1%).

Financial Resources

The Group generally finances its operations with internally generated cash flows, bank borrowings, loans from substantial Shareholders and from independent third parties, and through the capital market available to listed companies in Hong Kong. As at 30 June 2023, the Group has bank balances and cash (including bank deposits, pledged bank deposits, and cash and cash equivalents) of approximately HK\$14.7 million (2022: approximately HK\$35.7 million), which were principally denominated in Hong Kong dollars, Pounds Sterling, Renminbi and Japanese Yen. As at 30 June 2023, the Group had total borrowings of approximately HK\$253.5 million (2022: approximately HK\$349.1 million), with approximately HK\$233.2 million repayable on demand or within one year, approximately HK\$19.6 million repayable after one year and within two years, approximately HK\$0.3 million repayable after two years and within five years and approximately HK\$0.4 million repayable after five years. About 76.0%, 23.6%, 0.1% and 0.3% of these borrowings were denominated in Hong Kong dollars, Pounds Sterling, Renminbi and Japanese Yen, respectively. All borrowings were at fixed interest rates.

The management endeavours to enhance the financial strengths of the Group so as to pave the way for future business development. Cost control measures have already been put in place to monitor the day-to-day operational and administrative expenses.

The management closely reviews the financial resources of the Group in a cautious manner and continues to explore opportunities in external financing and equity funding. The Company will take proactive actions to improve the liquidity and financial position of the Group by way of equity fund raising exercises. The Company will closely monitor the market situation and take prompt actions when such opportunities arise.

Directors' Opinion on Sufficiency of Working Capital

As at 30 June 2023, the current liabilities of the Group exceeded current assets by approximately HK\$360.9 million (2022: approximately HK\$88.0 million). Ability of the Group to continue as a going concern depends on the financial resources presently available to the Group. Taking into account the expected financial performance, net cash expected to be generated from the operation of the Group and the available loan facilities, the Directors believe that the Group is able to fully meet its liabilities as and when they fall due and to carry on its business without a significant curtailment of operations for the foreseeable future.

Foreign Exchange Exposure

Exposure of the Group to foreign currency risk mainly relates to its operation in the UK, the PRC and Japan and its investment in Cambodia, in which transactions, assets and liabilities are mostly denominated in Pounds Sterling, Renminbi, Japanese Yen and US dollars. The Group does not use derivative financial instruments to hedge its foreign currency risks. The management will continue to monitor its foreign exchange exposure and take appropriate measures if needed.

Pledge of Assets

As at 30 June 2023, the Group did not make any pledged bank deposit (2022: GBP0.8 million which was equivalent to approximately HK\$7.6 million) and the Group did not have transfer fee receivable from other football clubs (2022: GBP5.0 million, equivalent to approximately HK\$47.6 million) pledged to secure bank borrowings of the Group.

As at 30 June 2023, the Group had no material charge of assets.

Capital Structure

On 21 December 2022, the Board proposed to implement a share consolidation on the basis that every twenty-five (25) issued and unissued shares of HK\$0.01 each will be consolidated into one (1) consolidated share of HK\$0.25 each (the “Share Consolidation”) and a change in board lot size for trading on the Stock Exchange from 20,000 original shares to 2,000 consolidated shares (the “Change in Board Lot Size”).

Pursuant to an ordinary resolution passed on 2 February 2023, the Share Consolidation and the Change in Board Lot Size were approved by the Shareholders and have become effective on 6 February 2023. Immediately after the Share Consolidation, the total number of issued shares of the Company was adjusted from 19,288,998,525 to 771,559,941 and the board lot size was changed from 20,000 shares to 2,000 shares.

For details of the Share Consolidation and Change in Board Lot Size, please refer to the announcements of the Company dated 21 December 2022, 2 February 2023 and 3 February 2023, and the circular of the Company dated 10 January 2023.

As at 30 June 2023, the Company had an issued capital of 771,559,941 shares of HK\$0.25 each.

