THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in ZO Future Group, you should at once hand this circular to the purchaser or the transferee or to the licensed securities dealer, or to the bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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ZO FUTURE GROUP
大象未來集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2309)

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF A NON WHOLLY-OWNED SUBSIDIARY

Financial adviser to the Company

Lego Corporate Finance Limited
力高企業融資有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" of this circular, unless the context otherwise requires.

A letter from the Board is set out on pages 7 to 41 of this circular.

The Share Purchase Agreement and the transactions contemplated thereunder have been approved by written approval of the Closely Allied Group pursuant to Rule 14.44 of the Listing Rules. This circular is published for information only.

This circular will remain on the website of the Stock Exchange (*www.hkexnews.hk*) and the website of the Company (*www.zogroup.com.hk*).

4 June 2026

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"Agent" or "Security Agent"	KHR Servicing, LLC, a Delaware limited liability company whose principal business activities are to service mortgage loans and other debt instruments and to hold security and other interests on behalf of other parties. To the best of the knowledge, information and belief of the Company having made all reasonable enquires and as confirmed by the Agent, as at the date of the Announcement, the Agent was ultimately and beneficially owned as to approximately 30.02% by Thomas A. Wagner and the entities controlled by him, and as to approximately 26.56% by Ara D. Cohen
"Announcement"	the announcement of the Company dated 7 November 2025 in relation to the Disposal
"Assigned Debt"	the entire outstanding shareholder's loan owed by BCL to the Company in the amount of approximately GBP19.2 million (equivalent to approximately HK$205.4 million) as at the date of the Share Purchase Agreement
"BCFC"	Birmingham City Football Club Limited, which is more particularly described in the section headed "Letter from the Board – Information on the BCL Group – BCFC" of this circular
"BCL"	Birmingham City Limited, which is more particularly described in the section headed "Letter from the Board – Information on the BCL Group – BCL" of this circular
"BCL Charges"	collectively, the share charge and security deed dated 13 July 2023, the supplemental share charge and security deed dated 3 October 2024 and the second supplemental share charge and security deed dated 23 July 2025 entered into between BCL and the Security Agent
"BCL Group"	collectively, BCL and its subsidiaries
"BCWFC"	Birmingham City Women Football Club Limited, which is more particularly described in the section headed "Letter from the Board – Information on the BCL Group – BCWFC" of this circular
"Board"	the board of Directors
"Cambodia"	the Kingdom of Cambodia

"Closely Allied Group"	together, Ever Depot and Trillion Trophy, which in aggregate held 490,307,652 Shares, representing approximately 53.14% of the total number of issued Shares as at the date of the Announcement
"Company"	ZO Future Group, an exempted company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
"Company Charges"	collectively, the share charge and security deed dated 13 July 2023, the supplemental share charge and security deed dated 3 October 2024 and the second supplemental share charge and security deed dated 23 July 2025 entered into between the Company and the Security Agent
"Company Loan Agreement"	the loan agreement dated 13 July 2023 entered into between, among others, the Company, BCL and BCFC in relation to the uncommitted sterling term loan facility in an aggregate amount not exceeding GBP17.5 million provided by the Company to BCL and BCFC
"Completion"	completion of the Share Purchase Agreement pursuant to the terms and conditions thereof
"connected person"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the total consideration of approximately GBP5.0 million (equivalent to approximately HK$53.5 million) payable by SCL for the Sale Shares and the Assigned Debt pursuant to the Share Purchase Agreement
"Deeds of Amendment"	collectively, the First Deed of Amendment and the Second Deed of Amendment
"Deed of Release"	the deed of release and termination dated 7 November 2025 entered into between, among others, BCL, BCFC, SCL and the Company
"Deed of Termination"	the deed of termination dated 7 November 2025 entered into between the Company, SCL, BCL and BCFC in relation to the Shareholders' Agreement
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Shares and the assignment of the Assigned Debt pursuant to the terms and conditions of the Share Purchase Agreement
"ECV(s)"	electric commercial vehicle(s)

"EFL"	the English Football League, the national governing body for the second and third tier English professional football league currently named "English Football League Championship" and "English Football League One", respectively, and any successor or replacement body from time to time
"Escrow Agreement"	the escrow agreement dated 13 July 2023 entered into between the Agent, SCL, the Company, BCL and BCFC, as amended and supplemented
"EUR" or "€"	Euro, the lawful currency of the member states of the European Union
"EV(s)"	electric vehicle(s)
"Ever Depot"	Ever Depot Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Graticity Real Estate Development Co., Ltd., a limited company incorporated in Cambodia, which in turn is wholly owned by Mr. Vong
"First Deed of Amendment"	the deed of amendment in relation to the Operating Loan Agreement dated 3 October 2024 entered into between, amongst others, BCL and BCFC (as borrowers) and SCL (as original lender)
"GBP", "pounds" or "£"	Pounds Sterling, the lawful currency of the UK
"Group"	the Company and its subsidiaries from time to time
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Financial Adviser"	Silver Nile Global Investments Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), and an independent financial adviser in relation to the Disposal
"Independent Third Party"	a third party which/who is independent of and not connected with the Company, its subsidiaries and its connected persons and not otherwise a connected person of the Company
"KD unit(s)"	knock-down unit(s), a product(s) that is shipped in disassembled or semi-assembled form and assembled at a customer's destination

"Latest Practicable Date"	29 May 2026, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information for inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Suen"	Mr. Suen Cho Hung, Paul
"Mr. Vong"	Mr. Vong Pech
"New Classic"	New Classic Developments Limited, a company incorporated in the British Virgin Islands, principally engaged in investment business and is wholly owned by Ms. Jolie Wang, a US citizen and, save for her 80% interest in ZO Motors US, an Independent Third Party
"Operating Loan Agreement"	the Operating Loan Agreement dated 13 July 2023 entered into between, amongst others, BCL and BCFC (as borrowers) and SCL (as original lender)
"Operating Loan Facility"	the loan facility made available by the lenders under the Operating Loan Agreement to BCL or BCFC (as the case may be) in accordance with the Operating Loan Agreement as amended by the Deeds of Amendment
"PRC"	the People's Republic of China
"Released Documents"	collectively, the Company Loan Agreement, the Company Charges, the Subordination Deed, the Escrow Agreement and the Uncommitted Facility Letter
"Sale Shares"	42,156,231 ordinary shares of GBP0.10 each in BCL, representing approximately 51.72% of the issued share capital of BCL, owned by the Company and transferred to SCL on Completion pursuant to the terms of the Share Purchase Agreement
"SCL"	Shelby Companies Limited, which is more particularly described in the section headed "Letter from the Board – Information on the Parties – SCL" of this circular
"Second Deed of Amendment"	the deed of amendment in relation to the Operating Loan Agreement (as amended by the First Deed of Amendment) dated 23 July 2025 entered into between, amongst others, BCL and BCFC (as borrowers) and SCL (as original lender)
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

"Share(s)"	ordinary share(s) of HK$0.25 each in the share capital of the Company
"Share Purchase Agreement"	the share purchase agreement dated 7 November 2025 entered into between the Company, BCL and SCL in relation to the Disposal
"Shareholder(s)"	holder(s) of the Shares
"Shareholders' Agreement"	the shareholders' agreement in relation to BCL and BCFC dated 13 July 2023 entered into between the Company, SCL, BCL and BCFC, as amended and supplemented
"Singapore"	the Republic of Singapore
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategic Partner A"	a limited liability company established in the PRC, wholly owned by a company whose shares are listed on the Shanghai Stock Exchange, principally engaged in the sales and export of vehicles, and an Independent Third Party
"Strategic Partner B"	a limited liability company established in the PRC, principally engaged in the research, development and production of passenger vehicles, chassis and seats, and an Independent Third Party
"Strategic Partner C"	a limited liability company established in the PRC, wholly owned by a company whose shares are listed on the Stock Exchange and the Shenzhen Stock Exchange, and principally engaged in the business of research and development, manufacturing, sales and servicing of vehicles, and an Independent Third Party
"Strategic Partner D"	a limited liability company established in the PRC, principally engaged in import and export of complete vehicles, components and related technologies, and an Independent Third Party
"Strategic Partner E"	a limited liability company established in the PRC, principally engaged in research, development and production of special engineering machinery, new energy forklift and intelligent logistics overall solutions, and an Independent Third Party
"Strategic Partner F"	a limited liability company established in the PRC, principally engaged in research, development and production of buses, and an Independent Third Party
"Strategic Partner G"	a limited liability company incorporated in Singapore, principally engaged in design, manufacture and sell of EV charging solutions and technology, and an Independent Third Party

"Subordination Deed"	the subordination deed dated 13 July 2023 entered into between, among others, BCL and BCFC as borrowers, the Company and SCL as subordinated creditors, the Agent and the Security Agent, as amended and supplemented
"Thailand"	the Kingdom of Thailand
"Trillion Trophy"	Trillion Trophy Asia Limited, which is a wholly-owned subsidiary of Wealthy Associates International Limited, which in turn is wholly owned by Mr. Suen
"UK"	the United Kingdom of Great Britain and Northern Ireland
"Uncommitted Facility Letter"	the letter dated 13 July 2023 entered into between BCL, the Company and SCL setting out the terms and conditions on which the Company may lend moneys to BCL
"United States" or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$"	the lawful currency of the US
"Valuation Report"	the valuation report in respect of the Sale Shares and the Assigned Debt dated 7 November 2025 prepared by the Valuer, the text of which is set out in Appendix II to this circular
"Valuer"	JP Assets Consultancy Limited, an independent professional valuer
"Vietnam"	the Socialist Republic of Viet Nam
"ZO Motors BVI"	a limited liability company incorporated in the British Virgin Islands in November 2023 and a wholly-owned subsidiary of the Company, being the holding company and business platform of the new energy automobiles and related business of the Group
"ZO Motors US"	ZO Motors North America LLC, a company incorporated in the United States in October 2023 and indirectly owned as to 20% by the Company and 80% by New Classic
"%"	per cent.

For illustration purpose only, conversion of GBP to HK$ and US$ to HK$ in this circular are based on the exchange rate of GBP1.0 to HK$10.7 and US$1.0 to HK$7.8 respectively.

In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

ZO FUTURE GROUP
大象未來集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2309)

Executive Directors:
Mr. Zhao Wenqing *(Chairman)*
Mr. Huang Dongfeng *(Chief Executive Officer)*
Mr. Yiu Chun Kong
Dr. Guo Honglin

Independent Non-executive Directors:
Mr. Pun Chi Ping
Ms. Leung Pik Har, Christine
Mr. Yeung Chi Tat

Registered Office:
4th Floor, Harbour Place
103 South Church Street
George Town, P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Principal Place of Business in Hong Kong:
31/F., Vertical Sq
No. 28 Heung Yip Road
Wong Chuk Hang
Hong Kong

4 June 2026

To the Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF A NON WHOLLY-OWNED SUBSIDIARY

INTRODUCTION

Reference is made to the Announcement.

On 7 November 2025 (after trading hours), the Company, BCL and SCL entered into the Share Purchase Agreement, pursuant to which the Company agreed to sell and SCL agreed to buy approximately 51.72% of the issued share capital of BCL and the rights, title, interests and benefits in and to the shareholder's loan in the sum of approximately GBP19.2 million (equivalent to approximately HK$205.4 million) owed by BCL to the Company for a total consideration of approximately GBP5.0 million (equivalent to approximately HK$53.5 million).

SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are summarised as follows:

Date: 7 November 2025

Parties:

(i) The Company as seller;

(ii) SCL as buyer; and

(iii) BCL.

Assets to be disposed of:

(i) The Sale Shares, being 42,156,231 ordinary shares of GBP0.10 each in BCL, represent approximately 51.72% of the issued share capital of BCL; and

(ii) the Company's rights, title, interests and benefits in and to the Assigned Debt, being the shareholder's loan in the sum of approximately GBP19.2 million (equivalent to approximately HK$205.4 million) owed by BCL to the Company.

Consideration

The total consideration for the Disposal is approximately GBP5.0 million (equivalent to approximately HK$53.5 million), which shall be and was satisfied by the payment in cash to the Company on Completion.

The Consideration was determined after arm's length negotiations between the Company and SCL, taking into consideration (i) the appraised market value of the Sale Shares and the Assigned Debt as at 30 June 2025 based on the valuation conducted by the Valuer by way of market approach; (ii) the Company's assessment on the adjusted value of the BCL Group attributable to its existing major shareholders, namely the Company and SCL, having taken into account their respective financial contributions to the BCL Group; (iii) the BCL Group's financial performance for the year ended 30 June 2025 and the BCL Group's financial position as at 30 June 2025; and (iv) the matters set forth in the section headed "Letter from the Board – Reasons for and benefits of the Disposal" of this circular, in particular the increasing financial requirements of the BCL Group.

The Company has engaged the Valuer to conduct a valuation of the Sale Shares and the Assigned Debt as at 30 June 2025. The valuation was prepared by the Valuer on the basis of market value, i.e., the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. Guideline publicly-traded comparable method of the market approach is applied and considered as appropriate and reliable by the Valuer. Under such method, the value is derived from enterprise value-to-revenue multiples of a selected set of comparable companies. Pursuant to the Valuation Report, the fair value of the Sale Shares and the Assigned Debt was approximately -GBP24.1 million (i.e., no economic value) as at 30 June 2025. Please refer to Appendix II to this circular for the Valuation Report.

Having reviewed the Valuation Report and discussed the results thereof with the Valuer, the Board is of the view that the bases and assumptions adopted by the Valuer are fair and reasonable and the adoption of the guideline publicly-traded comparable method of the market approach is in line with market practices. The valuation is therefore considered fair and reasonable.

Based on (i) the market value of 100% equity interest in the BCL Group as assessed by the Valuer of approximately -GBP83.7 million; (ii) the Company's assessment on the adjusted market value of the BCL Group of approximately GBP12.3 million having taken into account the amount of shareholders' loans and interest owed by the BCL Group to the Company and SCL which was regarded as capital contribution in the aggregate amount of GBP96.0 million (of which approximately GBP19.2 million was owed to the Company and approximately GBP76.8 million was owed to SCL); and (iii) the financial contributions to the BCL Group by way of share capital and share premium in proportion to the respective shareholding (approximately GBP55.9 million was contributed by the Company and approximately GBP49.7 million was contributed by SCL) and the shareholders' loans and interest (approximately GBP19.2 million was contributed by the Company and approximately GBP76.8 million was contributed by SCL), the Company assessed that the value of the Sale Shares and the Assigned Debt was approximately GBP4.5 million. The total consideration for the Disposal of approximately GBP5.0 million represents a premium of approximately GBP0.5 million over the assessed value of the Sale Shares and the Assigned Debt. Moreover, since SCL became a shareholder of the BCL Group in 2023, financial performance of the BCL Group has yet to be improved and the BCL Group was unable to generate operating cash inflow to sustain the business operation on its own in the year ended 30 June 2024 and 30 June 2025. As such, the outstanding shareholder's loan owed to the Company remains unlikely to be recovered in the foreseeable future. In light of the foregoing, the Directors consider that the Consideration is fair and reasonable and in the interest of the Shareholders as a whole.

Completion

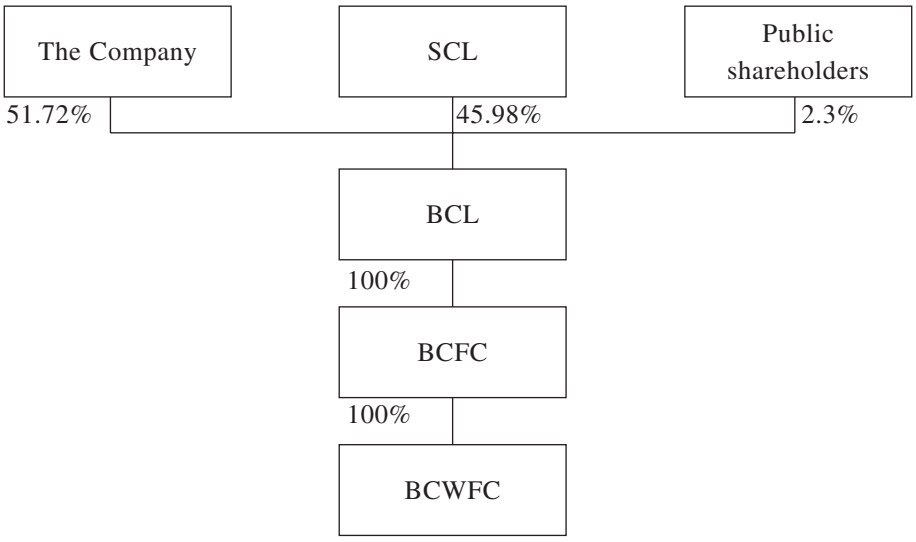
Completion took place immediately after the Share Purchase Agreement was duly signed and executed by the Company, BCL and SCL on 7 November 2025.

