

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**ZO FUTURE GROUP**

**大象未來集團**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2309)**

**FINAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 30 JUNE 2024**

The Board of Directors (the “Board”) of ZO Future Group (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 30 June 2024 together with comparative figures as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the year ended 30 June 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue</b>	4	<b>275,244</b>	217,097
Operating expenses		<u>(570,558)</u>	<u>(418,208)</u>
<b>Loss from operations</b>		<b>(295,314)</b>	(201,111)
Interest revenue		<b>8,348</b>	2,861
Other income	6	<b>8,056</b>	7,942
Other losses, net	7	<b>(54,065)</b>	(484)
Football club segment compensation		–	179,694
Profit on sales of players’ registration		<b>151,737</b>	20,080
Amortisation of intangible assets		<b>(43,320)</b>	(32,841)
Administrative and other expenses		<b>(52,957)</b>	(38,965)
Finance costs	8	<b>(36,808)</b>	(22,022)
Share of results of an associate		<u>(5,534)</u>	–

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
<b>Loss before taxation</b>		<b>(319,857)</b>	(84,846)
Income tax credit/(expense)	9	<u>670</u>	<u>(709)</u>
<b>Loss for the year</b>	10	<u><b>(319,187)</b></u>	<u>(85,555)</u>
<b>Other comprehensive (expense)/income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of overseas subsidiaries		(1,275)	(10,892)
Reclassification of exchange reserve to profit or loss upon disposal of subsidiaries		<u>213</u>	<u>152</u>
		<u><b>(1,062)</b></u>	<u>(10,740)</u>
<b>Total comprehensive expense for the year</b>		<u><b>(320,249)</b></u>	<u>(96,295)</u>
<b>Loss for the year attributable to:</b>			
Owners of the Company		(182,779)	(25,657)
Non-controlling interests		<u>(136,408)</u>	<u>(59,898)</u>
		<u><b>(319,187)</b></u>	<u>(85,555)</u>
<b>Total comprehensive expense for the year attributable to:</b>			
Owners of the Company		(183,597)	(24,147)
Non-controlling interests		<u>(136,652)</u>	<u>(72,148)</u>
		<u><b>(320,249)</b></u>	<u>(96,295)</u>
<b>Loss per share attributable to owners of the Company</b>			
– Basic and diluted (HK cents)	13	<u><b>(23.37)</b></u>	<u>(3.33)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>172,291</b>	58,259
Right-of-use assets		<b>70,863</b>	64,893
Intangible assets		<b>60,056</b>	68,199
Investment properties	<i>14</i>	<b>470,652</b>	470,652
Financial assets at fair value through profit or loss	<i>15</i>	<b>43,700</b>	–
Interest in an associate		<b>5</b>	–
Deposits, prepayments and other receivables		<b>89,719</b>	16,041
		<hr/>	<hr/>
Total non-current assets		<b>907,286</b>	678,044
<b>Current assets</b>			
Inventories		<b>16,454</b>	–
Trade receivables	<i>16</i>	<b>14,046</b>	7,959
Deposits, prepayments and other receivables		<b>129,298</b>	70,367
Amount due from related parties	<i>18</i>	<b>46,410</b>	188,452
Bank balances and cash		<b>145,305</b>	14,749
		<hr/>	<hr/>
Total current assets		<b>351,513</b>	281,527
<b>Current liabilities</b>			
Transfer fee payables		<b>29,988</b>	15,186
Trade payables	<i>17</i>	<b>35,541</b>	14,690
Accruals and other payables		<b>99,670</b>	53,821
Amount due to related parties	<i>18</i>	<b>38,961</b>	302,441
Contract liabilities		<b>30,481</b>	14,068
Borrowings	<i>19</i>	<b>20,831</b>	233,166
Lease liabilities		<b>15,935</b>	9,042
		<hr/>	<hr/>
Total current liabilities		<b>271,407</b>	642,414
<b>Net current assets/(liabilities)</b>		<b>80,106</b>	(360,887)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>987,392</b>	317,157
		<hr/>	<hr/>

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Non-current liabilities</b>			
Transfer fee payables		<b>16,168</b>	13,653
Amount due to related parties	<i>18</i>	<b>171,871</b>	–
Contract liabilities		–	383
Borrowings	<i>19</i>	<b>511,938</b>	20,296
Lease liabilities		<b>79,090</b>	78,277
Deferred tax liabilities		<b>2,426</b>	3,112
		<hr/>	<hr/>
Total non-current liabilities		<b>781,493</b>	115,721
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>205,899</b>	201,436
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>			
Share capital	<i>20</i>	<b>203,814</b>	192,890
Reserves		<b>254,456</b>	327,161
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>458,270</b>	520,051
Non-controlling interests		<b>(252,371)</b>	(318,615)
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>205,899</b>	201,436
		<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”) and accounting principles generally accepted in Hong Kong. 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 under the historical cost basis, as modified by revaluation of investment properties and certain financial instruments, which are carried at their 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\$182,779,000 for the year ended 30 June 2024 and net cash outflow from operating activities of approximately HK\$332,107,000. 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, 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, 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; (iv) the Group has a loan facility from Shelby Companies Limited (“Shelby”), a non-controlling shareholder of Birmingham City Limited (“BCL”), under which a secured term loan facility up to HK\$493,625,000 (equivalent to GBP50.0 million) has been granted to the Group; and (v) the Group has a loan facility with aggregate amount of approximately HK\$10,698,000 (equivalent to RMB10.0 million) from a third party lender.

As at 30 June 2024, the total carrying amount of the borrowings under the above facilities of the Group was approximately HK\$532,586,000. As at 30 June 2024, the Group had approximately HK\$621,737,000 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 2023. 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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Disaggregation of revenue:</b>		
<b>Revenue from contracts with customers</b>		
<i>Recognised at a point in time</i>		
Commercial income	11,432	21,396
Match day receipts	30,499	16,060
New energy automobiles and related business	5,590	–
Healthcare and medical related business ("Healthcare Business")	1,634	2,238
	<u>49,155</u>	<u>39,694</u>
<i>Recognised over time</i>		
Commercial income	47,708	26,418
Broadcasting	97,359	86,629
Match day receipts	30,588	19,982
Healthcare Business	78	93
	<u>175,733</u>	<u>133,122</u>
	<u>224,888</u>	<u>172,816</u>
<b>Revenue from other sources</b>		
Commercial income	22,177	16,102
Rental income	28,179	28,179
	<u>50,356</u>	<u>44,281</u>
	<u><u>275,244</u></u>	<u><u>217,097</u></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) New energy automobiles and related business
  - New energy automobiles and related business are recognised when control of the asset and service are transferred to the customer, generally on delivery of the assets.
- (v) 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 is recognised over the contract period.