SIGNIFICANT ACQUISITIONS AND DISPOSALS

Save as disclosed in this announcement, during the year ended 30 June 2023, the Group did not have any significant acquisitions and disposals.

HUMAN RESOURCES AND REMUNERATION POLICY

During the year ended 30 June 2023, the Group employed on average approximately 280 full time employees and approximately 110 temporary staff members in Hong Kong, the PRC, the UK and Japan (2022: approximately 270 full time employees and approximately 110 temporary staff members) and the total staff costs of the Group amounted to approximately HK\$319.1 million (2022: approximately HK\$377.0 million). The Group recognises the importance of high calibre and competent staff and continues to provide remuneration packages to employees mainly based on industry practices and individual performance. In addition, the Group provides other employee benefits including medical insurance, training subsidy, discretionary bonus and participation in the share option scheme of the Company.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2023 as set out in the preliminary announcement of the Group’s results for the year ended 30 June 2023 have been agreed by the Group’s auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”) with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management over the financial reporting system and internal control systems of the Group. The Audit Committee comprises three Independent Non-executive Directors, Mr. Yeung Chi Tat, Mr. Pun Chi Ping and Ms. Leung Pik Har, Christine. Mr. Yeung Chi Tat is the chairperson of the Audit Committee. The Audit Committee has reviewed and discussed the annual results of the Group for the year ended 30 June 2023.

CORPORATE GOVERNANCE

The Company had complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the year ended 30 June 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the existing Directors, all of them confirmed that they had complied with the required standard set out in the Model Code during the year ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year ended 30 June 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

EVENTS AFTER THE REPORTING PERIOD

Disposal of Interests in Subsidiaries without Change of Control

On 7 May 2023, the Company entered into the Share Purchase Agreement with Shelby Companies Limited, in relation to the Disposal. The Share Purchase Agreement and various transaction documents were approved by the independent Shareholders on 13 July 2023, and the Disposal was completed on the same day. Details of the Disposal are set out in the circular of the Company dated 27 June 2023 and the announcements of the Company dated 9 May 2023, 30 May 2023, 5 June 2023, 7 June 2023 and 13 July 2023.

Change of Company Name

On 7 August 2023, in order to better reflect the Group's business and its direction of future development, the Board proposed to change the name of the Company from "Birmingham Sports Holdings Limited 伯明翰體育控股有限公司" to "ZO Future Group 大象未來集團". The Board believes that the new name can better reflect the Company's business direction, demonstrate its commitment on looking forward to future development and will provide the Company with a better corporate identity and image which can be beneficial in capturing potential business opportunities for its future development. The Proposed Change of Company Name was approved by the Shareholders on 7 September 2023. The Company has applied for the registration of the new company name in relevant regulatory bodies and the Proposed Change of Company Name will take effect after completion of all relevant registrations. For details of the Proposed Change of Company Name, please refer to the announcements of the Company dated 7 August 2023 and 7 September 2023 and the circular of the Company dated 17 August 2023.

Save as disclosed in this announcement, up to the date of this announcement, there has been no significant event relevant to the business or financial performance of the Company and its subsidiaries after the year ended 30 June 2023.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Company at *www.bshl.com.hk* and the Stock Exchange's website at *www.hkexnews.hk*. The annual report of the Company will be published on the website of the Company and the Stock Exchange's website and will be despatched to the Shareholders in due course.

By Order of the Board
Birmingham Sports Holdings Limited
Zhao Wenqing
Chairman

Hong Kong, 28 September 2023

As at the date of this announcement, the Board comprises eight Directors, namely Mr. Zhao Wenqing (Chairman), Mr. Huang Dongfeng (Chief Executive Officer), Mr. Yiu Chun Kong and Dr. Guo Honglin as Executive Directors; Mr. Sue Ka Lok as Non-executive Director; and Mr. Pun Chi Ping, Ms. Leung Pik Har, Christine and Mr. Yeung Chi Tat as Independent Non-executive Directors.

* *For identification purpose only*