At Completion, apart from the transfer documents of the Sale Shares and the Assigned Debt, the following documents were entered into:

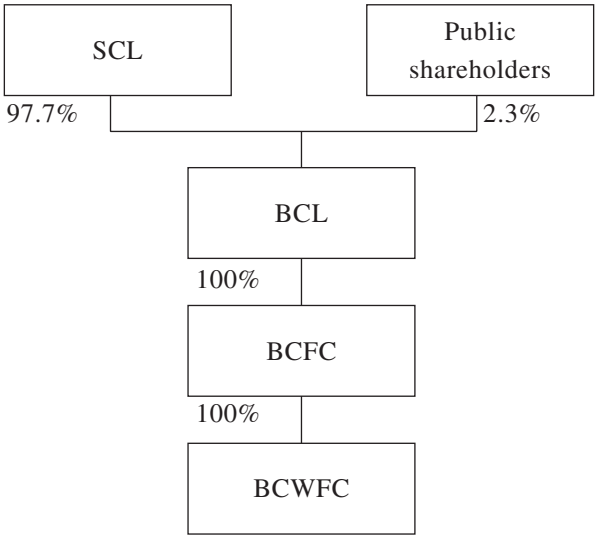
(i) the Deed of Release, pursuant to which the Company was released and discharged from all obligations and liabilities under the Released Documents; and

(ii) the Deed of Termination, pursuant to which the Shareholders' Agreement was terminated.

The group structure of the BCL Group immediately before Completion is set forth below:



The group structure of the BCL Group immediately after Completion is set forth below:



INFORMATION ON THE BCL GROUP

BCL

BCL is a private limited liability company incorporated in England and Wales and, immediately before the Completion, was owned as to approximately 51.72% by the Company, approximately 45.98% by SCL and approximately 2.30% by other shareholders. BCL is principally engaged in the operation and management of BCFC.

BCFC

BCFC is a private limited liability company incorporated in England and Wales and, as at the date of the Announcement, was a wholly-owned subsidiary of BCL. BCFC is principally engaged in the operation of a professional football club in the UK.

BCWFC

BCWFC is a private limited liability company incorporated in England and Wales and, as at the date of the Announcement, was a wholly-owned subsidiary of BCFC. BCWFC is principally engaged in the operation of a professional football club in the UK.

Financial information of the BCL Group

The consolidated financial information of the BCL Group for the year ended 30 June 2024 and 2025 as extracted from the audited consolidated financial statements of the Group is set forth below:

	Year ended 30 June	
	2024	**2025**
	HK$ million	*HK$ million*
Revenue	239.6	299.3
Loss before taxation	283.3	409.0
Loss after taxation	282.5	410.1

As at 30 June 2025, the consolidated net liabilities of the BCL Group amounted to approximately HK$937.9 million.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Group ceased to hold any equity interest in BCL and BCL ceased to be a subsidiary of the Group, hence the financial results of the BCL Group will no longer be consolidated into the financial statements of the Group.

As disclosed in the interim report of the Company for the six months ended 31 December 2025, a gain before taxation of HK$357.8 million had been recognised by the Company arising from the Disposal. The gain represents the consideration of approximately HK$50.8 million from the Disposal based on the prevailing exchange rate on or about Completion, after deducting (i) the net liabilities of the BCL Group attributable to the Sale Shares in aggregate of approximately HK$568.3 million as at the date of Completion; (ii) the Assigned Debt of approximately HK$196.5 million as at the date of Completion; and (iii) the accumulated foreign currency translation reserve recorded since the Company invested in the BCL Group of approximately HK$64.7 million as at the date of Completion. The gain was recognised under profit/(loss) from discontinued operations in the consolidated statement of profit or loss and other comprehensive income of the Group.

USE OF PROCEEDS

After deducting the professional fees and other expenses relating to the Disposal of approximately HK$2.0 million, the Company received net proceeds of approximately HK$49.0 million based on the prevailing exchange rate on or about Completion. As disclosed in the interim report of the Company for the six months ended 31 December 2025, the Company had utilised approximately HK$30.0 million to provide a shareholder's loan to ZO Motors US, approximately HK$10.0 million to purchase inventories of new energy automobiles and related spare parts, and the remaining balance of approximately HK$9.0 million for general working capital. During the two months ended 28 February 2026, the Group had incurred, among other expenses, staff costs of approximately HK$10.8 million and office rental of approximately HK$1.6 million. As at the Latest Practicable Date, the net proceeds had been fully utilised as planned.

INFORMATION ON THE PARTIES

The Company

The Company is a company incorporated in the Cayman Islands with limited liability. Immediately after the Completion and as at the Latest Practicable Date, the Group was principally engaged in new energy automobiles and related business and investment in properties.

SCL

SCL is a company incorporated in England and Wales with limited liability and principally engaged in investment holding. As at the date of the Announcement, SCL was owned as to approximately 59.47% by Knighthead Annuity & Life Assurance Company ("KHAL"), an exempted company incorporated in the Cayman Islands, and approximately 23.51% by Knighthead Master Fund, L.P. ("KMF"), an exempted limited partnership formed under the Exempted Limited Partnership Law of the Cayman Islands. Each of KHAL and KMF was managed and/or advised by Knighthead Capital Management, LLC ("Knighthead Capital"), an investment adviser registered with the United States Securities and Exchange Commission. To the best of the knowledge, information and belief of the Company having made all reasonable enquires and as confirmed by SCL, as at the date of the Announcement, SCL was ultimately and beneficially owned by more than 40 individuals and institutional investors and none of the individual investors was ultimately and beneficially interested in 10% or more of SCL, and the single largest ultimate beneficial owner of SCL was Thomas A. Wagner (the co-founder of Knighthead Capital), who ultimately and beneficially owned approximately 7.23% of SCL.

BCL

Please refer to the section headed "Letter from the Board – Information on the BCL Group – BCL" of this circular.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Since the Company's investment in the professional football club business around 2010, the Company has continued to make substantial investments in the BCL Group for its operations and players' development. For the year ended 30 June 2025, the BCL Group recorded revenue of approximately HK$299.3 million, compared to revenue of approximately HK$239.6 million for the year ended 30 June 2024, representing an increase in revenue of approximately 24.9%. Despite the increase in revenue, the BCL Group incurred a loss of approximately HK$410.1 million for the year ended 30 June 2025, compared to a loss of approximately HK$282.5 million for the year ended 30 June 2024, representing an increase in loss of approximately 45.2%.

In the season 2023/24, BCFC finished at the 22nd position in the EFL Championship Division and was relegated. However, in the season 2024/25, BCFC won the EFL League One title with a record breaking 111 points, achieving immediate promotion back to the EFL Championship Division and stood at the 9th position as at the date of the Announcement. The management of the BCL Group remains ambitious in the pursuit of long-term success, with the goal of returning to the Premier League.

To support these aspirations, BCFC has made strategic player acquisitions, recruiting 7 players on a permanent basis and securing 5 additional players on loan from other football clubs during the season 2025/26 summer window. Salaries offered to football players have also shown a continuous upward trend. To remain competitive and attract players, it was envisaged that capital investment and operational costs of the BCL Group will keep increasing. As with all professional football operations, the performance of a football club on the field is subject to various factors, including the on-field performance of managers and football players, and that of other contestants in the league, and to a certain extent, luck and unpredictable factors on the field, which are always beyond the control of management of football clubs and not always directly correlated to financial investment.

The BCL Group generally has financed its operations with internally generated cash flows and loans from its shareholders including the Company and, since 2023, from SCL. Pursuant to the Operating Loan Agreement, SCL initially provided the Operating Loan Facility of GBP50.0 million to BCL and BCFC. Pursuant to the Deeds of Amendment, the Operating Loan Facility increased to GBP100.0 million on 3 October 2024 and further increased to GBP150.0 million on 23 July 2025. Immediately prior to Completion, the BCL Group's total indebtedness mainly included (i) approximately GBP142.8 million owed to SCL; and (ii) approximately GBP19.2 million, being the Assigned Debt, owed to the Company. Details of such total indebtedness of the BCL Group are set forth below:

	Lender	**Facility amount**	**Utilised/ Outstanding amount**	**Accrued interest**
Shareholder's loan	The Company	–	GBP19.2 million	–
Shareholder's loan	SCL	–	GBP17.4 million	–
Operating loan	SCL	GBP150.0 million	GBP101.1 million	GBP16.1 million
Advance	SCL	–	GBP8.2 million	–

Pursuant to the Company Loan Agreement, the Company agreed to provide to BCL or BCFC an uncommitted sterling term loan facility of up to GBP17.5 million (equivalent to approximately HK$187.3 million). Pursuant to the Uncommitted Facility Letter, the Company agreed to provide to BCL an uncommitted facility in an amount equal to GBP50.0 million (equivalent to approximately HK$535.0 million) minus the aggregate amount of the loans drawn under the Operating Loan Agreement (as amended by the Deeds of Amendment) and the Company Loan Agreement. Immediately prior to Completion, the BCL Group had not utilised the facilities under the Company Loan Agreement or the Uncommitted Facility Letter. However, the Company considers that the BCL Group would require further financial support from its shareholders. Having considered the financial performance of the BCL Group and the financial requirements of the Group, in particular the development of the new energy automobiles and related business, the Company is of the opinion that focusing its financial resources on the new energy automobiles and related business, rather than providing further financial support to the BCL Group, are in the best interest of the Company and the Shareholders as a whole.

As a continuing security for the payment, discharge and performance of all present and future money, obligations or liabilities due, owing or incurred by the BCL Group to any secured party under the Operating Loan Agreement (as amended by the Deeds of Amendment) and the other finance documents as referred to therein, the Company had pledged its shares in BCL, and BCL had pledged its shares in BCFC, under the Company Charges and the BCL Charges, respectively. Pursuant to the Operating Loan Agreement (as amended by the Deeds of Amendment), it would be an event of default if any member of the BCL Group defaults in repayment of any of its financial obligations when they fall due. In such event, it may be declared that all loans, accrued interest and other amounts accrued or outstanding under the Operating Loan Agreement (as amended by the Deeds of Amendment) would become immediately due and payable and the Security Agent may be directed to exercise its rights to enforce the security created by the Company Charges and the BCL Charges.

Pursuant to the Deed of Release, the Company was released and discharged from all obligations under the Released Documents, including the Company Loan Agreement, the Uncommitted Facility Letter, the Company Charges, the Subordination Deed and the Escrow Agreement.

In light of (i) the financial performance and uncertain prospect of the BCL Group; (ii) the ongoing financial commitments required to sustain and grow the football operations of the BCL Group; (iii) the increasing capital investment and operational demands of both the professional football operation business and the new energy automobiles and related business; and (iv) the repayment obligations of the amounts owed by the BCL Group to the Company and SCL, the Company decided to pursue the Disposal.

Meanwhile, since entering the new energy automobiles and related business in 2023, the Group has actively advanced its business development. Its "ZO MOTORS" and "ZM TRUCKS" brands have been successfully launched in the markets in Japan, Cambodia, the United States, Canada, South America, and the Middle East. For the year ended 30 June 2025 and the six months ended 31 December 2025, the Group delivered approximately 320 and 100 new energy automobiles, respectively, generating revenue of approximately HK$123.7 million and HK$42.5 million, respectively. The Company is optimistic in its development and prospects as the long-term trend of global green and low-carbon transitions remains irreversible. Policy support for new energy automobiles across countries, growing consumer environmental awareness, and continuous technological advancements present broad development opportunities for the Group's new energy automobiles and related businesses. Please refer to the section headed "Letter from the Board – New energy automobiles and related business of the Group" of this circular for further information.

The Directors are of the view that the Disposal released the Company from its obligations under the Released Documents and the requirement to provide further financial support to the BCL Group. The Disposal also represented a good opportunity for the Group to realise its investment in the BCL Group, and enabled the Group to consolidate financial resources toward growth opportunities in the new energy automobiles and related business. As disclosed in the annual report of the Company for the year ended 30 June 2025, the Group will focus on diversifying product innovation and expanding its product portfolio to meet the needs of different customers in the market. While strengthening market penetration and deepening its presence in existing markets, the Group will actively seek opportunities to enter emerging markets. Through localized partnerships, digital marketing, and exceptional user experiences, the Group aims to enhance its brand influence. Additionally, the Group is committed to building a green energy ecosystem for EVs, including the development and operation of charging networks. This initiative aims to provide end customers with comprehensive new energy commercial vehicle services, contribute to global zero-emission goals, and create greater value for users.

Having considered the foregoing, the Directors (including all Independent Non-executive Directors who have taken into account the advice of the Independent Financial Adviser, a summary of which is set forth in the section headed "Letter from the Board – Summary of advice of the Independent Financial Adviser" of this circular) are of the view that although the entering into of the Share Purchase Agreement are not in the ordinary course of business of the Group, (i) the terms of the Disposal are on normal commercial terms or better; (ii) the Disposal is fair and reasonable so far as the Shareholders are concerned; and (iii) the Disposal is in the interests of the Company and the Shareholders as a whole.

SUMMARY OF ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

As disclosed in the section headed "Letter from the Board – Implications under the Listing Rules – Chapter 14A of the Listing Rules" of this circular, the Share Purchase Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules. Notwithstanding the foregoing, the Company voluntarily engaged the Independent Financial Adviser to provide advice to the Independent Non-executive Directors as to whether (i) the terms of the Disposal are fair and reasonable; (ii) the Disposal is on normal commercial terms or better; and (iii) the Disposal is in the interests of the Company and the Shareholders as a whole.

In this regard, after taking into account all factors as set out below as a whole,

(i) the on-field performance of BCFC in recent years which would affect operation costs, revenue and profitability level and financial position of the BCL Group;

(ii) based on the historical financial information of the BCL Group as provided by the management of the Company, the expected increasing capital investment and the increasing trend of the operating expenses of the BCL Group;

(iii) factors that would affect the possibilities of turnaround of the BCL Group financial performance;

(iv) factors that would affect whether the BCL Group would be able to repay the amount owed to the Company and SCL;

(v) the finance documents entered into between relevant parties under the disposal of shares of BCL and the debt reorganisation in June 2023, in particular the Operating Loan Agreement and Company Charges of which in event of default in repayment, the security agent is entitled to enforce the share charges over shares of BCL and BCFC;

(vi) further to (v), pursuant to the Company Loan Agreement and Uncommitted Facility Letter, it may not be in the interest of the Company and its shareholders to provide further financial support to the BCL Group;

(vii) upon Completion, the Company is released from its obligations under the Released Documents;

(viii) the promising growth, and the prospect, of the operation of new energy automobiles and relates business segment of the Company;

(ix) the positive financial effects of the Disposal to the earnings, total assets and liabilities position and cashflow of the Group;

(x) the potential benefits of intended use of proceeds from the Disposal;

(xi) the valuation report in assessing the fairness and reasonableness of the Consideration (of which the Independent Financial Adviser has performed due diligence work on the valuation and complied with requirements under Rule 13.80(d) of the Listing Rules);

(xii) the Company's assessment on the adjusted market value of the BCL Group attributable to its existing major shareholders, namely the Company and SCL, having taken into account their respective financial contribution to the BCL Group; and

(xiii) the terms of the Share Purchase Agreement were agreed based on arm's length negotiations between the Company and SCL,

the Independent Financial Adviser is of the view that (i) the terms of the Disposal are fair and reasonable; (ii) the Disposal is on normal commercial terms or better; and (iii) the Disposal is in the interests of the Company and its shareholders as a whole.

NEW ENERGY AUTOMOBILES AND RELATED BUSINESS OF THE GROUP

Business objectives

As at the Latest Practicable Date, the Group's new energy automobiles and related business principally comprised selling and leasing of commercial automobiles, provision of automobiles repair and maintenance services, provision of automobiles accessories and equipment, and provision of charging services. The Group dedicates to delivering sustainable transportation solutions for industries including commercial vehicles, port and aviation ground logistics as well as transit and tourist transportation. With assembly and production facilities planned and established, the Group is at the forefront of innovation, combining cutting-edge technology with a commitment to reducing environmental impact.

Business strategies

The EV market of the PRC is highly competitive. Since the inception of the new energy automobiles and related business, the Group has formulated the strategy of focusing on overseas markets, which the Group's management considers to have significantly greater business potential than the highly competitive PRC market. The Group's "ZO MOTORS" brand ECVs are being sold in Japan, Cambodia and Thailand, and "ZM TRUCKS" brand ECV business is operating in the United States, Canada, South America and the Middle East through ZO Motors US.

The Group strategically focuses on ECV, which operates under a B2B business model. ECVs of the Group are marketed and sold directly to corporate customers such as logistics and transportation enterprises but not individual customers. The Group does not need to set up and maintain its own 4S (sales, spare parts, service and survey) stores in vast scale or engage 4S dealership. The Group's professional team is capable of offering on-line and on-site after-sales repair and maintenance services and trainings to its corporate customers, which usually have their own in-house workshop, repair and maintenance personnel and stock of parts and accessories. As compared to traditional commercial vehicles, ECV offers compelling advantages such as higher energy efficiency (and hence higher fuel cost saving), lower running and maintenance costs due to less number and complexity of parts and more environmental friendly. These factors make ECV highly attractive to corporate customers seeking to control costs.

There are a number of EV manufacturers in the PRC, some of which are established ECV manufacturers. The management of the Group's new energy automobiles and related business in the PRC, who have extensive experience and network in the automotive industry, sourced established ECV manufacturers in the PRC which are experienced in product export and have developed their own established products. Since January 2024, the Group entered into strategic cooperation agreements with a number of established and renowned EV manufacturers in the PRC sourced by the management of the Group's new energy automobiles and related business in relation to, among other things, the co-development, production and provision of designated electric light and heavy trucks, vans, tractors, forklift, passenger buses as well as EV chargers to the Group and sale by the Group in authorised territories.