Pursuant to a share purchase agreement dated 15 March 2024 entered into between the Group and an independent third party, the Group disposed of all of its interests in Medi Hub Co., Ltd\* (“Medi Hub”) and the total amount of loan outstanding and owing by Medi Hub to the Group for a total consideration of approximately HK\$312,000 (equivalent to US\$40,000). Upon the completion of disposal of Medi Hub on 22 March 2024, the Board has decided to cease the business of Healthcare Business in March 2024.

\* The English translation of the company is for reference only.



## 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 2024, the Group has four (2023: 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) new energy automobiles and related business;
- (iii) investment in properties; and
- (iv) the Healthcare Business (ceased operation in March 2024).

### 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 2024

	Football club <i>HK\$'000</i>	New energy automobiles and related business <i>HK\$'000</i>	Investment in properties <i>HK\$'000</i>	Healthcare Business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue</b>					
External sales	<u>239,763</u>	<u>5,590</u>	<u>28,179</u>	<u>1,712</u>	<u>275,244</u>
<b>Results</b>					
Segment results	<u>(283,287)</u>	<u>(19,195)</u>	<u>24,807</u>	<u>(2,665)</u>	<u>(280,340)</u>
Interest revenue					28
Other income					31
Other losses, net					(6,177)
Corporate expenses					(28,017)
Finance costs					<u>(5,382)</u>
<b>Loss before taxation</b>					<b>(319,857)</b>
Income tax credit					<u>670</u>
<b>Loss for the year</b>					<b><u>(319,187)</u></b>

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>
<b>Segment revenue</b>				
External sales	<u>186,587</u>	<u>28,179</u>	<u>2,331</u>	<u>217,097</u>
<b>Results</b>				
Segment results	<u>(59,396)</u>	<u>18,045</u>	<u>(4,743)</u>	(46,094)
Interest revenue				19
Other income				358
Other 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>

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

## 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*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>The UK</b>		
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>	41,931	37,456
<i>Recognised over time</i>	175,525	132,648
Revenue from other sources	22,177	16,102
	<u>239,633</u>	<u>186,206</u>
<b>The PRC</b>		
Revenue from contracts with customers:		
<i>Recognised over time</i>	130	381
	<u>130</u>	<u>381</u>
<b>The Kingdom of Cambodia ("Cambodia")</b>		
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>	5,590	–
Revenue from other sources	28,179	28,179
	<u>33,769</u>	<u>28,179</u>
<b>Japan</b>		
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>	1,634	2,238
<i>Recognised over time</i>	78	93
	<u>1,712</u>	<u>2,331</u>
	<u>275,244</u>	<u>217,097</u>

(ii) *Non-current assets*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	64,895	248
The PRC	89	3
Cambodia	470,652	470,652
The UK	362,003	206,929
Japan	9,647	212
	<u>907,286</u>	<u>678,044</u>

**6. OTHER INCOME**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Subsidies received from the Premier League ( <i>Note (i)</i> )	7,919	7,582
Government subsidies ( <i>Note (ii)</i> )	–	258
Sundry income	137	102
	<u>8,056</u>	<u>7,942</u>

*Notes:*

- (i) During the year ended 30 June 2024, the Group's professional football operation received funding of approximately HK\$7,919,000 (2023: approximately HK\$7,582,000) 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 the government to retain employees who may otherwise be made redundant and to support businesses affected by COVID-19. The grants were unconditional and granted on a discretionary basis to the Group during the year ended 30 June 2023.

## 7. OTHER LOSSES, NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Impairment loss on right-of-use assets	(2,473)	(10,694)
Impairment loss on property, plant and equipment	(60,124)	–
Impairment loss on intangible assets	(2,679)	–
Loss arising on fair value change on investment properties	–	(6,942)
Gain on fair value change on financial assets at fair value through profit or loss	7,820	–
Foreign exchange loss, net ( <i>Note(i)</i> )	(7,060)	(3,216)
Gain on termination of lease agreement	–	10
Fixed assets written off	–	(1)
Insurance compensation	5,909	–
Research and development tax relief	3,659	–
Gain on disposal of subsidiaries	883	20,359
	<u>(54,065)</u>	<u>(484)</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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest expenses on:		
– Other borrowings	31,908	9,059
– Bank borrowings	–	428
– Imputed interest arising on interest-free borrowings from The Football League Limited (the “Football League”)	406	1,574
– Notional interest on transfer fee payables	4,303	1,784
– Lease liabilities	10,904	9,177
	<u>47,521</u>	<u>22,022</u>
Total interest	47,521	22,022
Less: Interest capitalised to property, plant and equipment	(10,713)	–
	<u>36,808</u>	<u>22,022</u>

During the year ended 30 June 2024, the Group has capitalised borrowing costs at a rate of 11.9% per annum (2023: nil), amounting to approximately HK\$10,713,000 (2023: nil) on property, plant and equipment.

## 9. INCOME TAX CREDIT/(EXPENSE)

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Deferred tax:		
– Current year	<u>670</u>	<u>(709)</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 2024 and 2023.

The Group's subsidiaries in the UK are subject to corporation tax in the UK (the "Corporation Tax"). Corporation Tax is calculated at 25% of the estimate assessable profit for the year ended 30 June 2024 (2023: 25%). No provision has been made in respect of the Corporation Tax as these subsidiaries did not derive any assessable profits for the years ended 30 June 2024 and 2023.

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 year ended 30 June 2024 and 2023.

## 10. LOSS FOR THE YEAR

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Staff costs (including directors' remuneration):		
– Salaries and wages	344,465	288,120
– Retirement benefits scheme contributions	<u>37,366</u>	<u>30,987</u>
Total staff costs	<u>381,831</u>	<u>319,107</u>
Auditors' remuneration	1,384	1,374
Amortisation of intangible assets	43,320	32,841
Depreciation of property, plant and equipment	30,558	5,736
Depreciation of right-of-use assets	12,075	8,888
Expenses related to short-term lease	6,788	5,647
Cost of inventories recognised as expense	22,204	9,865
Loss arising on fair value change on investment properties	–	6,942
Gain on fair value change on financial assets at fair value through profit or loss	(7,820)	–
Impairment loss on right-of-use assets	2,473	10,694
Impairment loss on property, plant and equipment	60,124	–
Impairment loss on intangible assets	2,679	–
Reversal of impairment loss on trade receivables	(932)	–
Impairment loss on trade receivables	2,743	1,204
Foreign exchange loss, net	<u>7,060</u>	<u>3,216</u>

## 11. DISPOSAL OF SUBSIDIARIES

Pursuant to the equity transfer agreement dated 16 October 2023 entered into between the Group and an independent third party (the “Purchaser A”), the Group disposed of its 100% equity interests in a then wholly-owned subsidiary, Birmingham (Beijing) Sports Ltd.\* (伯明翰 (北京) 體育有限責任公司) (the “Disposed PRC Subsidiary”), and transferred the total amount owing by the Group to the lender, an independent third party, to the Purchaser A for nil consideration.

The following table summarises the consideration for the disposal of the Disposed PRC Subsidiary and the net liabilities of Disposed PRC Subsidiary as at the date of disposal.

	<i>HK\$'000</i>
Property, plant and equipment	2
Bank balances and cash	48
Other receivables and prepayments	5
Amount due from the Group	823
Other payables and accruals	(416)
Other borrowings	(470)
	<hr/>
Net liabilities disposed of	(8)
Release of exchange reserve	(1,175)
Wavier of debts	(353)
Gain on disposal of subsidiary	1,536
	<hr/>
Consideration received	–
	<hr/> <hr/>

Net cash outflow arising on the date of disposal:

	<i>HK\$'000</i>
Cash consideration	–
Bank balances and cash disposed of	(48)
	<hr/>
	(48)
	<hr/> <hr/>

The gain on the disposal of the Disposed PRC Subsidiary was included in the other losses, net in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2024.

\* The English translation of the company is for reference only.

Pursuant to the share purchase agreement dated 15 March 2024 entered into between the Group and an independent third party (the “Purchaser B”), the Group disposed of its 100% equity interests in Medi Hub and transferred the total amount owing to the Group to the Purchaser B for a consideration of approximately HK\$312,000.

The following table summarises the consideration for the disposal of Medi Hub and the net liabilities of Medi Hub as at the date of disposal.

	<i>HK\$'000</i>
Property, plant and equipment	114
Right-of-use assets	918
Intangible assets	173
Inventories	123
Other receivables and prepayments	470
Bank balances and cash	245
Amount due to the Group	(12,584)
Lease liabilities	(935)
Contract liabilities	(419)
Deferred tax liabilities	(8)
Other payables and accruals	(450)
Other borrowings	(654)
	<hr/>
Net liabilities disposed of	(13,007)
Release of exchange reserve	1,388
Loan assignment	12,584
Loss on disposal of subsidiary	(653)
	<hr/>
Consideration received	312
	<hr/> <hr/>

Net cash inflow arising on the date of disposal:

	<i>HK\$'000</i>
Cash consideration	312
Bank balances and cash disposed of	(245)
	<hr/>
	67
	<hr/> <hr/>

The loss on the disposal of Medi Hub was included in the other losses, net in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2024.

## 12. DIVIDEND

No dividend was paid or proposed for the years ended 30 June 2024 and 2023, 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.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Loss:</b>		
Loss attributable to owners of the Company for the purpose of calculating basic loss per share	<u>(182,779)</u>	<u>(25,657)</u>
	2024	2023
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share attributable to owners of the Company	<u>782,006,742</u>	<u>771,559,941</u>

#### Diluted loss per share

For the year ended 30 June 2024, the computation of diluted loss per share does not assume the exercise of share options as they would decrease the loss per share attributable to owners of the Company and have anti-dilutive effect. All the outstanding share options lapsed on 6 December 2023 and there were no dilutive potential ordinary shares in issue since then.

For the year ended 30 June 2023, the computation of diluted loss per share does not assume the exercise of share options as they would decrease the loss per share attributable to owners of the Company and have anti-dilutive effect.

### 14. INVESTMENT PROPERTIES

The carrying amount of the Group's investment properties as at 30 June 2024 and 2023 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 fair value of the investment properties as at 30 June 2024 did not vary significantly from the carrying value of the investment properties. Accordingly, no fair value adjustment has been recognised in respect of the Group's investment properties for the year ended 30 June 2024 (2023: loss of approximately HK\$6,942,000).

As at 30 June 2024, investment properties of the Group were stated at fair value of approximately HK\$470,652,000 (2023: approximately HK\$470,652,000).

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. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2024 <i>HK\$'000</i>
Unlisted equity investments, at fair value	<u>43,700</u>
Analysed as:	
Current assets	–
Non-current assets	<u>43,700</u>
	<u>43,700</u>

During the year ended 30 June 2024, the Group acquired convertible promissory note (the “Convertible Note”) issued by an independent third party, which principally engaged in the research and development and sale and marketing of next-generation zero-emissions and intelligent heavy-duty trucks (the “CN Issuer”), in a principal amount of approximately HK\$35,880,000 (equivalent to US\$4,600,000) with the maturity date on 19 November 2025. The Convertible Note carries an interest at 10.0% per annum and could be converted into series B-1 preferred shares of the CN Issuer with its principal, subject to conditions set out therein.

During the year ended 30 June 2024, the Group converted the Convertible Note into 5,480,758 series B-1 preferred shares (the “Unlisted Shares”). As at 30 June 2024, the number of issued shares of CN issuer held by the Group represented approximately 3.96% of the issued share capital of CN Issuer.

The Group has engaged an independent qualified professional valuer to perform a valuation of the Unlisted Shares as at 30 June 2024 which is estimated to be approximately HK\$43,700,000 (equivalent to approximately US\$5,603,000), resulting in a fair value gain of approximately HK\$7,820,000 credited to profit or loss for the year ended 30 June 2024.