History and development

Since 2017, it has been the Group's strategy to diversify its business and to broaden its revenue streams so as to create substantial value to the Shareholders. Throughout the years, the Board, comprising a team of professionals in various business aspects, had been actively seeking different business opportunities for the Group in parallel with promoting its professional football operation. In or about June 2021, the Company ceased its lottery system and online payment system service solutions business as it had not developed as expected. Ever Depot, which became a substantial Shareholder in November 2017 and owned approximately 29.62% Shares as at the Latest Practicable Date, recommended the Group to pursue opportunities in new energy automobiles and related business. Although the Board did not have direct previous experience in new energy automobiles and related business, the Directors are versed with extensive business experience and capable of managing diverse businesses due to their transferable skills, including strategic planning, financial management and problem-solving, which can be applied across industries. The Directors' broad knowledge base enables them to quickly understand new concepts and market dynamics, while strong leadership qualities enable effective team management and conflict resolution. Additionally, their strategic vision helps in long-term planning and risk management. Their well-developed network facilitates resources identification, obtain and allocation, and commitment to continuous learning ensures they stay updated with industry trends. Consequently, their versatility and competence position them uniquely to drive innovation and growth in various operational contexts. Through the business connections of the senior management, the Group has built up its new energy automobiles business management team which possesses extensive experience and connections in the automotive industry.

A chronology of major events in respect of the development of new energy automobiles and related business of the Group is set forth below:

In June 2021	As the lottery system and online payment system service solutions business had not developed as expected, the Board decided to cease investment in such business.
In or about end of 2021	The Board communicated with Ever Depot regarding the Group's business development strategy after discontinuing the lottery system and online payment system service solutions segment. Ever Depot recommended the Group to pursue opportunities in the new energy automobiles and related business and expressed its support for this direction.
Throughout 2022	The management team of the Company conducted research on the new energy automotive industry, extensively contacted industry experts through their own networks, and carried out studies and analysis on the business aspects such as industry development, opportunities, and cooperation opportunities.

In or about 3rd quarter of 2022	Professionals with extensive experience in the automotive industry agreed to join the Group's new energy automobiles team and work together to develop the new energy automobiles and related business.
In or about end of 2022	Established a business development blueprint by leveraging China's strong and globally leading new energy vehicle manufacturing capabilities, and developed a strategy focused on the Japanese, Southeast Asian, and American markets.
Throughout 2023	The new energy automobiles business management team negotiated with potential upstream and downstream partners for cooperation opportunities.
In or about 1st quarter of 2023	Ever Depot introduced a US team comprising key personnels with extensive experience in the EV industry in the United States to the Company. Following in-depth discussions, the Company and the US team aligned on the cooperative principles and strategic directions for pursuing business collaboration in the United States.
In or about 2nd quarter of 2023	The US team introduced New Classic to the Company to discuss cooperation on business in the United States.
In or about 3rd quarter of 2023	The Company officially launched the new energy automobiles and related business and changed its name to reflect its new business direction. Operating companies were established in Beijing and Japan.
In or about 4th quarter of 2023	ZO Motors US was established in the United States.
In or about 1st quarter of 2024	Cooperation agreements were signed with Strategic Partner A and Strategic Partner C. An operating company was established in Cambodia and a leasing company was established in Japan. Trademark registrations were carried out in the operating areas.
In or about 3rd quarter of 2024	Operating companies were established in Singapore and Malaysia. A cooperation agreement was entered into with Strategic Partner G.
In or about 4th quarter of 2024	A cooperation agreement was entered into with Strategic Partner B.
In or about 1st quarter 2025	A cooperation agreement was entered into with Strategic Partner E.
In or about 3rd quarter of 2025	An operating company was established in Thailand.

ZO Motors US

In 2023, Ever Depot introduced a team of personnels with extensive experience in the EV industry in the United States to the Company, which subsequently introduced New Classic to the Company to discuss cooperation on business in the United States. Background of such personnels are set forth below:

Dr. Gu Lei, Chief Operation Officer and acting Chief Executive Officer of ZO Motors US, is an internationally renowned expert in automotive crash safety technology. He has published over 50 applied and academic papers on automotive crash safety, vibration and noise, durability, and vehicle structure optimisation and reliability design, and has received the SAE Technical Contribution Award several times. Dr. Gu obtained a Ph.D. degree in Modern Mechanics from the University of Science and Technology of China in 1989 and a Ph.D. degree in Mechanical Engineering from Northwestern University in 1993.

Dr. Gu served as a Senior Technical Expert at Ford Motor Company's North American Advanced Engineering Research Institute (1994 – 2005). Dr. Gu then served as the Dean of the Automotive Engineering Research Institute of Chery Automobile Co., Ltd. (March 2005 – July 2009). In July 2009, Dr. Gu joined Beijing Automotive Group, where he served successively as Vice President, CTO, and President of Beijing Automotive Research Institute. Dr. Gu was the Chief Executive Officer of the Technical Center of BAIC-Mercedes-Benz in 2015 to 2017, the President of Linktour in 2018 to 2020 and the Chairman of Morning Star EV Inc. in 2020 to 2024.

Mr. Ye Qing, Director of ZO Motors US, possesses extensive experience in the technology and automotive sectors, supported by a strong academic background that includes dual bachelor's degrees as well as master's degrees in engineering and management. He began his career at Nortel (Canada) and later played a key role in positioning Huawei Europe's smart home devices as a market leader.

From 2014 to 2016, as country manager of Huawei France, Mr. Ye spearheaded a remarkable expansion – growing annual revenue from US$60 million to US$300 million. He has since held pivotal roles at leading EV companies, including Lucid Motors, LeEco Global, and Faraday Future. Mr. Ye, as Executive President of ZO Motors US, leads its innovation and strategic growth initiatives.

Mr. Joost De Vries, formerly Chief Executive Officer of ZO Motors US (left in November 2025), has spent his career creating new possibilities in the automotive world and is widely recognised as a key figure in the rebirth of Karma Automotive and the new DeLorean Motor Company. Mr. De Vries is a graduate of Ashridge Business School in the United Kingdom, and European Institute of Business Administration (INSEAD) in France.

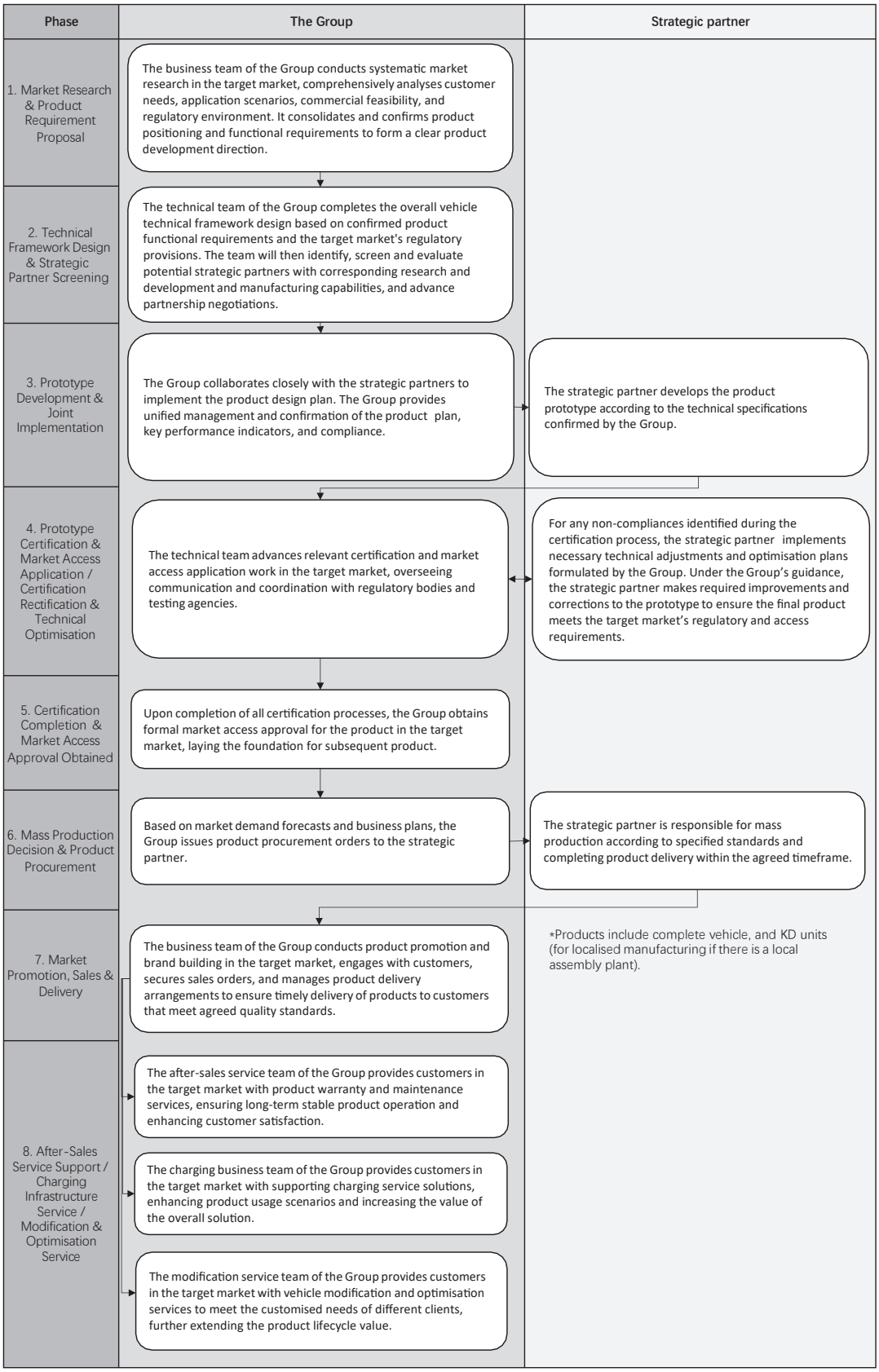
Mr. De Vries' background in building sales, after-sales, and production from scratch has facilitated the global business setup of AB Volvo, Tesla, Karma, and DeLorean. Mr. De Vries assisted Karma and DeLorean in implementing retail financing solutions with Ally, US Bank, Chase, and TD America, and raised multiple rounds of funding for both companies. Prior to joining ZO Motors US, Mr. De Vries held key positions at other companies, including CEO of DeLorean Motor Company, Executive Vice President of Sales and Marketing at Karma Automotive, and Vice President of Global Services at Tesla Motors Inc. He also held senior positions at Mack Trucks Inc., Xi'an Silver Bus Corporation, and Volvo Trucks.

In light of the US government's "America First" policies which support domestic technology enterprises, in October 2023, the Group and New Classic reached an agreement to jointly established ZO Motors US in the United States, which is owned as to 20% by the Group and 80% by New Classic. It was also agreed that (i) the Group shall authorise ZO Motors US to sell "ZO MOTORS" and "ZM TRUCKS" branded ECVs; (ii) the Group shall be responsible for designing and supplying the products to ZO Motors US; and (iii) ZO Motors US shall operate in North America, South America and the Middle East markets. New Classic is wholly and beneficially owned by Ms. Jolie Wang, a US citizen and an experienced investor whose investments span across multiple new and high-tech industries, including EV, next generation batteries and advanced materials. Save for her 80% interest in ZO Motors US, Ms. Jolie Wang is an Independent Third Party. As at the Latest Practicable Date, Ms. Jolie Wang did not hold any position in ZO Motors US and had nominated three directors to ZO Motors US.

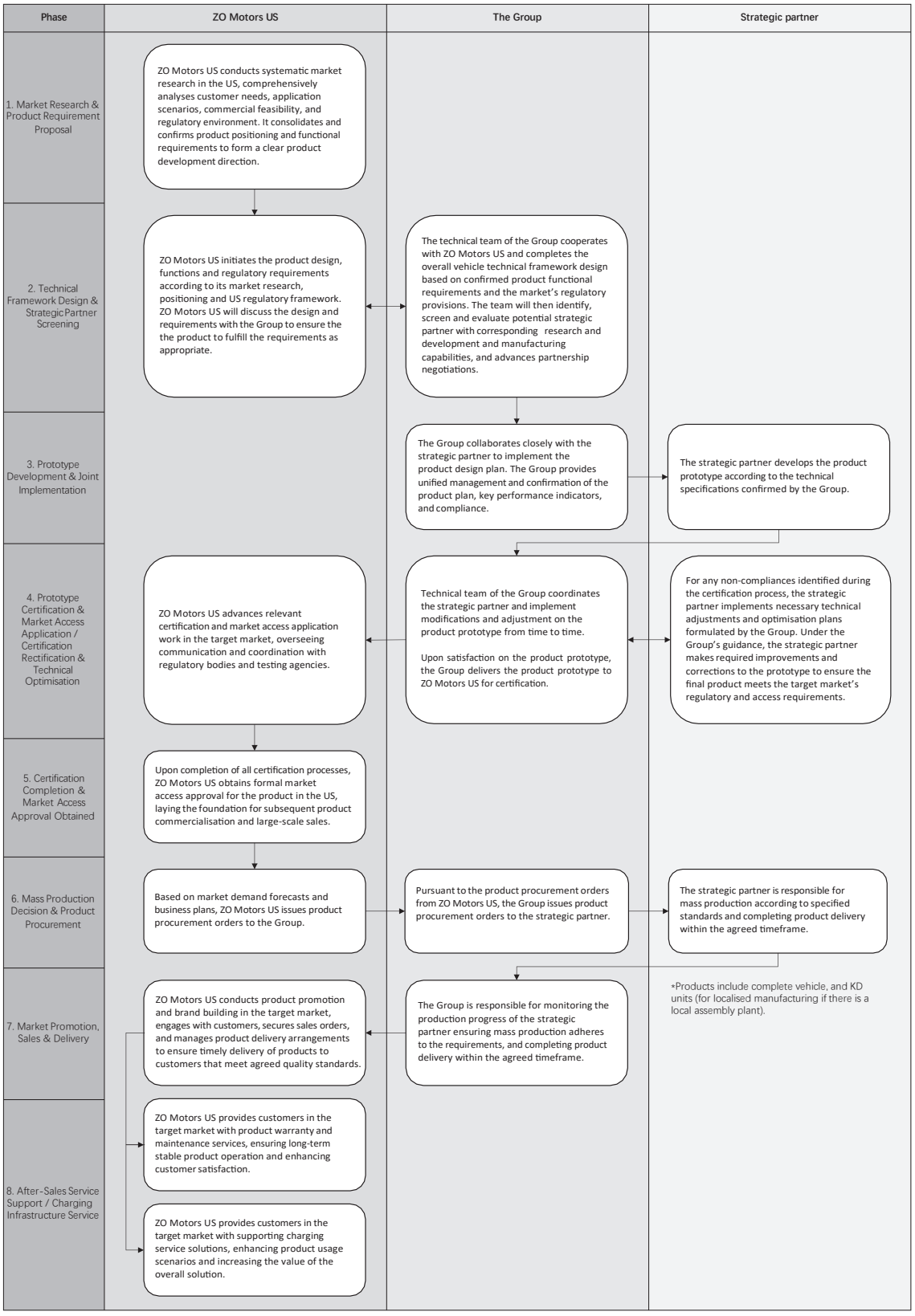
The above personnels did not have any position in the Group before the Group set up its new energy automobiles and related business in 2023. Upon the Group set up the new energy automobiles and related business, besides being the key management of ZO Motors US, Mr. Ye and Mr. De Vries were appointed as directors of ZO Motors BVI. Their role as directors of ZO Motors BVI was primarily to give advice to the Group in formulating the global business strategy and regional development directions, in particular for their input toward the strategies involving America and Middle East regions. The above personnels do not involve in the daily operations of the Asia Pacific arm of the new energy automobiles and related business of the Group. The daily operations of the Group's new energy automobiles and related business and ZO Motors US are managed independently by two separate management teams.

Business model

The Company takes a leading and proactive role in its business strategies. The Group deploys specialised teams to conduct in-depth market research and analysis within each target country. This enables the Group to develop preliminary product specifications that are tailored to the needs of potential local customers and compliant with regional regulatory standards. The Group's collaboration with its strategic partners operates on a sophisticated hybrid model that blends the best of ODM (Original Design Manufacturer) and OEM (Original Equipment Manufacturer). The Group co-designs and co-develops ECV together with strategic partners of the Group which are established and reputable automobile manufacturers in the PRC through long-term joint development agreements. The vehicle models are jointly designed and developed based on requirements and specifications specified by the Group to meet its customers' needs. These strategic partners will provide production services to the Group to produce the jointly designed and developed products, according to purchase orders placed with specifications designated by the Group from time to time. The Group's strategic partners do not have market presence of EV in overseas markets nor market similar models in the regions where the Group sells its ECVs. Upon successful certification procedures undertaken by the Group in each relevant country, the Group assumes full responsibility for all marketing, sales and distribution activities within the region. A flow chart regarding ECV production of the Group is set forth below:


Phase
The Group
Strategic partner
1. Market Research & Product Requirement Proposal
The business team of the Group conducts systematic market research in the target market, comprehensively analyses customer needs, application scenarios, commercial feasibility, and regulatory environment. It consolidates and confirms product positioning and functional requirements to form a clear product development direction.
2. Technical Framework Design & Strategic Partner Screening
The technical team of the Group completes the overall vehicle technical framework design based on confirmed product functional requirements and the target market's regulatory provisions. The team will then identify, screen and evaluate potential strategic partners with corresponding research and development and manufacturing capabilities, and advance partnership negotiations.
3. Prototype Development & Joint Implementation
The Group collaborates closely with the strategic partners to implement the product design plan. The Group provides unified management and confirmation of the product plan, key performance indicators, and compliance.
The strategic partner develops the product prototype according to the technical specifications confirmed by the Group.
4. Prototype Certification & Market Access Application / Certification Rectification & Technical Optimisation
The technical team advances relevant certification and market access application work in the target market, overseeing communication and coordination with regulatory bodies and testing agencies.
For any non-compliances identified during the certification process, the strategic partner implements necessary technical adjustments and optimisation plans formulated by the Group. Under the Group's guidance, the strategic partner makes required improvements and corrections to the prototype to ensure the final product meets the target market's regulatory and access requirements.
5. Certification Completion & Market Access Approval Obtained
Upon completion of all certification processes, the Group obtains formal market access approval for the product in the target market, laying the foundation for subsequent product.
6. Mass Production Decision & Product Procurement
Based on market demand forecasts and business plans, the Group issues product procurement orders to the strategic partner.
The strategic partner is responsible for mass production according to specified standards and completing product delivery within the agreed timeframe.
7. Market Promotion, Sales & Delivery
The business team of the Group conducts product promotion and brand building in the target market, engages with customers, secures sales orders, and manages product delivery arrangements to ensure timely delivery of products to customers that meet agreed quality standards.
*Products include complete vehicle, and KD units (for localised manufacturing if there is a local assembly plant).
8. After-Sales Service Support / Charging Infrastructure Service / Modification & Optimisation Service
The after-sales service team of the Group provides customers in the target market with product warranty and maintenance services, ensuring long-term stable product operation and enhancing customer satisfaction.
The charging business team of the Group provides customers in the target market with supporting charging service solutions, enhancing product usage scenarios and increasing the value of the overall solution.
The modification service team of the Group provides customers in the target market with vehicle modification and optimisation services to meet the customised needs of different clients, further extending the product lifecycle value.

Complete vehicles of the Group are sold to customers of various industries, while KD units are sold to ZO Motors US, which assembles the KD units into complete vehicles at its assembly facilities. The business team of ZO Motors US conducts systematic market research in its operating market and identifies ZO Motors US's product positioning and requirements, and works out its development direction with its technical team. ZO Motors US's technical team will submit their product requirements to the Group. Based on ZO Motors US's product requirements, the Group will carry out technical framework design and strategic partner screening process. The Group then coordinates with selected strategic partner, and work together with ZO Motors US to come up with a comprehensive product proposal. After the product proposal is mutually confirmed, ZO Motors US, on one hand, is responsible for all regulatory application and homologation in their operating countries, and will conduct sales and marketing activities of the vehicles as well as providing after-sales services to their customers in their business regions. On the other hand, the Group will be the supplier of the KD units for ZO Motors US, whereby the Group will provide product prototype and all support services to ZO Motors US for them to complete the product homologation and import application, and supply ZO Motors US the KD units based on the purchase orders placed to the Group. The Group will build and deliver the KD units, and provide product warranty services to ZO Motors US in accordance with mutually agreed terms. The Group earns a lower margin for sales to ZO Motors US as compared to sales to other markets as a result of the differences in roles and responsibilities of the Group in the transactions, in particular, ZO Motors US undertakes market promotion, sales and delivery and provides after-sales service and support to its customers. A flow chart regarding ECV production of ZO Motors US is set forth below:


Phase
ZO Motors US
The Group
Strategic partner
1. Market Research & Product Requirement Proposal
ZO Motors US conducts systematic market research in the US, comprehensively analyses customer needs, application scenarios, commercial feasibility, and regulatory environment. It consolidates and confirms product positioning and functional requirements to form a clear product development direction.
2. Technical Framework Design & Strategic Partner Screening
ZO Motors US initiates the product design, functions and regulatory requirements according to its market research, positioning and US regulatory framework. ZO Motors US will discuss the design and requirements with the Group to ensure the the product to fulfill the requirements as appropriate.
The technical team of the Group cooperates with ZO Motors US and completes the overall vehicle technical framework design based on confirmed product functional requirements and the market's regulatory provisions. The team will then identify, screen and evaluate potential strategic partner with corresponding research and development and manufacturing capabilities, and advances partnership negotiations.
3. Prototype Development & Joint Implementation
The Group collaborates closely with the strategic partner to implement the product design plan. The Group provides unified management and confirmation of the product plan, key performance indicators, and compliance.
The strategic partner develops the product prototype according to the technical specifications confirmed by the Group.
4. Prototype Certification & Market Access Application / Certification Rectification & Technical Optimisation
ZO Motors US advances relevant certification and market access application work in the target market, overseeing communication and coordination with regulatory bodies and testing agencies.
Technical team of the Group coordinates the strategic partner and implement modifications and adjustment on the product prototype from time to time.
Upon satisfaction on the product prototype, the Group delivers the product prototype to ZO Motors US for certification.
For any non-compliances identified during the certification process, the strategic partner implements necessary technical adjustments and optimisation plans formulated by the Group. Under the Group's guidance, the strategic partner makes required improvements and corrections to the prototype to ensure the final product meets the target market's regulatory and access requirements.
5. Certification Completion & Market Access Approval Obtained
Upon completion of all certification processes, ZO Motors US obtains formal market access approval for the product in the US, laying the foundation for subsequent product commercialisation and large-scale sales.
6. Mass Production Decision & Product Procurement
Based on market demand forecasts and business plans, ZO Motors US issues product procurement orders to the Group.
Pursuant to the product procurement orders from ZO Motors US, the Group issues product procurement orders to the strategic partner.
The strategic partner is responsible for mass production according to specified standards and completing product delivery within the agreed timeframe.
7. Market Promotion, Sales & Delivery
ZO Motors US conducts product promotion and brand building in the target market, engages with customers, secures sales orders, and manages product delivery arrangements to ensure timely delivery of products to customers that meet agreed quality standards.
The Group is responsible for monitoring the production progress of the strategic partner ensuring mass production adheres to the requirements, and completing product delivery within the agreed timeframe.
*Products include complete vehicle, and KD units (for localised manufacturing if there is a local assembly plant).
8. After-Sales Service Support / Charging Infrastructure Service
ZO Motors US provides customers in the target market with product warranty and maintenance services, ensuring long-term stable product operation and enhancing customer satisfaction.
ZO Motors US provides customers in the target market with supporting charging service solutions, enhancing product usage scenarios and increasing the value of the overall solution.

ECV models

Certain ECV models marketed by the Group and ZO Motors US under "ZO MOTORS" and "ZM TRUCKS" brands and their corresponding strategic partners are set forth below:

Model	ECV type	Strategic partner(s)
ZM4	Cargo van	Strategic Partner A
ZM4	Passenger van	Strategic Partner A/Strategic Partner B
ZM6	Light truck	Strategic Partner A
ZM7	Light tractor	Strategic Partner C
ZM8	Light truck	Strategic Partner C
ZM22	Heavy truck	Strategic Partner C
ZM37	Heavy truck	Strategic Partner D
ZM50	Heavy truck	Strategic Partner D
ZM T75	Tractor	Strategic Partner E
ZM Fork	Folklift	Strategic Partner E
ZM Bus	Passenger bus	Strategic Partner F

Assembly plant in Cambodia

The Group has launched its first EV assembly plant project in Cambodia in August 2024 to enhance assembly capacity and supply chain efficiency, thereby strengthening its new energy automobiles and related business in Southeast Asia. The construction is divided into two phases, with a total gross floor area of approximately 100,000 square meters and an expected annual production capacity of up to 5,000 units. The first phase of the Cambodia assembly plant will feature integrated assembly functions for engines, chassis and interiors, along with quality inspection. It is designed to accommodate various EVs, from buses and passenger cars to light and heavy-duty trucks. This initial phase is projected to commence operations in or around late 2026. The total planned investment cost for setting up the Cambodia assembly plant is approximately US$17 million (equivalent to approximately HK$132.6 million). As at the Latest Practicable Date, the Group had acquired a piece of land by long term lease for an aggregate sum of approximately US$2.3 million, and entered into an engineering, procurement and construction contract for a contract amount of approximately US$1.0 million. The Group's Cambodia business unit recorded capital costs of approximately HK$3.58 million for property, plant and equipment and approximately HK$1.49 million for right-of-use assets during the year ended 30 June 2025. None of the applicable percentage ratios in respect of the capital costs incurred and payable to one single vendor in aggregate exceeds 5%. Therefore, none of the capital costs incurred constitutes a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

The establishment of the Cambodia assembly plant is part of the Group's global operational strategy to deepen the integration of EV assembly, production, sales, after-sales and value-added services into a seamless value chain. Apart from the Cambodia assembly plant, the Company is actively developing plans to establish assembly lines and production capabilities across its key operational regions in Southeast Asia including Malaysia and Thailand. The Group considers that this strategic expansion will enhance local market responsiveness, improve supply chain resilience and strengthen the Group's competitive position. By localising core functions in the supply chain, the Group aims to increase its market share in each region through improved product availability, cost efficiency and customer-centric service offerings.

High precision EV modification centre in Japan

To continuously enhance the Group's comprehensive competitiveness in the ECV market of Japan and further strengthen the execution capabilities for deploying new EV solutions in Japan, the Group has formulated a plan focusing on building local EV modification and service capabilities. Through phased investment and resources integration, the Group aims to establish a complete ecosystem covering vehicle delivery body frame building, maintenance and value-added services. The Group is in the course of establishing a high precision EV modification centre in Japan with gross floor area over 1,000 square meters targeting high-value-added modification market such as refrigerated trucks, insulated trucks and special-purpose vehicles. The Group believes that the establishment of the locally based high precision EV modification centre will create a long-term relation with reputable local logistics and leasing companies and synergies across different EV models and business lines. The high precision EV modification centre will be established through the upgrade of the existing pre-delivery inspection centre and offices of the Group's Japan business unit with a gross floor area of over 1,000 square meters. The Group's Japan business unit had recorded capital costs of approximately HK$4.52 million on property, plant and equipment and approximately HK$13.48 million on right-of-use assets during the year ended 30 June 2025 for its pre-delivery inspection centre and offices. None of the applicable percentage ratios in respect of the capital costs incurred and payable to one single vendor in aggregate exceeds 5%. Therefore, none of the capital costs incurred constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

Other value-adding services

The Group has its own warehouses and warehouse management teams in all operating regions, maintaining optimal level of inventory, including complete vehicles and parts and accessories, to ensure due delivery of sales orders as well as to provide timely after-sales services to the customers.

The Group has its own quality control team to inspect each vehicle and product produced by its strategic partners to ensure such vehicle and product meets its requirements before arranging for factory acceptance. The Group ensures the vehicles being designed and produced meet the specific certification and compliance requirements of different international markets. Essentially, the Group acts as the critical link between the strategic partners, which produce standardised models without tailoring the vehicles to fulfil the requirements for individual countries, and the diverse regulatory landscapes of each target market. The Group takes responsibility for understanding each country's unique legal and technical standards, then communicates the necessary modifications and specifications with the strategic partners for implementation and production. Furthermore, the role of the Group involves a "mix-and-match" approach by integrating technologies and components from various suppliers and partners to configure vehicles that not only satisfy local government regulations but also align with specific customer expectations. In summary, the Group creates essential value by bridging the gap between standardised production and customised, market-ready compliance.

The Group is also responsible for providing after-sales services for its vehicles to its customers. When selling vehicles, the Group typically provides customers with a warranty. The warranty period is determined according to local common market practice (e.g., 5 years or 150,000 kilometers in Cambodia and 5 years or 300,000 kilometers in Japan). During the warranty period, the Group will provide free repairs for problems not caused by customers' fault. The Group currently has an after-sales service team of 19 full-time staff, distributed across its Beijing headquarter, Cambodia, and Japan.

In Cambodia, in addition to its own after-sales service centre operated by the Group's own staff in Phnom Penh, the Group has also engaged three external engineering service providers providing timelier after-sales service to its customers in the three major cities of Sihanoukville, Poipet and Mok Bai. Such three service centres are operated and owned by external engineering service providers which are Independent Third Parties. There are no long-term agreements entered into with such external engineering service providers. The external engineering service providers do not charge the Group any fixed fees. They charge the Group for costs of actual work incurred from time to time. The fees charged by the external engineering service providers are agreed upon by the parties on a transaction-by-transaction basis.

In Japan, the Group currently has an after-sales service centre in Tokyo operated by its own staff. Further, if needed, the Group may also despatch its own staff to provide on-site repair services at the customers' premises.

The Group provides customers with full warranty services, including the necessary spare parts. The PRC strategic partners are only responsible for supplying the necessary spare parts to the Group. The Group in general does not require strategic partners to provide back-to-back warranties for all vehicle models, but if the problem is due to product quality issues, the Group will negotiate for repair cost compensation from the strategic partners.

The after-sales service process is basically as follows: when customers encounter problems, they contact the Group's after-sales service team. If the problem is verified to be within the warranty coverage, the Group will provide repair free of charge. If the problem is outside the warranty coverage, the after-sales service team will provide the customer with a quote, and after both parties confirm the quote, the Group will carry out the repair.

Moreover, to enhance its overall EV ecosystem, the Group had established 13 EV charging stations in Cambodia as at the Latest Practicable Date. These EV charging stations are strategically located in commercial districts, industrial parks, and transportation hubs to serve urban commuting, business travel, and logistics delivery needs. The Group plans to expand its charging station network in Cambodia such that there will be in total 60 EV charging stations established by the Group by the end of 2026. The Group considers that the establishment of the charging station network will strengthen the nationwide EV infrastructure, meet the charging needs of public travel and business activities in particular the transport and logistics sectors, and promote the widespread adoption and application of ECV in Cambodia, which will enhance the demand of ECV and benefit the development and growth of the Group's new energy automobiles and related business.

Customers

Major customers of the new energy automobiles and related business are individuals, distributors and end-user corporations of different industries. The Group has not entered into any long-term agreements with its customers. The Group enters into sale and purchase agreements with its customers for each sales order. The salient terms of a typical sales transaction are as follows:

	Distributor	**End-user**
Payment:	100% within 30 business days before delivery	30% upon execution of sale and purchase agreement and 70% upon delivery
Delivery:	FOB	Delivery and pick-up of the vehicle at the Group's premises
Inspection period:	14 business days at port of destination	–
Warranty period:	–	Up to 5 years for electric powertrain systems

As at the Latest Practicable Date, the Group had recorded more than 1,200 individual customers and 17 corporate customers for its new energy automobiles and related business.

The largest customer of the new energy automobiles and related business of the Group is ZO Motors US. ZO Motors US distributes the Group's automobile products in North America, South America and the Middle East. The end-customers of ZO Motors US are mainly engaged in business including express delivery, logistics, manufacturing and trading, restaurants and car leasing. Revenue derived from ZO Motors US accounted for approximately 86.67% of the total revenue of the Group's new energy automobiles and related business for the year ended 30 June 2025. Despite the high concentration of revenue derived from ZO Motors US, the Directors consider the Group's new energy automobiles and related business is sustainable and the reliance on ZO Motors US is acceptable taking into account the following factors:

(i) The relatively concentrated customer base is mainly due to the new energy automobiles and related business of the Group was still in its early development stage. However, the business has been growing rapidly with sales increasing from approximately HK$5.6 million for the year ended 30 June 2024 generated from one customer to approximately HK$123.7 million from around 7 corporate customers and 300 individual customers for the year ended 30 June 2025. The Group is actively planning to enter markets in Southeast Asia countries, such as Singapore, Malaysia and Vietnam, with an aim to rapidly expanding its market presence and becoming one of the key stakeholders in these regions. It is expected that as the business continues to penetrate into different countries, the customer base of the new energy automobiles and related business will further expand.

(ii) The Group will continue to deepen collaboration with downstream partners and conduct market research through different channels and engage in in-depth communication with end-customers to accurately identify core market needs, drive product and service innovation, and improve the alignment between products and market needs.

(iii) There is mutual reliance between the Company and ZO Motors US. While ZO Motors US is currently the single largest customer of the new energy automobiles and related business, the Group is the only supplier of automobiles of ZO Motors US. ZO Motors US only distributes the automobiles of the Group in North America, South America and Middle East. It is a joint venture set up by the Company and New Classic particularly to distribute the Group's automobiles in the aforementioned region. Therefore, ZO Motors US will not be able to substitute the Group with another supplier.

Suppliers

For the year ended 30 June 2025, the Group's new energy automobiles and related business had more than 30 suppliers. The Group has entered into cooperation agreements for supplies of vehicles, EV chargers and parts. Salient terms of the major cooperation agreements are set forth below:

Strategic Partner A

Pursuant to the cooperation agreement entered into between the Group and Strategic Partner A, Strategic Partner A will provide ODM production for a model of electric light truck to the Group for sale under "ZO MOTORS" brand. The Group is responsible for proposing a development and improvement plan for the jointly developed product, based on the regulatory and certification requirements of Japan. Both parties are jointly responsible for completing product development and improvement in accordance with the product plan. The Group is authorised to distribute the jointly developed product to end-users in Japan. The Group shall appoint individuals and/or companies with strong financial capabilities to act as authorised wholesalers and/or retailers in Japan to wholesale and retail the jointly developed product. If the Group fails to meet the stipulated purchase quantity in the first year, the unmet purchase quantity shall be carried over to the next year. If the Group fails to meet the stipulated purchase quantity in the first two years, Strategic Partner A shall have the right to terminate the cooperation agreement.