Changes in fair value of financial assets at fair value through profit or loss was included in the other losses, net in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2024.

## 16. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	20,194	12,299
Less: Impairment loss recognised	<u>(6,148)</u>	<u>(4,340)</u>
	<u>14,046</u>	<u>7,959</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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	1,221	4,112
31 days to 90 days	963	1,014
91 days to 180 days	4,017	1,566
181 days to 365 days	7,845	1,267
	<u>14,046</u>	<u>7,959</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
<b>At 30 June 2024</b>				
Weighted average expected loss rate	0.0%	0.0%	43.9%	
Receivables amount ( <i>HK\$'000</i> )	2,184	4,017	13,993	20,194
Loss allowance ( <i>HK\$'000</i> )	–	–	6,148	6,148
<b>At 30 June 2023</b>				
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

## 17. TRADE PAYABLES

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	20,632	3,114
31 days to 90 days	8,971	6,711
91 days to 180 days	1,799	2,856
181 days to 365 days	2,931	844
Over 365 days	1,208	1,165
	<u>35,541</u>	<u>14,690</u>

The credit periods of the Group's trade payables normally granted from suppliers averaging at 90 days (2023: 90 days).

## 18. AMOUNTS DUE FROM/TO RELATED PARTIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Amount due from related parties		
– Oriental Rainbow ( <i>Note (i)</i> )	–	188,452
– Birmingham City Stadium Ltd ( <i>Note (ii)</i> )	46,410	–
	<u>46,410</u>	<u>188,452</u>
Amount due to related parties		
– Oriental Rainbow ( <i>Note (iii)</i> )	–	302,441
– Shelby ( <i>Note (iv)</i> )	210,832	–
	<u>210,832</u>	<u>302,441</u>
Less: Repayable on demand shown as current liabilities	<u>(38,961)</u>	<u>(302,441)</u>
Amount shown as non-current liabilities	<u>171,871</u>	<u>–</u>

*Notes:*

- (i) Amount due from a related party of approximately HK\$188,452,000 for the year ended 30 June 2023 represented the compensation income from the football club segment in the UK receivable from Oriental Rainbow under the profit and loss sharing agreement between the Company and Oriental Rainbow pursuant to the shareholders' agreement dated 9 October 2020. The balances are denominated in Pounds Sterling, interest-free, unsecured and repayable on demand.

- (ii) Amount due from a wholly-owned subsidiary of a non-controlling shareholder of BCL, Shelby, is unsecured, interest bearing and repayable on demand. The balances are denominated in Pounds Sterling and the maximum amount outstanding during the year ended 30 June 2024 is approximately HK\$46,410,000.
- (iii) The carrying amount of approximately HK\$302,441,000 as at 30 June 2023 represented amount due to Oriental Rainbow. The balances are denominated in Pounds Sterling and are unsecured, interest-free and have no fixed repayment term.
- (iv) The carrying amount of approximately HK\$210,832,000 as at 30 June 2024 represented amount due to a non-controlling shareholder of BCL. The balances are denominated in Pounds Sterling and are unsecured, interest-free. Included in amount due to related parties of approximately HK\$171,871,000 will not be demanded for repayment within the next twelve months from the end of reporting period and the amounts are therefore shown as non-current.

## 19. BORROWINGS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other borrowings, secured:		
– Loan from a related party ( <i>Note (i)</i> )	475,185	–
Other borrowings, unsecured:		
– Loan from Football League	–	28,980
– Loan from substantial shareholders	56,930	198,536
– Loan from a related party	–	5,000
– Loan from third parties	471	20,763
– Other loan	183	183
	<u>532,769</u>	<u>253,462</u>

*Note:*

- (i) As at 30 June 2024, the Group has charged its entire interest in BCL, a non-wholly owned subsidiary of the Company, from time to time as security for the operating loan provided by Shelby and its group companies.

At 30 June 2024 and 2023, total other borrowings were repayable as follows:

	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Carrying amounts repayable:</b>		
– On demand or within one year	<b>20,831</b>	233,166
– Between one and two years	–	19,581
– Between two and five years	<b>511,755</b>	330
– Over five years	<b>183</b>	385
	<u><b>532,769</b></u>	<u>253,462</u>
Less: Amounts due within one year shown as current liabilities	<u><b>(20,831)</b></u>	<u>(233,166)</u>
Amounts shown as non-current liabilities	<u><b>511,938</b></u>	<u>20,296</u>

	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Carrying amount are denominated in the following currencies:</b>		
Hong Kong dollars	<b>56,930</b>	192,576
Pounds Sterling	<b>475,368</b>	59,787
Renminbi	<b>471</b>	345
Japanese Yen	–	754
	<u><b>532,769</b></u>	<u>253,462</u>

	<b>2024</b>	2023
<b>Effective interest rates per annum:</b>		
Hong Kong dollars	<b>4.5% – 10.50%</b>	4.5% – 10.50%
Pounds Sterling	<b>0.00% – 11.90%</b>	0.00% – 6.00%
Renminbi	<b>5.00%</b>	5.00%
Japanese Yen	<b>1.36%</b>	0.46% – 1.36%
	<u><b>1.36%</b></u>	<u>0.46% – 1.36%</u>

## 20. 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>		
<b>Authorised:</b>		
At 1 July 2022	50,000,000,000	500,000
Share consolidation ( <i>Note (i)</i> )	<u>(48,000,000,000)</u>	<u>–</u>
At 30 June 2023, 1 July 2023 and 30 June 2024	<u>2,000,000,000</u>	<u>500,000</u>
<b>Issued and fully paid:</b>		
At 1 July 2022	19,288,998,508	192,890
Issuance of shares upon exercise of share options ( <i>Note (i)</i> )	17	– <sup>#</sup>
Share consolidation ( <i>Note (i)</i> )	<u>(18,517,438,584)</u>	<u>–</u>
At 30 June 2023 and 1 July 2023	771,559,941	192,890
Issuance of shares upon share subscriptions ( <i>Note (ii)</i> )	<u>43,697,478</u>	<u>10,924</u>
At 30 June 2024	<u>815,257,419</u>	<u>203,814</u>

<sup>#</sup> Amount less than HK\$1,000.