Strategic Partner B

Pursuant to the cooperation agreement entered into between the Group and Strategic Partner B, Strategic Partner B will provide the development of two vehicle models (6.9 meter electric logistic van and passenger van) and relevant parts for the Group. The vehicle models are designed and developed based on specific design, requirements and specifications designated by the Group to meet its customers' needs. The Group will apply for the Gulf Cooperation Council Conformity Certificate of the products. The Group bears all the development, certification and modeling costs. During the product development, assembly and production process under the cooperation agreement, the intellectual property rights of the digital models, molds, drawings, and technical documents related to the project shall belong to Strategic Partner B; unless such technical data is provided by the Group, or the development costs are shared and paid by the Group, or the certification fees for the components are paid by the Group, then the ownership of the digital models, drawings, molds, and certification reports/certificates for the newly developed parts of these components shall belong to the Group. Strategic Partner B has authorised the Group to use the aforementioned intellectual property rights of Strategic Partner B for the purposes of developing and selling the vehicle models involved in the project. The components and molds under the cooperation agreement shall belong to the Group.

Strategic Partner C

Pursuant to the cooperation agreement entered into between the Group and Strategic Partner C, Strategic Partner C will provide ODM production for two models of electric light trucks to the Group. For right-hand drive model, Strategic Partner C manufactures semi knocked down products for the Group, and the Group builds an assembly factory in its territory to assemble complete vehicles, which are then sold under the "ZO MOTORS" brand. For left-hand drive model, Strategic Partner C manufactures complete vehicles and semi knocked down products for the Group. The parties have agreed to use the dual brands of the Group and Strategic Partner C for end-user sales.

Strategic Partner E

Pursuant to the cooperation agreement entered into between the Group and Strategic Partner E, Strategic Partner E will provide OEM production for machinery vehicles, such as forklift and dock trailer to the Group for sales in its operating region. The Group will purchase the products produced by Strategic Partner E and sell the products under the Group's own brand. The Group will provide product technical parameters, configuration requirements and certification standards. Strategic Partner E is responsible for organising production and ensuring that the product quality meets the Group's requirements. The product quality is subject to the Group's acceptance and confirmation.

Strategic Partner G

Pursuant to the cooperation agreement entered into between the Group and Strategic Partner G, Strategic Partner G shall design and develop EV chargers based on the Group's specifications and needs and parts of the Group's electric trucks sold in various markets. The products shall obtain certification from CSA Group, a Canadian organisation that tests and certifies products for safety and performance in North American and globally. In the five years from the completion date of the cooperation agreement, Strategic Partner G agrees to supply the Group with the EV chargers at the manufacturing cost. After mass-producing the trial product, Strategic Partner G may sell the finished products based on the same specifications and technical requirements to third parties. All foreground rights (i.e., any intellectual property rights arising of and resulting from the development work), including but not limited to, the charger, cover and molding of the trial product accrue to and are sold, transferred and assigned to Strategic Partner G. Strategic Partner G has the right to use the foreground rights regarding system design and technical specifications for subsequent products for the Group or other third parties. The external design to the trial product for the Group is to be uniquely reserved exclusively for the Group's products and its variations. The Group has the intellectual property right to the external design, and Strategic Partner G shall not use this external design in products for any third party without the Group's consent.

The Group enters into separate sale and purchase agreement with the suppliers for each purchase order. The salient terms of a typical purchase order are as follows:

Payment:	Payment is made by instalments, with the deposit paid after signing the sale and purchase agreement, and the last instalment paid before shipment.
Delivery:	Shipment of product is arranged by the Group. Delivery is deemed complete when the supplier delivers the goods to the loading port designated by the Group under the FOB terms.
After-sales services:	After-sales services for the products shall be provided by the Group. Suppliers are not responsible for providing after-sales services to end users (i.e., the Group's customers).
Warranty:	Suppliers provide warranty for 14 months to 24 months. Battery warranty is 8 years.

The Group's new energy automobiles and related business purchases approximately 89.35% of its supplies from Strategic Partner A and Strategic Partner C for the year ended 30 June 2025. Despite the reliance on supplies from a limited number of suppliers, the Directors consider the new energy automobiles and related business is sustainable and the reliance on Strategic Partner A and Strategic Partner C is acceptable taking into account the following factors:

(i) The Group has entered into long term agreements with its strategic partners, including Strategic Partner A and Strategic Partner C, to ensure the stable and sufficient supply of products for the new energy automobiles and related business.

(ii) The Group has customers in various regions and countries inquiring about EV for different purposes besides trucks. The Group develops vehicle models based on customer needs and sources suitable strategic partners to produce them for the Group. Therefore, the Group will continue to expand its product portfolio and supplier base as the business steadily develops, reducing its reliance on any single supplier.

(iii) ECV manufacturing sector is a highly specialised field with significant technical and operational barriers to entry, resulting in a relatively limited pool of suppliers possessing the requisite expertise and production capabilities. The Group adheres to stringent selection criteria when engaging strategic partners, emphasising technical proficiency, quality assurance and compliance with regulatory standards. This deliberate and rigorous supplier evaluation process naturally results in a higher concentration of production partners, which reflects a strategic approach to ensuring product excellence and supply chain stability rather than an oversight in diversification.

Competitive advantages

The Group is responsible for the homologation of its products in all operational markets. This entails not only specifying technical requirements for its strategic partners and collaborating with them to develop and produce the required vehicle models but also leading direct communications with the relevant automotive regulatory authorities in each country. The objective is to ensure the ECV meets all local market access standards and regulations, thereby securing the necessary approvals, registration and certifications for import and sale. The homologation process demands a highly experienced team with a deep understanding of market needs and specialised knowledge in aligning product specifications with local regulations. This complex requirement constitutes a significant barrier to entry, preventing many automotive enterprises from easily exporting their products. The management, operation and engineering teams of the Group, including Mr. He Dong, Mr. Ye Qing and Ms. Xu Yanli whose brief biographies are set out in the section headed "Letter from the Board – New energy automobiles and related business of the Group – Workforce and management team" of this circular, with proven capabilities in such critical area provide the Group with the confidence and drive to expand into diverse regional markets. The launch of ECV by the Group in Cambodia, Japan and Thailand demonstrates the capabilities of the Group's management, operation and engineering teams in the homologation process of its products.

In the highly competitive global EV market, a significant and sustainable competitive advantage lies in a company's ability to navigate complex international regulations. The EV industry operates within a strictly regulated environment characterised by divergent and rigorous safety, technical, and compliance standards that vary by region. The Group possesses a critical strategic strength in this area through its deeply embedded, experienced local teams in every key regional market.

This localised structure provides the following multifaceted advantages:

Proactive Regulatory Navigation and Compliance: In-country teams of the Group, comprising seasoned technicians, engineers, and sales strategists, possess extensive knowledge of local regulatory frameworks. This ensures that EV design, software and safety features are not merely adapted but are developed from the ground up to satisfy the specific requirements of markets such as United States, Canada, South America, Japan and Southeast Asia. This pre-empts costly redesigns, accelerates time-to-market, and mitigates compliance risks.

Customisation and Market Intelligence: Regional teams of the Group serve as the vital link between centralised assembly and production capabilities and local market needs. They possess the authority and expertise to accept and manage tailored production orders, transforming standard vehicles into bespoke solutions for fleet operators, corporate clients, or specific market segments. This capability, guided by deep cultural and consumer insights, allows the Group to customise everything from battery range and software features to interior configurations. By translating unique customer requirements into feasible, compliant, and locally-relevant specifications, enables the Group to deliver unparalleled value and foster long-term strategic partnerships.

Enhanced Agility and Responsiveness: With empowered teams on the ground, the Group can respond with agility to evolving regional policies or emerging technical standards. This decentralises problem-solving and fosters innovation that is directly relevant to each market's unique challenges and opportunities.

In essence, the Group's strategy in deep regional localisation converts the traditional challenge of navigating diverse global regulations into a significant and sustainable competitive advantage. It ensures that ECV of the Group are not just globally available, but are authentically local, fully compliant, and precisely tailored to win in each regional market of the Group.

Sale volume

Since entering the new energy automobiles and related business in 2023, the Group has achieved considerable advancement. During the year ended 30 June 2025, the Group has delivered approximately 320 units of new energy automobiles, generating revenue of approximately HK$123.7 million. During the six months ended 31 December 2025, the Group has delivered approximately 100 units of new energy automobiles, generating revenue of approximately HK$42.5 million. The Group's budgeted sale volume of new energy automobiles for the year ending 30 June 2026 is set forth below:

Major market	**Units**
United States	396
Cambodia	225
Japan	57
Thailand	84
Malaysia	40
Singapore	20
Total:	822

Workforce and management team

As at the Latest Practicable Date, the Group's new energy automobiles and related business employed approximately 150 staff, who are strategically distributed across key operational markets in the PRC, Japan, Southeast Asia (including Thailand, Malaysia, Singapore and Cambodia) and Hong Kong.

The breakdown by function of the Group's global team is set forth below.

Function	**No. of staff**
Management	20
Sales and marketing	40
Engineering	10
Finance	13
Product control	6
Research and development	13
Business operation	20
Legal	4
Human resources	4
Office administration and support	20
Total:	150

The Group has a strong management team with extensive experience in new energy automobiles and related business. Brief biographies of the key members are set forth below:

Mr. Zhao Wenqing, Executive Director and Chairman of the Board, is an experienced business leader with a strong background in corporate governance, strategic development, and financial and risk management. Mr. Zhao is responsible for driving strategic planning, business expansion, and overseeing corporate risk management and compliance operations of the Group. He holds a Bachelor's degree and a Master's degree from the University of Science and Technology Beijing. Earlier in his career, Mr. Zhao accumulated extensive experience in risk control and financial management as the director of the risk management department and chief accounting officer at Beijing Centergate Technologies (Holdings) Co., Ltd. Adept at navigating complex regulatory environments and leading cross-border operations, Mr. Zhao brings a wealth of experience in steering global enterprises toward sustainable growth.

Mr. He Dong, Vice President of the Group, director of ZO Motors BVI, director & Vice President of ZO Motors Corp. ("ZO Motors JP", a company incorporated in Japan and a wholly-owned subsidiary of the Group), and President, Asia-Pacific (Excluding Japan) of ZO Future New Energy (Beijing) Co., Ltd. (a company incorporated in the PRC and a wholly-owned subsidiary of the Group), possesses over 15 years of extensive experience in the automotive industry. He earned his bachelor's degree from Wuhan University of Science and Technology and later received a master of business administration from Carl Benz Academy, a course delivered by the Berlin University for Professional Studies in Germany in cooperation with Peking University in China and Woodbury University in the United States. He also completed a CEIBS Online Mercedes-Benz Elite Program. Mr. He worked at Pangda Automobile Trade Co. Ltd. (龐大汽貿集團股份有限公司) ("Pangda Group"), a well-known enterprise in China's automobile distribution industry, from 2008 to 2018. Mr. He's family is one of the founders of Pangda Group. Mr. He initially served renowned passenger vehicle brands and subsequently oversaw multiple automotive brands and regional operations, including serving concurrently as General Manager for two dealerships of a renowned passenger vehicle brand in Hebei province and Shandong province of the PRC. In 2018, Mr. He, leveraging deep industry insight and extensive networks, established an automotive industry chain in collaboration with established automobiles manufacturers covering commercial and passenger vehicle sales, core component supply, logistics and transportation. In 2023, Mr. He joined the Group to develop the new energy automobiles and related business.

Mr. Huang Dongfeng (Executive Director and Chief Executive Officer of the Company) acquainted with Mr. He through his business circle in Beijing, the PRC for a long time. In or about 2022, Mr. Huang discussed the Group's new business direction and potential cooperation with Mr. He.

Mr. Hidetoyo Teranishi, director of ZO Motors BVI and director & President of ZO Motors JP, has risen rapidly in Japanese business circles since beginning his studies at Glendale Community College. He later pioneered a new era of Chinese automotive products at CARBIDE and played a key role in enhancing luxury healthcare services in Greater China for RESORT TRUST Corporation. In 2014, his entrepreneurial drive led him to establish MEDI HUB Co., Ltd, focusing on introducing Japan's premium healthcare offerings to the global market. With deep connections and extensive experience in developing business between Japan and China, Mr. Teranishi brings valuable cross-border insight and a proven track record of strategic market expansion.

Mr. Ye Qing, director and Executive President of ZO Motors BVI, brings extensive experience in the technology and automotive sectors, supported by a strong academic background that includes dual bachelor's degrees as well as master's degrees in engineering and management. He began his career at Nortel (Canada) and later played a key role in positioning Huawei Europe's smart home devices as a market leader. From 2014 to 2016, as country manager of Huawei France, Mr. Ye spearheaded a remarkable expansion – growing annual revenue from US$60 million to US$300 million. He has since held pivotal roles at leading electric vehicle companies, including Lucid Motors, LeEco Global, and Faraday Future. He joined the Group to lead its innovation and strategic growth initiatives.

Mr. Yam Pui Hung, Robert, director and Chief Financial Officer of ZO Motors BVI, is a senior financial executive with comprehensive experience as a Chief Financial Officer and board secretary. He is a fellow of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountant, holding a degree from City Polytechnic of Hong Kong (now known as "City University of Hong Kong"). His experience spans financial management, corporate finance, and corporate governance, providing strategic oversight in these critical areas for growth and compliance.

Ms. Xu Yanli, director and Chief Legal and Corporate Affairs Officer of ZO Motors BVI, is a results-driven legal and business executive with over 20 years of global experience advising C-suite and board-level leadership. A Harvard Law School graduate, she previously practiced M&A at Deloitte after starting her career at Paul Hastings. As Rivian Automotive, Inc's lead counsel for international expansion, she drove market entry and government negotiations for manufacturing sites. Her extensive experience covers all key legal areas for cross-border operations, including financing, commercial transactions, and supply chain.

Trademarks

The Group's "ZO MOTORS" brand ECV are being sold in Japan, Cambodia and Thailand, and the "ZM TRUCKS" brand ECV business is operating in the United States, Canada, South America and the Middle East by ZO Motors US. Trademarks and brands of the Group's ECVs are owned and registered by the Group in markets which the ECVs are marketed and sold. A summary of the trademark registrations is set forth below:

Market		"ZO MOTORS"	"ZM TRUCKS"
Australia	○	○	
Cambodia	✔	○	✔
China	✔	✔	✔
Hong Kong	✔	✔	
Indonesia	✔	✔	✔
Japan	✔	✔	
Laos	✔	✔	
Malaysia	✔	✔	
Myanmar	○	○	
Singapore	✔	✔	
Thailand	✔	✔	
Vietnam	○	○	

Note:

✔ Registered

○ Application submitted pending for approval

Prospects and future plan

The global ECV market has been transitioning from a niche segment to a mainstream transportation solution, driven by compelling economic, regulatory and environmental factors. The growth potential is supported by robust market data and strong governmental push. Government policies worldwide are creating a powerful, multi-pronged driver for the ECV industry, primarily through financial incentives, regulatory mandates and infrastructure support. It is expected that global sales of light-duty electric vans and trucks would increase from approximately 0.5 million units in 2024 to approximately 4.8 million units in 2030, while medium to heavy duty electric vans and trucks would increase from less than 0.1 million units in 2024 to approximately 0.8 million units in 2030.

As at the Latest Practicable Date, the Group had launched and marketed more than 10 models of ECV in the target markets. The Group will continue to focus on diversifying product innovation and expanding its product portfolio to meet the needs of different customers in the market. While strengthening market penetration and deepening its presence in existing markets, it will actively seek opportunities to enter emerging markets. The Group is actively planning to further penetrate markets in Southeast Asian countries such as Singapore, Malaysia and Vietnam, with an aim to rapidly expand its market presence and become one of the key stakeholders in these regions. Meanwhile, the Group will further deepen collaboration with upstream and downstream partners. On one hand, the Group will strengthen strategic partnerships with core suppliers to build a solid competitive advantage, aiming to enhance the product portfolio, improve quality stability and innovation, and fundamentally boost product competitiveness and supply chain resilience. On the other hand, the Group will conduct market research from time to time through different channels and engage in in-depth communication with end customers to accurately identify core market needs, drive product and service innovation, and improve the alignment between products and market needs. The Group will continue to maximise efforts in developing new ECV, contributing to zero emissions in the global commercial vehicle sector as well as creating value for EV owners and users.