*Notes:*

- (i) Details of the movement in authorised share capital and issued share capital of the Company were disclosed in the 2022/2023 annual report of the Group dated 28 September 2023.
- (ii) On 12 January 2024, the Company entered into two subscription agreements (the “Subscription Agreements”) with Ever Depot Limited (a substantial shareholder of the Company) (the “First Subscription”) and XINSIDER CAPITAL LIMITED (an independent third party) (the “Second Subscription”), respectively, pursuant to which the Company conditionally agreed an aggregate of 43,697,478 new shares to be allotted and issued at the subscription price of HK\$2.142 per share, being an aggregate consideration of HK\$93,600,000, under specific mandate.

The completion of the First Subscription and the Second Subscription took place on 28 March 2024 and 12 April 2024, respectively. Details of the aforesaid subscriptions and the completion were disclosed in the announcements of the Company dated 12 January 2024, 20 March 2024, 28 March 2024, 10 April 2024 and 12 April 2024 and the circular of the Company dated 1 March 2024.

- (iii) The new shares rank *pari passu* with the existing shares of the Company in all respects.

## **21. CONTINGENT LIABILITIES**

### **Player transfer costs**

As at 30 June 2024, 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 2024 was approximately HK\$24,740,000 (equivalent to approximately GBP2,506,000) (2023: approximately HK\$92,580,000, equivalent to approximately GBP9,361,000).

## **22. 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 4 July 2024, Birmingham City Football Club Limited (“BCFC”), an indirectly non-wholly owned subsidiary of the Company, entered into a building contract with Dawnvale Cafe Components Limited (the “Contractor”), pursuant to which the Contractor has agreed to carry out and complete the works at the stadium at a contract sum of GBP6.85 million (equivalent to approximately HK\$67.6 million). For the details of the aforesaid building contract, please refer to the announcement of the Company dated 4 July 2024.

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 the year ended 30 June 2024.



## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT ON THE COMPANY’S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

An extract of the Company’s independent auditor’s report for the year ended 30 June 2024 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 2024, 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\$182,779,000 for the year ended 30 June 2024 and net cash outflow from operating activities of approximately HK\$332,107,000. 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 2024 (2023: nil).

### **BUSINESS PROSPECT**

During the year under review, the Group achieved significant milestones in its business development. In May 2023, the Company entered into a share purchase agreement with Shelby, pursuant to which the Company disposed of approximately 24.34% of Birmingham City Football Club (the “Club”) to Shelby. The disposal was completed on 13 July 2023, upon which the Group remains an interest of approximately 51.72% in the Club and Shelby’s interest therein is approximately 45.98%. Shelby is managed and advised by Knighthead Capital Management, LLC (“Knighthead”). Knighthead has a passion for sports and is well-experienced in improving corporate performance. The introduction of Shelby as our key partner to the Club not only brings in their management expertise and skills, but also the required resources and the determination needed to deliver changes for the good of the Club. The collaboration also enables the Company to reserve its financial resources for other business opportunities with good potential. Following a finish at the 22nd position in the EFL Championship in the season 2023/24, the Club was relegated to the EFL League One in the new season. Despite the relegation, the Company will continue to cooperate with Shelby to give support to the Club with an aim to secure a promotion back to EFL Championship. As at the date of this announcement, the Club stood at the 2nd position in the EFL League One division.

In view of the promising potential in the new energy automobile market, the Group has decided to tap into this business sector. During the year under review, the Group has actively pursued the advancement of this new segment. As part of our core competencies, we have built a strong dedicated team of skilled professionals who possess vast expertise and knowledge across various domains within the automotive industry. This team plays a vital role in our efforts to develop and establish ourselves as a prominent player in markets including Asia, Middle-East and North America, specialising in the production and distribution of zero-emission commercial trucks under the business name “ZO MOTORS”. Furthermore, our operations encompass a global supply chain to cater to a wide range of markets worldwide. The Group will focus on its smart new energy commercial automobiles, integrating high-tech innovations to provide a safer, more cost-effective, and holistic eco-friendly intelligent logistics offering for logistics enterprises, e-commerce companies, government public sectors, and various commercial automobile customers. The management hope to make a greater contribution to zero emissions in the global commercial automobile sector and to the profitability of the transportation industry, while continuously creating value for commercial automobile owners and users.

The Group’s commercial automobiles will primarily target overseas markets and are expected to successively enter markets including Japan, the United States of America (“USA”), Canada, South America, Southeast Asia, and the Middle East. Currently, the Group’s new energy automobiles and related business segment is making steady progress towards its planned goals. During the year under review, the Group entered into strategic cooperation agreements with renowned automobile manufacturers including Weichai and Foton. The cooperation marks a full-scale and profound collaboration in new energy automobile manufacturing and joint product development between the parties. The Group also entered into strategic memorandums with leading automobile distributors, including 32Group and ITD Industries, which help secure our presence in downstream distribution networks in regions over the globe. Leveraging on the manufacturers’ product platforms and production bases to develop and manufacture ZO Motors brand intelligent new energy commercial automobiles, and the distributors’ experience, extensive connections and coverage as well as their complete range of support services that can be provided in the selected markets, the Group will start in-depth business cooperation with them, make use of each other’s resources and advantages to jointly develop and create business edges. In the future, the Group will exert every effort to promote “ZO MOTORS” and “ZM Trucks”. The Group will maintain a strong focus on the development of new energy automobiles.

The Group invests in certain residential and commercial properties in Phnom Penh, Cambodia which secured a stable stream of income for the Group. Despite encountering domestic and external challenges, the Cambodian economy is steadily rebounding from the impact of the COVID-19 pandemic. The management remain positive about the upcoming recovery in the local economy and believes that the long-term appreciation of investment properties will generate value for both the Company and its shareholders as a whole. The management will maintain its investment in the properties-related business segment.

The Group acquired the Healthcare Business in 2020 with an aim to promote such business in Asia. However, the performance of the business failed to meet the expectation of the Group. In March 2024, the Board has decided to cease the business and disposed of the operating units. After the disposal, the Group will reallocate its resources and focus on exploring its other business segments.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### ***Performance and Results***

For the year ended 30 June 2024, the revenue of the Group was approximately HK\$275.2 million (2023: approximately HK\$217.1 million), representing an increase of approximately 26.8% as compared with the corresponding period last year.

The Group recorded a loss attributable to owners of the Company of approximately HK\$182.8 million for the year ended 30 June 2024, representing an increase of approximately 612.4% as compared to the loss of approximately HK\$25.7 million for the corresponding period last year. The increase in loss was mainly due to, during the year under review: (i) an absence of compensation from the football club segment under the profit and loss sharing arrangement between the Company and Oriental Rainbow; (ii) an increase in finance costs; (iii) a share of loss of an associate; (iv) an increase in the Group's administrative and other expenses including, among others, staff costs and professional service fees incurred to meet with new business segment development needs; and (v) an increase in impairment of certain non-current assets, which were partly offset by (a) an increase in profit on sales of players' registration; (b) the share of loss attributable to owners of the Company from a non-wholly owned subsidiary decreased to approximately 51.72% after completion of the disposal of certain interests in the non-wholly owned subsidiary; (c) a gain on fair value change on financial assets at fair value through profit or loss; and (d) an absence of loss arising on fair value change on investment properties.

For the year ended 30 June 2024, the basic loss per share was approximately HK23.37 cents (2023: approximately HK3.33 cents).

(i) *Football club*

Through BCFC, the Group operates the Club in the UK. During the season 2023/24, the Club was in the EFL Championship Division and finished at the 22nd position. The Club was relegated and will be played in the EFL League One in the season 2024/25. At the date of this announcement, the Club stood at the 2nd position in the EFL League One division. 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 year under review, the football segment recorded a revenue of approximately HK\$239.8 million, representing an increase of approximately 28.5% over the same period last year. In light of the relegation, the Group expects there will be a decrease in the Club’s revenue and operating expenses in the upcoming season.

(ii) *New energy automobiles and related business*

During the year ended 30 June 2024, the Group newly set up the new energy automobiles and related business segment and operates under tradename “ZO MOTORS” and “ZM Trucks”. The new business segment is making steady progress towards its planned goals, with an aim to offer customers more innovative new energy automobiles products that combine technological advancements and aesthetic appeal. Pilot product launch has been carried out in various countries with encouraging responses from our local distributors.

New energy automobiles and related business principally comprises selling and leasing of commercial automobiles, provision of automobiles repair and maintenance services, provision of automobiles accessories and equipment, and provision of charging services. During the year under review, the Group recorded income of approximately HK\$5.6 million from the new energy automobiles and related business.

*(iii) 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 2024, the Group recorded rental income of approximately HK\$28.2 million from the investment properties.

As at 30 June 2024, investment properties of the Group were stated at fair value and amounted to approximately HK\$470.7 million (2023: approximately HK\$470.7 million) representing approximately 37.4% (2023: approximately 49.0%) of the total assets of the Group.

*(iv) Healthcare Business*

Healthcare business principally comprises the provision of medical consultation, healthcare and wellness referral related services in Japan, as well as the sales of health-related products. Customers mainly consist of overseas individuals seeking medical services such as health checks, medical diagnosis and treatments in Japan, as well as distributors and retailers of health-related products. During the year ended 30 June 2024, the Group recorded an income of approximately HK\$1.7 million from this business segment.

After carefully reviewing the Group's strategic position in its business development, the management consider that the scale of this segment is insignificant. Therefore, during the year, the Group decided to dispose of its business in Medi Hub, enabling the Group to reallocate its resources and focus on exploring new business opportunities.

***Subscription of Convertible Note and Strategic Partnership Agreement***

During the year ended 30 June 2024, the Group invested in the Unlisted Shares issued by the CN Issuer and entered into a strategic partnership agreement with the CN Issuer. The CN Issuer is principally engaged in the research and development and sale and marketing of next-generation zero-emissions and intelligent heavy-duty trucks. As at 30 June 2024, the Group had financial assets at fair value through profit or loss of approximately HK\$43.7 million (equivalent to approximately US\$5.6 million). The fair value of which represented less than 3.5% of the total assets of the Group as at 30 June 2024.

The strategic partnership agreement with the CN Issuer will help the Group's transition into new energy automobiles and related business and new energy related manufacturing and operations, as well as enhance the Group's competitiveness and profitability. The strategic partnership agreement shall continue in full force and effect for a term of five years unless earlier terminated pursuant to the terms thereof.

### *Disposal of interests in subsidiaries*

On 7 May 2023, the Company entered into a share purchase agreement with a buyer, Shelby, to dispose of approximately 24.34% issued share capital of BCL; and approximately 32% of the remaining shareholder's loans owing by BCL to the Company following completion of the debt reorganisation (the "BCL Disposal").

The BCL Disposal was completed on 13 July 2023. Upon completion, the Group's equity interest in BCL was decreased from approximately 75% to approximately 51.72% and Shelby holds approximately 45.98% equity interest in BCL. BCL remains as a non-wholly owned subsidiary of the Company and the financial results of BCL and its subsidiaries will continue to be consolidated in the consolidated financial statements of the Group. The Group accounted for the disposal as an equity transaction and recognised an addition of non-controlling interests ("NCI") at the NCI's proportionate share of the net liabilities of BCL approximately HK\$42,047,000. The excess of approximately HK\$4,884,000 between the consideration of approximately HK\$52,354,000 received and the addition of NCI of approximately HK\$42,047,000 and amount of the loan assignment of approximately HK\$89,517,000 was recognised in reserves.

On 16 October 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 and liabilities in Birmingham (Beijing) Sports Ltd.\* (伯明翰(北京)體育有限責任公司) (being the Disposed PRC Subsidiary) for nil consideration. Following the completion of the disposal on 16 October 2023, the financial results of the Disposed PRC Subsidiary is deconsolidated from the Group. The Company no longer holds any interest in the shares of the Disposed PRC Subsidiary upon the said completion.

On 15 March 2024, the Group and an independent third party of the Company, entered into a share purchase agreement and a loan assignment agreement in relation to the disposal of the entire equity interests in Medi Hub and the total amount of loan outstanding and owing by Medi Hub to the Group for a total consideration of approximately HK\$312,000. Following the completion of the disposal on 22 March 2024, the financial results of Medi Hub is deconsolidated from the Group. The Company no longer hold any interest in the shares of Medi Hub upon completion. The Board has decided to cease the business of Healthcare Business in March 2024.

\* The English translation of the company is for reference only.