IMPLICATIONS UNDER THE LISTING RULES

Chapter 14 of the Listing Rules

Since the highest of the applicable percentage ratios for the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Under Rule 14.44 of the Listing Rules, Shareholders' approval for the Share Purchase Agreement and the transactions contemplated thereunder may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the transactions; and (ii) written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

The Directors considered the Closely Allied Group (holding 490,307,652 Shares in aggregate, representing approximately 53.14% of the total number of issued Shares as at the date of the Announcement) as a closely allied group of Shareholders under Rules 14.44 and 14.45 of the Listing Rules taking into account the following factors with reference to Rule 14.45 of the Listing Rules:

(1) **number of persons in the group:** The Closely Allied Group comprised Ever Depot, which was ultimately wholly owned by Mr. Vong and held 273,307,652 Shares, representing approximately 29.62% of the total number of issued Shares as at the date of the Announcement, and Trillion Trophy, which was ultimately wholly owned by Mr. Suen and held 217,000,000 Shares, representing approximately 23.52% of the total number of issued Shares as at the date of the Announcement;

(2) **nature of their relationship including any past or present business association between two or more of them:** Mr. Vong and Mr. Suen have known each other since 2017, when the Group acquired from Mr. Vong interests in certain real properties in Cambodia and commenced its investment in properties business. Save for being shareholders of the Company, as at the date of the Announcement, Mr. Vong and Mr. Suen had no other past or present relationship (whether business, family, financing or otherwise);

(3) **length of time each of them has been a shareholder:** Trillion Trophy has been a Shareholder since October 2016 when it invested in the shares of the Company and Ever Depot has been a Shareholder since November 2017 when the Company allotted and issued its shares to Ever Depot to satisfy the consideration for the acquisition of certain real properties in Cambodia;

(4) **whether they would together be regarded as "acting in concert" for the purposes of the Hong Kong Code on Takeovers and Mergers:** Mr. Vong and parties acting in concert with him on the one part and Mr. Suen and parties acting in concert with him on the other part fall within class (1) of the presumption under the definition of "acting in concert" under the Hong Kong Code on Takeovers and Mergers, as each of them holds 20% or more of the voting rights of the Company. However, they are as a matter of fact not acting in concert as (i) no agreement or understanding (whether formal or informal) has been made among them to actively cooperate to obtain or consolidate control of the Company; and (ii) each of them is not accustomed to act in accordance with the other's instructions and is independent in the decision making process. Having said that, the Closely Allied Group has voted in the same way on all shareholders' resolutions of the Company, except for resolutions in which any of them was required to abstain from voting or was absent from the general meetings; and

(5) **the way in which they have voted in the past on shareholders' resolutions other than routine resolutions at an annual general meeting:** For all non-routine resolutions at general meetings where the Closely Allied Group was not required to abstain from voting, the Closely Allied Group has voted in the same way. For all non-routine resolutions at general meetings where a member of the Closely Allied Group was required to abstain from voting, the other member of the Closely Allied Group had voted for such resolutions. There were no circumstances where a member of the Closely Allied Group voted against the other member's voting direction.

Since no Shareholders are required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Share Purchase Agreement and the transactions contemplated thereunder, and the Company had obtained a written approval for the Share Purchase Agreement and the transactions contemplated thereunder from the Closely Allied Group (holding 490,307,652 Shares in aggregate, representing approximately 53.14% of the total number of issued Shares as at the date of the Announcement), no extraordinary general meeting of the Company to approve the Share Purchase Agreement and the transactions contemplated thereunder would be convened pursuant to Rule 14.44 of the Listing Rules.

Chapter 14A of the Listing Rules

Immediately prior to Completion, BCL was owned as to approximately 51.72% by the Company, approximately 45.98% by SCL and approximately 2.30% by other shareholders. Accordingly, SCL was a connected person of the Company at the subsidiary level under the Listing Rules, and the Share Purchase Agreement and the transactions contemplated thereunder constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since (i) the Share Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms or better; (ii) SCL was a connected person of the Company at the subsidiary level under the Listing Rules immediately prior to Completion; (iii) the Share Purchase Agreement and the transactions contemplated thereunder had been approved by the Board; and (iv) the Independent Non-executive Directors (having taken into account the advice of the Independent Financial Adviser, a summary of which is set forth in the section headed "Letter from the Board – Summary of advice of the Independent Financial Adviser" of this circular) had confirmed that the terms of the Disposal are fair and reasonable, the Disposal is on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Share Purchase Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

None of the Directors has a material interest in the Share Purchase Agreement and the transactions contemplated thereunder and is required to abstain from voting on the relevant resolution(s) at the Board meeting.

FURTHER INFORMATION

Your attention is also drawn to the financial information of the Group, the Valuation Report and the general information set out in the appendices to this circular.

Yours faithfully,
On behalf of the Board
ZO Future Group
Zhao Wenqing
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the three years ended 30 June 2025 and the six months ended 31 December 2025 is disclosed in the annual reports of the Company for the years ended 30 June 2023, 2024 and 2025 and the interim report of the Company for the six months ended 31 December 2025, respectively, which are available on the website of the Stock Exchange at *www.hkexnews.hk* and the website of the Company at *www.zogroup.com.hk* through the links below:

- Annual report of the Company for the year ended 30 June 2023

  https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1026/2023102600643.pdf

- Annual report of the Company for the year ended 30 June 2024

  https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1025/2024102501032.pdf

- Annual report of the Company for the year ended 30 June 2025

  https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1027/2025102700866.pdf

- Interim report of the Company for the six months ended 31 December 2025

  https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0319/2026031900574.pdf

2. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

New energy automobiles and related business

In recent years, global climate warming and environmental issues have become increasingly prominent, emerging as core concerns for nations worldwide. Many governments are actively promoting environmental protection and low-carbon development, proposing climate goals such as achieving "zero carbon" or "carbon neutrality". With the increase in economic activities driving demand for transportation and logistics, greenhouse gas emissions from the transportation sector now account for nearly a quarter of global total emissions, making it the second-largest source of carbon emissions after energy generation and heating. This poses significant challenges to the global climate. To address climate change and meet "zero carbon" or "carbon neutrality" targets, reducing carbon emissions in the transportation sector has become a widely focused goal, and new energy vehicles have become a priority in the automotive industry development of various countries. As commercial vehicles are a major component of road transportation, the application and promotion of ECVs are of great significance in substantially reducing carbon emissions and mitigating the further growth of the greenhouse effect.

With the maturity of EV technology, the penetration rate of ECVs is increasing rapidly. They have been successfully deployed in various scenarios and have achieved remarkable performance. Currently, EV models have entered different application scenarios including mining, ports, airports, closed campuses and urban freight, and gradually replacing traditional fuel-powered vehicles for logistics transportation. With further advancements in battery and charging technologies, as well as the continued improvement of infrastructure, ECVs are expected to further leverage their advantages, gradually replacing traditional fuel-powered models and becoming the primary means of logistics transportation. The fuel-powered commercial vehicle market is vast, and its transition to electrification is not a new market starting from scratch but rather a disruptive replacement of a multi-trillion-dollar existing market. This process will give rise to a new industrial chain ecosystem including complete vehicles, battery spare parts, charging infrastructure, and smart maintenance services, presenting both market opportunities and challenges to industry players.

Since entering the ECV industry in 2023, the Group has actively promoted business development in this segment. Currently, the Group's "ZO MOTORS" brand ECVs are already being sold in Japan, Cambodia and Thailand, and the "ZM TRUCKS" brand ECV business is operating in regions such as the United States, Canada, South America, and the Middle East through ZO Motors US. The Group is actively planning to enter markets in Southeast Asian countries such as Singapore, Malaysia and Vietnam, with an aim to rapidly expand its market presence and become one of the key stakeholders in these regions. Meanwhile, the Group will further deepen collaboration with upstream and downstream partners. On one hand, the Group will strengthen strategic partnerships with core suppliers to build a solid competitive advantage, aiming to enhance the product portfolio, improve quality stability and innovation, and fundamentally boost product competitiveness and supply chain resilience. On the other hand, the Group will conduct market research through different channels and engage in in-depth communication with end customers to accurately identify core market needs, drive product and service innovation, and improve the alignment between products and market needs. The Group will continue to invest maximum efforts in developing new energy commercial vehicles, contributing to zero emissions in the global commercial vehicle sector as well as creating value for commercial vehicle owners and users.

Investment in properties

The Group has invested in several residential and commercial properties in Phnom Penh, Cambodia, which provide a stable stream of income for the Group. Despite the challenging domestic and international investment environment, the management remains optimistic about Cambodia's economic prospects and is confident in achieving steady growth. The management will continue to explore opportunities for property investment and actively seek out promising investment prospects with strong potential.

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 April 2026, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had the following indebtedness:

Borrowings

The Group had outstanding loans from shareholders of approximately HK$100.5 million. The loans from shareholders carry a fixed interest rate of 7% per annum, mature within one year and are unsecured and unguaranteed.

Lease liabilities

The Group recognised right-of-use assets and corresponding lease liabilities in respect of all leases unless they qualify for low value or short-term leases. The lease liabilities represent obligation to make lease payment for right of using underlying assets. As at 30 April 2026, the Group had unsecured and unguaranteed lease liabilities of approximately HK$42.7 million.

Contingent Liabilities

There were no material contingent liabilities as at 30 April 2026.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the close of business on 30 April 2026, the Group did not have other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

In this statement of indebtedness, certain foreign currency amounts have been translated into Hong Kong dollars at the approximate exchange rates prevailing at the close of business on 30 April 2026.

4. WORKING CAPITAL

Taking into account the financial resources available to the Group (including the internally generated funds and the available loan facilities), the Board, after due and careful enquiry, is of the opinion that the Group shall have sufficient working capital to meet its present requirements for at least the next 12 months from the date of this circular.

As at the Latest Practicable Date, the Company had obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

The following is the text of the valuation report prepared by JP Assets Consultancy Limited, an independent valuer, in respect of the Sale Shares and the Assigned Debt as at 30 June 2025 for the purpose of inclusion in this circular.

7 November 2025

Board of Directors
ZO Future Group
31/F., Vertical Sq
No. 28 Heung Yip Road
Wong Chuk Hang
Hong Kong

Dear Sir/Madam,

Valuation of Market Value of 51.72% equity interest in Birmingham City Limited and its subsidiaries and Market Value of GBP19,233,904 Shareholder Loan

In accordance with the instructions from ZO Future Group (the "Company"), we have been engaged by the Company to assist to determine the market value ("Market Value") of the following subject of valuation (the "Subject of Valuation") as of 30 June 2025 (the "Valuation Date") for transaction reference purpose.

- 51.72% equity interest in Birmingham City Limited ("BCL" and the "Target Company") and its subsidiaries (collectively the "Target Group"); and

- The shareholder's loan due to the Company from BCL in the sum of GBP19,233,904 (the "Shareholder Loan").

Our analyses are substantially based on the information provided to us by the existing management of the Company (the "Management"). It is our understanding that our analyses, and the subsequent appraised estimation of Market Value (as defined in the section Standard and Basis of Value), will be used by the Management solely for their purpose of transaction reference. Our analyses were conducted for the above stated purpose. As such, this report should not be used by the Company for any other purpose other than those that are expressly stated herein without our expressed prior written consent.

The approaches and methodologies used in our work did not comprise an examination to ascertain whether the Target Group's presented financial information were constructed in accordance with generally accepted accounting principles. The objective of the aforesaid examination is of course to determine whether existing current financial statements or other financial information, historical or prospective, which are provided to us by the Management, are being expressed as a fair presentation of the Target Group's financial position. As such, we express no opinion and accept no responsibility on the accuracy and/or completeness of the historical and projected financial information of the Target Group, and of the marketing materials or other data provided to us by the Management.

Our conclusion on Market Value do not constitute nor shall they be construed to be an investment advice or an offer to invest. Prior to making any decisions on any investments, a prospective investor should independently consult with their own investment, accounting, legal and tax advisers to critically evaluate the risks, consequences, and suitability of such investment.

SCOPE AND PURPOSE OF ENGAGEMENT

We were engaged by the Management to assist to determine the Market Value of the 51.72% equity interest in the Target Group and Market Value of the Shareholder Loan as at the Valuation Date. It is our understanding that our analysis will be used by the Management solely for the transaction reference purpose.

STANDARD AND BASIS OF VALUE

This valuation was prepared on the basis of Market Value. In accordance with the IVS, Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

PREMISE OF VALUE

Premise of value relates to the concept of valuing a subject, i.e., a business, in a manner which would generate the greatest return to the owner, taking account what is physically tangible, financially feasible, and legally permissible. Premise of value includes the following scenarios:

Highest and Best Use:	is the use that would produce the highest and best use for an asset, and it must be financially feasible, legally allowed and result in the highest value;
Current Use/Existing Use:	is the current way an asset, liability, or group of assets and/or liabilities is used, maybe yet not necessarily the highest and best use;
Orderly Liquidation:	describes the value of a group of assets that could be realized in a liquidation sale, given a reasonable period of time to find a purchaser/(s), with the seller being compelled to sell on an as-is, where-is basis; and
Forced Sale:	is in circumstances where a seller is under compulsion to sell and that, as a consequence, a proper marketing period is not possible and buyers may not be able to undertake adequate due diligence.

After having reviewed all background and financial information and taken into consideration all relevant facts, valuation of the Subject of Valuation should be prepared on a "Highest and Best Use" basis.

LEVEL OF VALUE

Current valuation theories suggest that there are at least four basic "levels" of value applicable to a business or business interest. The four most common levels of value are as follows:

Controlling Interest:	Value of the controlling interest, always evaluate an enterprise as a whole;
Non-controlling Interest:	Value of the non-controlling interest of a business;
As if Freely Tradable Interest:	Value of a business that or business interest enjoys the benefit of market liquidity; and
Non-marketable Interest:	Value of a business that or business interest lacking market liquidity.

After having reviewed all background and financial information and taken into consideration all relevant and objective facts, we reasonably believe Subject of Valuation should be valued and reported in this valuation as a controlling interest and non-marketable interest.

SOURCE OF INFORMATION

Our analysis and conclusion of opinion on value were based on continued discussions with, and having obtained pertinent key documents and records provided by the Management, and conducted certain procedures including but not limited to:

- The latest group chart of the Target Group;
- Consolidated financial statements of the Target Group for the year ended 30 June 2024 and 2025;
- Revenue breakdown of the Target Group for the year ended 30 June 2025;
- Players register breakdown of the Target Group as of the Valuation Date; and
- PPE breakdown of the Target Group as of the Valuation Date.

We have also relied upon publicly available information from sources in capital markets, including industry reports, news and various databases of publicly traded companies.

ECONOMY OVERVIEW

In this section, we will review and analyze the current economic conditions of the United Kingdom ("UK") where the profit of the Target Group is mainly derived from, and how the valuation may be impacted.

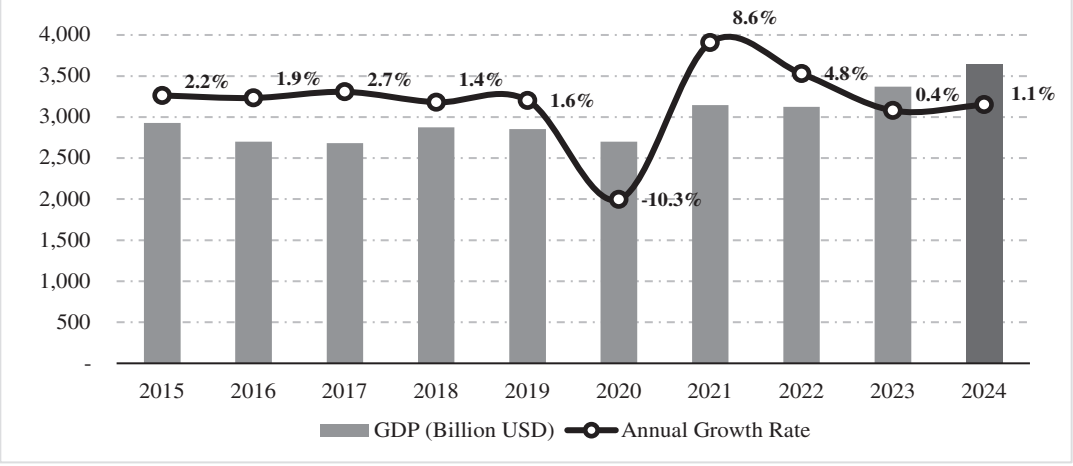
The UK is a highly developed country and remains one of the world's largest and most influential economies. As of 2025, it ranks as the sixth-largest economy globally by nominal gross domestic product ("GDP"). The UK was the first nation to industrialize and continues to exert substantial influence in global economic, cultural, scientific, military, and political affairs. The country is a member of the Commonwealth of Nations, the Council of Europe, the Group of Seven ("G7"), the Group of Twenty ("G20"), the North Atlantic Treaty Organization ("NATO"), the Organization for Economic Co-operation and Development ("OECD"), and the World Trade Organization ("WTO"). The UK had been a member state of the European Union ("EU") since 1973 but formally withdrew from the bloc on 31 January 2020 following the 2016 referendum in which 51.9% of voters supported leaving the EU.

Gross Domestic Production

The UK economy has shown moderate yet uneven growth in recent years. Consumer spending has remained relatively resilient, supported by strong labor market conditions and government fiscal measures, while business investment has fluctuated due to lingering post-Brexit uncertainty and global economic headwinds.

According to the Office for National Statistics ("ONS"), the UK real GDP grew by 0.3% quarter-on-quarter in Q2 2025, following 0.7% growth in Q1 2025. On a year-on-year basis, GDP expanded by 1.2% in the second quarter of 2025. The International Monetary Fund ("IMF") projects that the UK's real GDP will grow by around 1.1% in 2025, with inflation (CPI) expected to average 3.1%, the highest among G7 economies. While growth remains below pre-Brexit and pre-pandemic levels, the outlook has stabilized amid easing inflationary pressures and recovering private sector confidence.