## ***Outlook***

Despite the easing of global monetary tightening policies, the global market conditions and operational landscape are expected to remain uncertain, largely arising from the political tension between the USA and China and ongoing military conflicts in Eastern Europe and the Middle East. Looking ahead, in view of the complexity and uncertainty of the global business environment, the management team will continue to be cautious and responsible in managing our business operations and financial resources. Our goal is to maximise the potential of our current businesses during this challenging period, our newly developed new energy commercial automobiles business segment in particular. We will be proactive but vigilant and will 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 2024 was approximately HK\$275.2 million (2023: approximately HK\$217.1 million), representing an increase of approximately 26.8% over the same period last year.

The revenue from the football club segment for the year ended 30 June 2024 was approximately HK\$239.8 million (2023: approximately HK\$186.6 million), representing an increase of approximately 28.5% compared with the corresponding period in 2023.

The new energy automobiles and related business segment commenced operations in October 2023. The revenue derived from the new energy automobiles and related business for the year ended 30 June 2024 was approximately HK\$5.6 million.

The revenue derived from the investment in properties for the year ended 30 June 2024 was approximately HK\$28.2 million (2023: 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 2024 was approximately HK\$1.7 million (2023: approximately HK\$2.3 million). The segment was ceased in March 2024.

### ***Operating Expenses***

Operating expenses incurred during the year ended 30 June 2024 were approximately HK\$570.6 million (2023: approximately HK\$418.2 million), representing an increase of approximately 36.4% over the same period in 2023. The increase in operating expenses were mainly attributable to higher operating expenses of the Club and a new business segment during the year under review.

### ***Other Income***

Other income during the year ended 30 June 2024 was approximately HK\$8.1 million (2023: approximately HK\$7.9 million). Other income was mainly generated from the subsidies granted by the Premier League.

### ***Other Losses, Net***

Other losses, net for the year ended 30 June 2024 recorded a loss of approximately HK\$54.1 million (2023: approximately HK\$0.5 million). Other losses, net mainly include (i) an impairment loss on the Club's property, plant and equipment, trademark and right-of-use assets of approximately HK\$65.3 million; (ii) the foreign exchange loss, net of approximately HK\$7.1 million; (iii) an insurance compensation of approximately HK\$5.9 million; and (iv) a gain on fair value change on financial assets at fair value through profit or loss of approximately HK\$7.8 million.

### ***Profit on Sales of Players' Registration***

Profit on sales of players' registration for the year ended 30 June 2024 was approximately HK\$151.7 million (2023: approximately HK\$20.1 million). The increase was mainly because higher revenue from sales of players' registration was generated during the year ended 30 June 2024.

### ***Amortisation of Intangible Assets***

Amortisation of intangible assets during the year under review was approximately HK\$43.3 million (2023: approximately HK\$32.8 million), representing an increase of approximately 31.9% over the same period in 2023. The increase was primarily due to the additional players' registration incurred during the period as more players were signed.

### ***Administrative and Other Expenses***

Administrative and other expenses for the year ended 30 June 2024 amounted to approximately HK\$53.0 million (2023: approximately HK\$39.0 million) representing an increase of approximately 35.9% over the same period in 2023, which included mainly depreciation charges, professional fees, staff costs and office overheads. The increase in administrative and other expenses was mainly due to an increase in the cost of the administrative expense resulted from a new business segment of the Group during the year. 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 2024, the Group incurred finance costs of approximately HK\$36.8 million (2023: approximately HK\$22.0 million), representing an increase of approximately 67.1% over the same period in 2023. Such increase was mainly attributable to the increase in interest on other borrowings and notional interest on transfer fee payables as compared to the corresponding period last year.



### ***Contingent Liabilities***

Other than disclosed in note 21 above, the Group did not have any material contingent liabilities as at 30 June 2024.

### ***Capital Commitments***

As at 30 June 2024, the Group had no significant capital commitments in respect of property, plant and equipment (2023: approximately HK\$12.0 million).

As at 30 June 2024, the Group had capital commitments in respect of product development fee which are contracted for but not provided for approximately HK\$5.4 million (2023: nil).

On 10 April 2024, a subsidiary of the Company entered into an agreement with an independent third party pursuant to which the parties agreed to establish a joint venture company, ZO Motors North America LLC in the USA which would principally engage in new energy automobiles and related business. Pursuant to the terms of the said agreement, the said subsidiary of the Company will contribute approximately HK\$15.6 million (equivalent to US\$2.0 million) to ZO Motors North America LLC. The registered capital of ZO Motors America LLC is approximately HK\$78.0 million (equivalent to US\$10.0 million). As at 30 June 2024, the outstanding capital commitments of the Group amounted to approximately HK\$10.1 million (equivalent to approximately US\$1.3 million).

Save as disclosed in this announcement, the Board is not aware of any significant capital commitments which requires disclosure.

### ***Capital Expenditure***

During the year ended 30 June 2024, the Group incurred approximately HK\$204.8 million (2023: approximately HK\$27.4 million) in acquiring property, plant and equipment, majority of which were for the subsidiaries in the UK. This capital expenditure was financed mainly from a non-controlling shareholder of the subsidiaries in the UK.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

### ***Financial Ratios***

As at 30 June 2024, the current ratio (calculated as current assets divided by current liabilities) of the Group was approximately 129.5% (2023: approximately 43.8%) and the gearing ratio (calculated as total borrowings divided by equity attributable to owners of the Company plus total borrowings) of the Group was approximately 53.8% (2023: approximately 32.8%). The ratio of total liabilities to total assets of the Group was approximately 83.6% (2023: approximately 79.0%).

### ***Financial Resources***

The Group generally finances its operations with internally generated cash flows, bank borrowings, loans from shareholders and from independent third parties, and through the capital market available to listed companies in Hong Kong. As at 30 June 2024, the Group has bank balances and cash (including bank deposits and cash and cash equivalents) of approximately HK\$145.3 million (2023: approximately HK\$14.7 million), which were principally denominated in Hong Kong dollars, Pounds Sterling, US dollars, Renminbi and Japanese Yen. As at 30 June 2024, the Group had total borrowings of approximately HK\$532.8 million (2023: approximately HK\$253.5 million), with approximately HK\$20.8 million repayable on demand or within one year, approximately HK\$511.8 million repayable after two years and within five years and approximately HK\$0.2 million repayable after five years. Approximately 10.7%, 89.2% and 0.1% of these borrowings were denominated in Hong Kong dollars, Pounds Sterling and Renminbi, respectively. All borrowings were at fixed interest rates.

The management endeavour 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 review the financial resources of the Group in a cautious manner and continue 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 2024, the net cash outflow from operating activities of the Group was approximately HK\$332.1 million (2023: current liabilities of the Group exceeded current assets by approximately HK\$360.9 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 net current assets as at 30 June 2024 and 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 2024, the Group has charged its entire interest in BCL, a non-wholly owned subsidiary of the Company, from time to time as security for the operating loan provided by Shelby and its group companies. 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.

Save as disclosed above, there was no material charge on the Group's assets as at 30 June 2024.

### ***Capital Structure***

On 12 January 2024, pursuant to the Subscription Agreements and under the specific mandate granted by the shareholders at the extraordinary general meeting of the Company on 20 March 2024, the Company allotted and issued in aggregate 43,697,478 shares at HK\$2.142 per share in aggregate of approximately HK\$93.6 million. Details of the subscriptions and the completion were disclosed in the announcements of the Company dated 12 January 2024, 20 March 2024, 28 March 2024, 10 April 2024 and 12 April 2024 and the circular of the Company dated 1 March 2024.

As at 30 June 2024, the Company had an issued capital of 815,257,419 shares of HK\$0.25 each (30 June 2023: 771,559,941 shares).

### ***Use of proceeds***

On 13 July 2023, the Company completed the disposal of certain interests in BCL. The net proceeds from the disposal were approximately HK\$46.4 million (the "Net Proceeds"), of which (i) approximately HK\$10.4 million was used as general working capital for the business and operation of the Group; (ii) approximately HK\$4.0 million was used for investment; and (iii) approximately HK\$32.0 million was used for repayment of external debts. As at the date of this announcement, the Net Proceeds were fully utilised and were applied in accordance with the planned use. For details, please refer to the circular of the Company dated 27 June 2023 and the announcement of the Company dated 13 July 2023.

On 28 March 2024 and 12 April 2024, the Company completed the First Subscription and the Second Subscription, respectively. The total funds raised were approximately HK\$93.6 million. After deducting the expenses incurred, the net proceeds from the said subscription was approximately HK\$93.3 million. Approximately HK\$56.0 million, or approximately 60.0% of the net proceeds, was planned for repayment of external debts and the remaining balance of approximately HK\$37.3 million, or approximately 40.0% of the net proceeds, was planned as general working capital of the Group, in particular for the development of new energy automobiles and related business. In relation to the development of new energy automobiles and related business, approximately HK\$18.1 million, or approximately 48.4% of the net proceeds allocated thereto are expected to be

utilised as operating expenses (principally include cost of certification and homologation, and purchase of vehicles) and approximately HK\$19.2 million, or approximately 51.6% of the net proceeds allocated thereto are expected to be utilised as other administrative expenses (principally include staff costs, office rental and research and development expenses).

As at the date of this announcement, the proceeds from the First Subscription and the Second Subscription were fully utilised and were applied in accordance with the planned use as disclosed in the announcement of the Company dated 12 January 2024 and the circular of the Company dated 1 March 2024.

### **CHANGE OF COMPANY NAME, WEBSITE AND STOCK SHORT NAME**

Subsequent to the passing of a special resolution approving the change of company name by the shareholders of the Company by way of poll at the extraordinary general meeting of the Company held on 7 September 2023, the certificate of incorporation on change of name was issued by the Registrar of Companies in the Cayman Islands on 11 September 2023 certifying the change of the English name of the Company from “Birmingham Sports Holdings Limited” to “ZO Future Group” and the change of the dual foreign name in Chinese of the Company from “伯明翰體育控股有限公司” to “大象未來集團”, both of which took effect from 11 September 2023.

The certificate of registration of alteration of name of registered non-Hong Kong company was issued by the Companies Registry in Hong Kong on 29 September 2023, confirming the registration of the Company’s new English and Chinese names of “ZO Future Group” and “大象未來集團”, respectively, in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from 29 September 2023.

The stock short name of the Company for trading in the shares on the Stock Exchange changed from “BIRMINGHAM SPTS” to “ZO FUTURE GROUP” in English and from “伯明翰體育” to “大象未來集團” in Chinese with effect from 9:00 a.m. on 13 October 2023.

The website address of the Company was changed from “*www.bshl.com.hk*” to “*www.zogroup.com.hk*” with effect from 13 October 2023.

For details, please refer to the announcements of the Company dated 7 August 2023, 7 September 2023 and 6 October 2023 and circular of the Company dated 17 August 2023.

## **HUMAN RESOURCES AND REMUNERATION POLICY**

During the year ended 30 June 2024, the Group employed on average approximately 340 full time employees and approximately 120 temporary staff members in Hong Kong, the PRC, the UK and Japan (2023: approximately 280 full time employees and approximately 110 temporary staff members) and the total staff costs of the Group amounted to approximately HK\$381.8 million (2023: approximately HK\$319.1 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 schemes of the Group.

## **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 2024 as set out in the preliminary announcement of the Group's results for the year ended 30 June 2024 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 2024.

## **CORPORATE GOVERNANCE**

The Company had complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 (renumbered as Appendix C1 since 31 December 2023) to the Listing Rules for the year ended 30 June 2024.

## **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 (renumbered as Appendix C3 since 31 December 2023) 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 2024.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

## **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 4 July 2024, BCFC, an indirectly non-wholly owned subsidiary of the Company, entered into a building contract with the Contractor, pursuant to which the Contractor has agreed to carry out and complete the works at the stadium at a contract sum of GBP6.85 million (equivalent to approximately HK\$67.6 million). For the details of the aforesaid building contract, please refer to the announcement of the Company dated 4 July 2024.

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 2024.

## **PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the websites of the Company at [www.zogroup.com.hk](http://www.zogroup.com.hk) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The annual report of the Company will be published on the websites of the Company and the Stock Exchange and will be despatched to the shareholders of the Company in due course.

By Order of the Board  
**ZO Future Group**  
**Zhao Wenqing**  
*Chairman*

Hong Kong, 24 September 2024

*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.*