GDP Growth in the UK from 2015 to 2024



Source: IMF World Economic Outlook Database, April 2025

Forecasts of GDP Growth and Inflation of the UK from 2025 to 2030

	2025F	2026F	2027F	2028F	2029F	2030F
Annual Growth of GDP (%)	1.1	1.4	1.5	1.5	1.4	1.4
CPI Inflation (%)	3.1	2.2	2.0	2.0	2.0	2.0

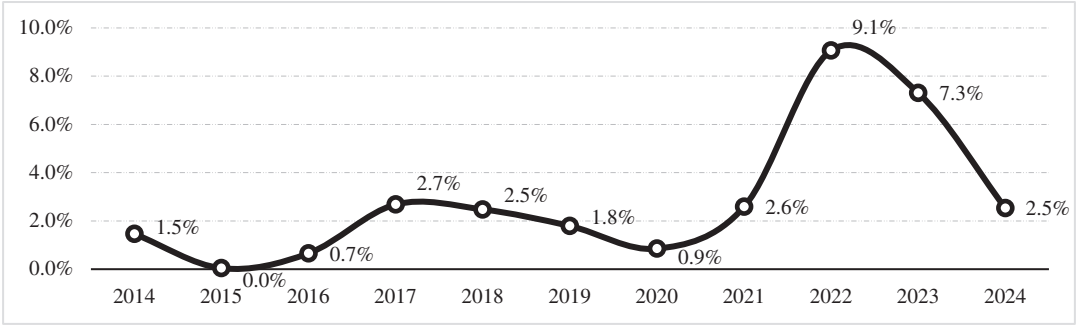
Source: IMF World Economic Outlook Database, April 2025

In the near term, the UK's economic dynamics are now shaped less by discrete events and more by structural drag and global headwinds. The earlier anticipation of a Brexit-driven surge in production or pre-deadline stockpiling is no longer relevant. Instead, growth is increasingly constrained by subdued business investment, weak export demand, and fading momentum in private sector capital expenditure.

Inflation & Monetary Policy

Inflation in the UK has become a major macro concern. After years of drifting above target, CPI inflation reached around 3.8% in mid-2025, and forecasts suggest it could peak near 4.0% in the autumn. This elevated inflation is being driven by higher energy and regulated utility prices, rising labor costs, and upward pressure from administered charges.

Inflation Evolution of the UK from 2014 to 2024



Source: IMF World Economic Outlook Database, April 2025

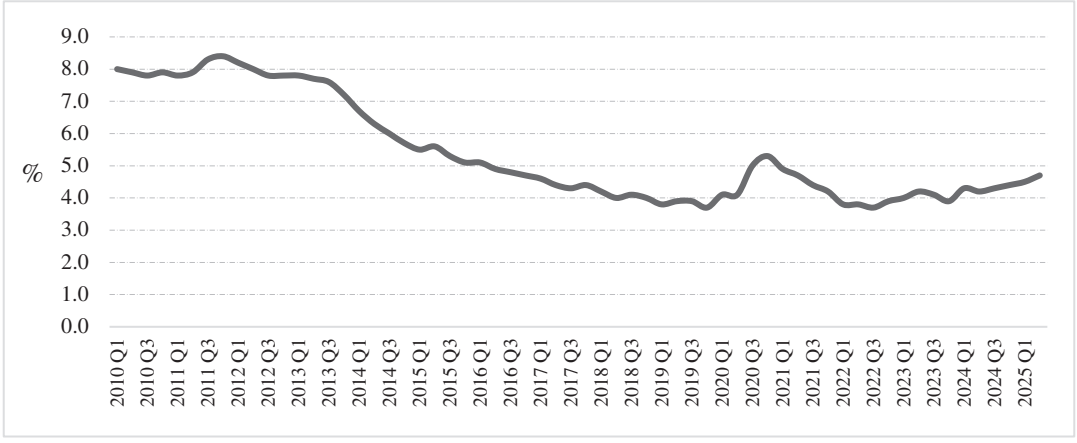
With these inflationary pressures mounting, the Bank of England's Monetary Policy Committee ("MPC") has already begun to pivot. After maintaining Bank Rate at elevated levels in 2024 and early 2025, the MPC initiated a cut, lowering the rate to 4.5% in February 2025. Goldman Sachs forecasts that the Bank will reduce rates toward 4.0% and even reach 3.0% by 2026, depending on how inflation evolves. However, the MPC is signaling caution. It sees the current monetary stance as still moderately restrictive, with the cumulative effects of past rate increases continuing to dampen demand. Because inflation remains sticky, the central bank is reluctant to cut too aggressively or prematurely.

Unemployment & Labor Market

The population of UK has grown steadily from 64.6 million in 2014 to 69.9 million in 2025 with a CAGR of 0.7%. The UK labor market, which had been one of the strongest components of the national economy in the past decade, is showing signs of gradual softening in 2024–2025 amid a slowing macroeconomic backdrop. According to ONS data, the unemployment rate rose to 4.7% during the April–June 2025 period, compared with 3.8% in 2019 and 4.1% in 2018. The employment rate for persons aged 16 to 64 stood at approximately 75.1%, down from the record highs achieved prior to the pandemic. Meanwhile, total job vacancies declined for the 37th consecutive quarter to about 718,000 as at July 2025, suggesting weaker hiring demand and a modest increase in labor market slack.

Nominal wage growth has remained relatively resilient. In the three months to April 2025, average regular earnings (excluding bonuses) increased by approximately 5.2% year-on-year, while total pay (including bonuses) rose by about 5.3%. Despite these nominal gains, real wage growth has been largely eroded by persistent inflationary pressures, resulting in only modest improvements in household purchasing power.

Seasonally Adjusted Unemployment rate of the UK, 2010 Q1-2025 Q1



Source: Office for the National Statistics, the UK

Over the past decade, the UK's labor market performance has benefited from structural improvements, including higher participation among older workers and women, and a sustained reduction in youth unemployment. However, with productivity growth remaining subdued and overall economic momentum moderating, the pace of wage increases is expected to ease gradually in the medium term. The labor market is therefore anticipated to remain stable but less dynamic compared with its pre-Brexit and pre-pandemic peaks.

Economic Challenges

The main challenge facing the authorities of the UK in the near future is to implement Brexit at a minimum cost by securing comprehensive free-trade agreements with the bloc and other countries. About 45% of UK exports are destined for EU27 countries and are greatly facilitated by EU membership, which implies participation in both the EU single market and customs union. The single market supports trade among member countries by ensuring automatic compliance with European standards. The costs of checking the rules of origin (criteria to determine the national source of a product) are not applicable for trade with countries that belong to the EU customs union. The union also supports trade with third countries through approximately 40 free-trade agreements with 53 non-EU countries, but member countries are not allowed to negotiate their own agreements as long as they are part of the union. It is critical that the outcome of negotiations ensures the most frictionless trade possible between the European Union and the United Kingdom, bearing in mind that frictionless trade as currently enjoyed by the United Kingdom with the European Union is due to being part of the EU single market and customs union.

Another challenge, compounded by Brexit, is to revive the growth of labor productivity. Since the financial crisis, aggregate labor productivity growth has come to a standstill in the United Kingdom. Productivity gains have made no meaningful contribution to output performance since 2007, which instead has been driven by higher employment and hours worked per employee. Output per hour is lower than it would have been had it continued to expand at its pre-crisis trend growth. Stagnant productivity has held back real wages and real GDP per capita. Moreover, while the level of UK labor productivity is similar to the OECD average, it is about 20-25% lower than in the United States, France and Germany.

Fiscal Budget

The 2024 Autumn Budget of the British Government focuses on increased public investment, stronger wage support for younger workers, targeted tax reform, and the longer-term goal of boosting foundational productivity and public-service capacity. Some key features of the Budget include:

- Day-to-day departmental spending (i.e., resource budgets) is set to increase by approximately £33 billion between the years 2024-25 and 2025-26.

- Capital (investment) spending is boosted: "capital DEL" budgets are set to rise by around £14.7 billion between 2024-25 and 2025-26.

- The national minimum wage framework was updated, with the minimum wage for 18 to 20-year-olds set to reach £10.00 per hour from April 2025, representing a substantial increase.

- On the tax side, significant changes include increases in capital-gains tax rates (from 10%/20% to 18%/24% for non-residential assets) from 30 October 2024.

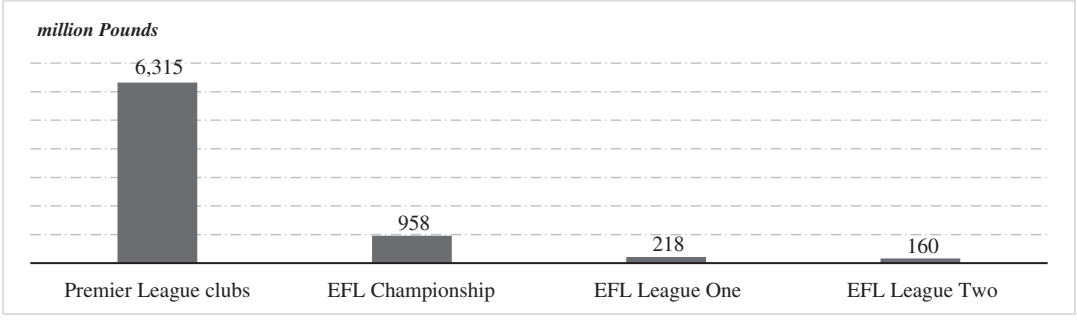
INDUSTRY OVERVIEW

The UK professional football club industry encompasses the full set of business activities of clubs based in England (and, to a lesser extent, Wales, Scotland and Northern Ireland) that participate in organized league competition, host spectators, commercialize media rights, sell merchandise/licensing, engage in player transfers, and build global fan-brands. These clubs operate at different tiers: at the apex is the Premier League ("Premier League"), followed by the EFL Championship, EFL League One, EFL League Two and further national league or non-league levels. Clubs typically derive revenue from three principal streams: (i) broadcasting rights and media (ii) commercial operations (sponsorship, merchandise, licensing, brand extensions) and (iii) match-day operations (ticketing, hospitality, concessions, stadium events). Whilst player trading (i.e., transfers) and academy/youth operations also generate revenue, they represent ancillary categories in most disclosure frameworks.

According to the latest report released by Deloitte in June 2025, the European football market achieved revenues of €38 billion in the 2023/24 season, representing growth of approximately 8% over the prior season. Within this total, the "big five" domestic leagues (England, Spain, Italy, Germany and France) generated more than €20 billion in aggregate revenues.

Focusing on the Premier League specifically: in the 2023/24 season the Premier League clubs achieved aggregate revenue of £6.3 billion, representing a 4% growth over the prior year. Commercial revenue for Premier League clubs exceeded £2 billion for the first time. Meanwhile, clubs in the EFL Championship recorded aggregate revenue of £958 million in 2023/24, representing a 28% growth year-on-year, driven by entrance of higher-revenue clubs into the division.

Revenue of UK Football Clubs per Different Tiers in 2023/24 Season

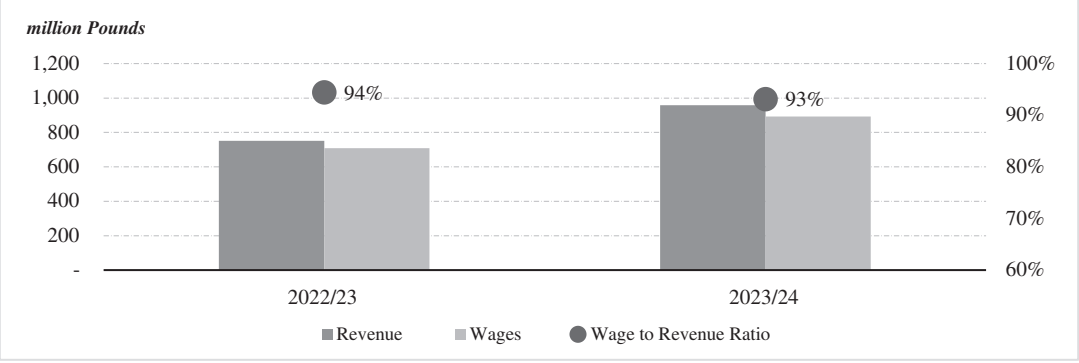


Source: Deloitte Annual Review of Football Finance 2025

UK Football League Champion Clubs' Revenue, Wages and Profitability

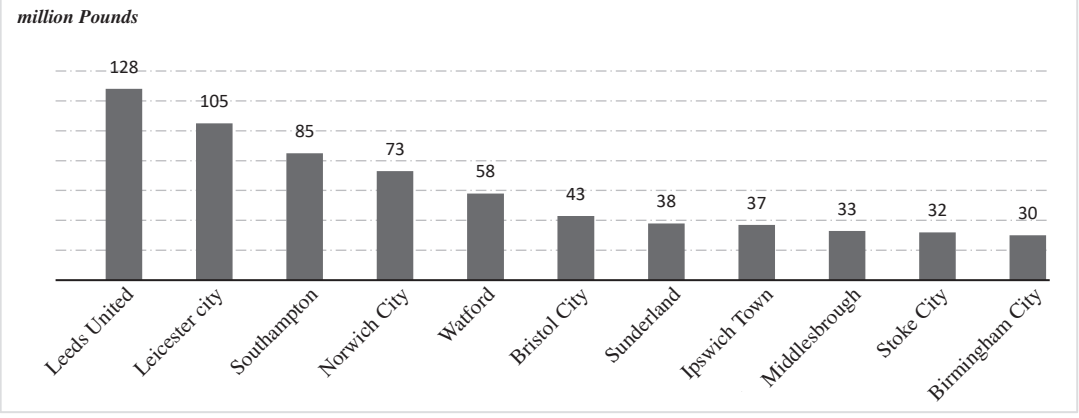
Championship clubs' increase in revenue (up £207m to £958m) exceeded the increase in wage costs (up £183m to £892m), such that revenue exceeded wage costs for the second consecutive season, and only the second time since 2016/17. Consequently, Championship clubs' wages/revenue ratio improved slightly to 93% (2022/23: 94%). However, 11 Championship clubs had wages/revenue ratios in excess of 100%. For the second consecutive season, all Championship clubs generated operating losses. After some overall improvement for the last three years, aggregate operating losses worsened by 25% to £411m. Whilst delivering a slightly improved wages/revenue ratio, Championship clubs' other costs were significantly higher in 2023/24 (compared to 2022/23), in part driven by club mix.

Wage to Revenue Ratio of EFL Championship in 2022/23 and 2023/24 Season



Source: Deloitte Annual Review of Football Finance 2025

Top 10 Clubs in EFL Championship by Revenue in 2023/24 Season



Source: Deloitte Annual Review of Football Finance 2025

Key Trends & Growth Drivers

In short terms, several underlying trends and growth drivers are shaping the UK football club industry:

- Globalisation & foreign investment: UK clubs, especially those in the Premier League, benefit from international broadcasting reach, global fan bases and inbound foreign capital investment. The global brand of top UK clubs extends revenue opportunity beyond the domestic market.

- Media & broadcast rights monetisation: Media rights remain a core engine of growth. However, the pace of growth in broadcast revenues has moderated (in some major leagues the year-on-year growth rate has declined to low single digits) as rights cycles mature. Consequently, clubs are increasingly diversifying into commercial revenue streams (sponsorship, brand, licensing) and maximising stadium/venue usage beyond match-days (concerts, events).

- Commercial revenue acceleration: For example, in the big five leagues commercial income increased by €0.5 billion in 2023/24. Moreover, in the UK women's game, the commercial component accounts for 40% of revenue in WSL clubs in 2023/24.

- Infrastructure & stadium development: Many clubs are investing in venue upgrades, hospitality offerings, non-match revenue (e.g., events at stadiums) which support match-day income growth.

- Regulatory & sustainability focus: Regulatory regimes (both domestic and European) increasingly emphasise financial sustainability, cost control (wages/revenue ratios) and good governance. For instance, in the big five leagues the aggregate wages/revenue ratio improved from 66% to 64% in 2023/24.

In summary, the UK professional football club industry is a mature, high-value commercial sector underpinned by substantial audience appeal, global brand reach and multiple revenue streams. The 2023/24 season saw top-tier UK clubs generate aggregate revenues of approximately £6.3 billion, while the wider European market reached €38 billion. Nonetheless, the industry also faces structural cost pressures, competitive imbalances, evolving media dynamics and regulatory scrutiny. For clubs, long-term value creation will depend on driving revenue diversification, global brand growth, infrastructure optimization, and financial sustainability.

TRANSACTION OVERVIEW

Disposal of The Target Group (The "Disposal")

The Company entered into the share purchase agreement with Shelby Companies Limited ("SCL" or the "Buyer"), pursuant to which the Company has conditionally agreed to sell and the Buyer has conditionally agreed to buy (i) approximately 51.72% issued share capital of Birmingham City Limited and its subsidiaries; and (ii) the entire shareholder's loan in the sum of approximately GBP19.23 million (equivalent to approximately HKD205.76 million) due to the Company from Birmingham City Limited for a total consideration of GBP5 million (equivalent to HKD53.5 million), which shall be satisfied by the payment of cash to the Company on completion.

COMPANIES OVERVIEW

Zo Future Group

Zo Future Group (formerly named as Birmingham Sports Holdings Limited) is an investment holding company mainly engaged in the operation of professional football club. The Company operates its business through three segments. The Football Club segment is mainly engaged operation of a professional football club and other related business in the United Kingdom. The Investment in Properties segment is mainly engaged in the investment of properties such as residential apartments and commercial properties. The New Energy Automobiles and Related Business segment is mainly engaged in the selling and leasing of commercial automobiles, provision of automobiles repair and maintenance services, provision of automobiles accessories and equipment as well as provision of charging services.

Shelby Companies Limited

SCL is a company incorporated in England and Wales with limited liability and principally engaged in investment holding. SCL is owned as to approximately 61.37% by Knighthead Annuity & Life Assurance Company ("KHAL"), an exempted company incorporated in the Cayman Islands, and approximately 24.16% by Knighthead Master Fund, L.P. ("KMF") an exempted limited partnership formed under the Exempted Limited Partnership Law of the Cayman Islands. As of the date of this announcement, the Buyer and its ultimate beneficial owners are Independent Third Parties.

Birmingham City Limited

Birmingham City Limited (formerly named as Birmingham City Plc) is a private limited liability company incorporated in England and Wales and, immediately before the completion, was owned as to approximately 51.72% by the Company, approximately 45.98% by SCL and approximately 2.30% by other shareholders. The Target Company is principally engaged in the operation and management of the Birmingham City Football Club Limited.

Birmingham City Football Club Limited

Birmingham City Football Club Limited ("BCFC" or the "Club" and formerly named as Birmingham City Football Club Plc) is a private limited liability company incorporated in England and Wales. The Club is owned and managed by Birmingham City Limited; played in the football league under the name of Birmingham City Football Club. The businesses of the Club include the sales of football match tickets, television broadcasting and local media businesses, as well as related commercial businesses to generate sponsorship income, corporate hospitality income, merchandising income and conference income.

Birmingham City Women Football Club Limited

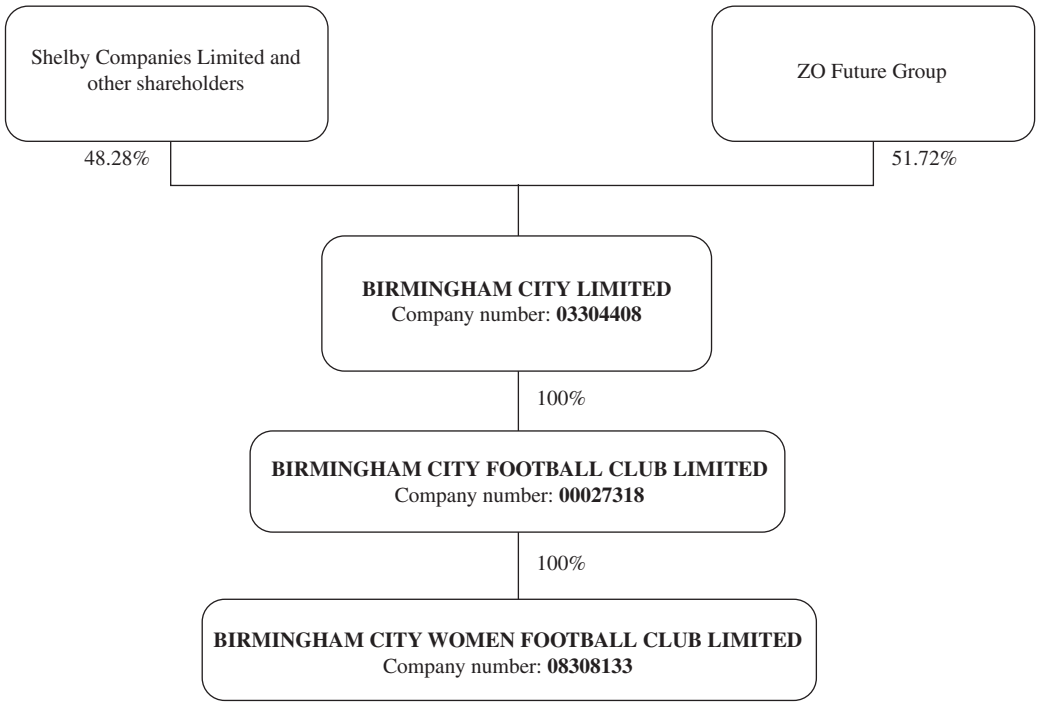
Birmingham City Women Football Club Limited ("BCWFC") is a private limited liability company incorporated in England and Wales and a wholly-owned subsidiary of BCFC. BCWFC is principally engaged in the operation of a professional football club in the UK.

As of the Valuation Date, the key financial information of the Target Group is as follows:

For the year ended 30 June 2025	**GBP**
Revenue	29,683,213
Loss before taxation	(40,560,671)
Loss after taxation	(40,677,671)

As of 30 June 2025	**GBP**
Total Asset	110,777,615
Total Liabilities	(197,902,115)
Net Liabilities	(87,124,500)

The group structure of the Target Group prior to the completion of the Disposal is as follows:



VALUATION METHODOLOGY OVERVIEW

The valuation of any asset can be broadly classified into one of the three approaches, namely the cost approach, the market approach and the income approach. In any valuation analysis, all three approaches must be considered, and the approach or approaches deemed most relevant will then be selected for use in the analysis of that asset.

Cost Approach

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain a business, business ownership interest, security, or intangible asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

Market Approach

The market approach provides an indication of value by comparing a business, business ownership interest, security, or intangible asset with identical or comparable (that is similar) subjects for which price information is available.

Value is established based on the principle of comparison. This simply means that if one thing is similar to another and could be used for the other, then they must be similar. Furthermore, the price of two alike and similar items should be approximate to one another.

Income Approach

This is a general way of determining the economic value of a business, business ownership interest, security, or intangible asset by using one or more methods that convert anticipated benefits into a present value amount.

In the income approach, an economic benefit stream of the asset under analysis is selected, usually based on historical and/or forecasted cash flow. The focus is to determine a benefit stream that is reasonably reflective of the asset's most likely future benefit stream. This selected benefit stream is then discounted to present value with an appropriate risk-adjusted discount rate.

Discount rate factors often include general market rates of return at the Valuation Date, business risks associated with the industry in which the Target Group operates, and other risks specific to the asset being valued.

Valuation of the Equity Interest in the Target Group

Methodology Analysis	**Reasons for Applying or not Applying**
Cost Approach Is Rejected	Participants would not be able to recreate an asset with substantially the same utility as the Subject of Valuation, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the Subject of Valuation immediately.
Income Approach Is Rejected	Application of the income approach requires various projected inputs, such as revenue, cost of revenue, and risk-adjusted discount rate. High level of uncertainty would be involved inevitably in forming a financial forecast regarding the amount and timing of future income to the Target Group.
Market Approach Is Accepted	The market approach referred to the public information of the market participants, which involved fewer assumptions on the input in the valuation and reflecting the market expectation and view on the industry. There are sufficient numbers of comparable public companies available in markets which facilitate a meaningful comparison and provide inputs for determining the valuation multiple. Guideline Publicly-traded Comparable ("GPTC") Method under the market approach is applied and considered as appropriate and reliable.

GENERAL ASSUMPTIONS

- There are no changes, the aggregate of which when viewed together, may be construed to be a material adverse change in the existing political, legal, commercial and banking regulations, fiscal policies, foreign trade and economic conditions in countries/regions where the Target Group currently operate in and in new markets that the Target Group may potentially expand into as proposed by the Management;

- There are no deviations, the aggregate of which when viewed together, may be construed to be a material adverse change in industry demand and/or market conditions;

- There are no changes, the aggregate of which when viewed together, may be construed to be a material adverse change in the fluctuation of interest rates or currency exchange rates in any country which would be deemed to have a negative impact or the ability to hinder the existing and/or potentially future operations of the Target Group;

- There are no changes, the aggregate of which when viewed together, may be construed to be a material adverse change in the current laws of taxation in those countries in which the Target Group operate in or the Target Group may potentially operate in;

- All relevant legal approvals, business certificates, trade and import permits, and bank credit approval have been procured, in place and in good standing prior to commencement of operations by the Target Group under the normal course of business;

- The Target Group will be able to retain existing and competent management, key personnel, and technical staff to support all facets of the ongoing business and future operations; and

- Trademarks, patents, technology, copyrights and other valuable technical and management know-how will not be infringed in countries/regions where the Target Group are or will be carrying on business.

MAJOR ASSUMPTIONS

A number of major assumptions were established to sufficiently support our application of the GPTC Method. The major assumptions adopted are:

- The core business operation of the Target Group will not differ materiality from those of present or expected;

- Performance of the Target Group would not deviate from the performance of its industry peers; and

- The Guideline Public Companies with similar business exposure provided a reasonable benchmark of valuation that could be applied to the Target Group.

APPLICATION OF THE MARKET APPROACH – VALUATION OF THE EQUITY INTEREST IN THE TARGET GROUP

Guideline Publicly-traded Comparable Method

Under the GPTC Method, the value is derived from last trading multiples of a selected set of comparable companies ("Guideline Public Companies"). Trading multiples, which are measures of relative value, are computed by dividing the market capitalizations or enterprise value of the Guideline Public Companies by some identified value-driving economic variable(s) observed or calculated from their latest published fundamental data, being typically their financial data (such as revenue, earnings before interest, taxes, depreciation, and amortization ("EBITDA"), net profit, book equity) or other industry-specific value drivers as at the Valuation Date. A typical challenge in applying the GPTC Method is to identify a sufficient pool of relevant and sufficient Guideline Public Companies that are comparable to the target and the subject companies in terms of their business models, underlying business risks and prospects.

Selection of the Guideline Public Companies

The application of the GPTC Method depends on the selection of the Guideline Public Companies that shared sufficient similarities to underlying business of the Target Group so as to provide meaningful comparisons. We exercised due care in the selection of the Guideline Public Companies by using multiple screening criteria in deciding whether or not the business model of a particular Guideline Public Company is relevant.

The Target Group is primarily engaged in the operation and management of the Birmingham City Football Club. The businesses of the Club include the sales of football match tickets, television broadcasting and local media businesses, as well as related commercial businesses to generate sponsorship income, corporate hospitality income, merchandising income and conference income. The revenue breakdown of the Target Group for the year ended 30 June 2025 was shown below:

Revenue breakdown	**% of total revenue as of the year ended 30 June 2025**
Match day receipts	35.31%
TV & radio coverage/FA League Distribution	13.66%
Commercial Income: Catering/Shops/Kiosk Catering & Corporate sales	51.03%
Total Revenue	**100.00%**

The business segment of the Target Group can be benchmarked with companies involved in the operation of football club business. The Target Group was loss-making and recorded net liabilities for the year ended 30 June 2025.

In selecting the Guideline Public Companies, we consider multiple screening criteria including, but not limited to, descriptions of potential companies in terms of lines of business, major revenue by business segment, financial results, and other criteria. To comprise a representative set of Guideline Public Companies to derive the valuation result, we performed our comparable search based on the following processes in the selection of the Guideline Public Companies.

The initial selection process was primarily based on the Bloomberg terminal. We referred to the following hierarchy according to the Bloomberg Industry Classification Systems ("BICS"):

Hierarchy of Selection	**Name**
BICS Level 1 Sector:	Consumer Discretionary
BICS Level 2 Industry Group:	Consumer Discretionary Services
BICS Level 3 Industry:	Leisure Facilities & Services
BICS Level 4 Sub Industry:	Entertainment Facilities

The screening process with the following criteria established:

1. The comparable company should be mainly engaged in operation of professional football or soccer club;

2. The comparable company with over 50% revenue related to the operation of professional football club, including but not limited to sales of seasons tickets, match day revenue, TV and broadcasting, sponsorships, club management and merchandising;

3. Actively traded stocks and companies have sufficient listing and operating histories;

4. Company with negative enterprise value shall be rejected; and

5. Company that are profit making shall be rejected.

Based on the above-mentioned criterion, we can identify a pool of 12 comparable companies that are operating in a similar principal activity as the Target Group. We consider the list of Guideline Public Companies to be exhaustive based on our research and selection criteria on a best-effort basis. The comparable pool has represented a complete comparable pool sufficient to form a fair and reasonable valuation opinion. The following list shows the Guideline Public Companies that we have identified in connection with this valuation.

Selected Guideline Public Companies

	Company Name and Description	Company Ticker	Football Club	Revenue by Business Segment
1	**Manchester United Plc** Manchester United Plc. operates as a professional sports club. The company manages the soccer team and all affiliated club activities of the Manchester United Football Club, that includes the media network, foundation, fan zone, news and sports features, and team merchandise. Manchester United is based in England.	MANU US Equity	Manchester United F. C.	Operation of a men's and women's professional football club: 100%
2	**Juventus Football Club SpA** Juventus Football Club S.p.A. is a professional soccer club which belongs to the Italian Serie A division. The Turin-based club's activities include sports operations, media, and entertainment.	JUVE IM Equity	Juventus F. C.	Copyrights Football Players: 20.7% Media & Broadcasting: 33.5% Sponsorship & Adv: 19.9% Season Tickets: 12.3% Products & License: 1.9% Football Images Rights: 11.6%
3	**AFC Ajax NV** AFC Ajax N.V. operates the professional Dutch soccer club. Ajax sponsors professional and amateur soccer teams, youth training programs, and scouting. The company derives revenue from selling television and merchandising rights and advertising.	AJAX NA Equity	AFC Ajax F.C.	Sponsorship: 23.9% Season Tickets: 8.3% Merchandising: 18.8% Television & Broadcasting: 6.6% Business Seats & Sky Box Seats: 12.9% Gate Receipts National League, Amstel Cup: 5.3% Indirect Match: 2.5% Other: 3.1% Premiums European Competition: 11.7% Gate Receipts European & African Competitions: 7.0%
4	**Societa Sportiva Lazio SpA** Societa Sportiva Lazio S.p.A. is a professional soccer club which belongs to the Italian Serie A division.	SSL IM Equity	SS Lazio F.C.	Media & Broadcasting Rights: 67.0% Sponsorship & Adv: 13.1% Season Tickets: 16.2% Merchandising: 1.7% Change In Inventories: 2.0%

	Company Name and Description	Company Ticker	Football Club	Revenue by Business Segment
5	**Besiktas Futbol Yatirimlari Sanayi ve Ticaret AS** Besiktas Futbol Yatirimlari Sanayi ve Ticaret A.S. is a professional soccer club which belongs to the Turkish super league.	BJKAS TI Equity	Beşiktaş J.K. F. C.	Licensed product sales revenue: 30.5% Match revenue and combined card box seat revenue: 25.9% Sponsorship and advertising revenue: 11.9% Name and licensing rights revenues: 11.7% Broadcasting revenues: 7.4% UEFA revenues: 8.7% Football player transfer and training revenues: 1.5% Other: 4.2% Sales returns/discount/allowance: -1.8%
6	**AIK Fotboll AB** AIK Fotboll AB owns and operates a sports club in Sweden. The club's members represent several different sports including soccer, ice hockey, golf, and bowling.	AIKB SS Equity	AIK Fotboll F.C.	Match & Event: 30.3% Sponsorship & Advertising: 18.0% Player Sales: 32.2% Central Agreements (TV etc.): 9.0% Income Souvenirs: 10.5%
7	**Eagle Football Group** Eagle Football Group operates as a football organization. The organization specializes in providing football clubs and academies for talent identification. Eagle Football Group conducts its business worldwide.	EFG FP Equity	Olympique Lyonnais F.C.	Football: 100%
8	**Sport Lisboa e Benfica-Futebol SAD** Sport Lisboa e Benfica-Futebol SAD is a sports club that promotes football and other sports. The club receives television, licensing, sponsorship, and other revenue, in addition to revenue from ticket sales from sports events held in its own stadium. Sport Lisboa e Benfica-Futebol operates in Portugal.	SLBEN PL Equity	S.L. Benfica F.C.	Television rights: 56.5% Commercial activities: 23.7% Match revenue: 19.8%
9	**Sporting Clube De Portugal-Futebol SAD** Sporting Clube De Portugal-Futebol, SAD is a football club playing in Portugal's First Division. The club's other sports include basketball, hockey, and track and field are played in the stadium owned by the company.	SCP PL Equity	Sporting CP F.C.	Loja Verde Sales: 16.4% Television Rights: 36.9% Box Office and Season Tickets: 23.4% Sponsorship and Advertising: 19.7% Others: 5.6%

	Company Name and Description	Company Ticker	Football Club	Revenue by Business Segment
10	**Broendbyernes IF Fodbold A/S** Broendbyernes I.F. Fodbold A/S operates a professional football club, Broendby IF, and manages Brondby Stadium. The company generates revenues from ticket sales, merchandise, media rights, sponsor and advertising income, and player contracts. The club plays in the top Danish SAS league.	BIFB DC Equity	Brondby IF F.C.	Admission, TV and premium income: 33.0% Revenue from partners and sponsors: 34.6% F&B and events etc.: 13.7% Merchandise etc.: 16.3% Commercial property rental etc.: 0.9% Other net revenue: 1.4%
11	**AGF A/S** AGF A/S owns and operates a football club. The company manages stadium activities and arranges football matches. AGF generates revenues from ticket sales, merchandise, media rights, sponsors, advertising income, and player contracts. AGF serves customers in Denmark.	AGFB DC Equity	Aarhus Gymnastikforening F. C.	Sport: 90.9% Facilities: 9.1%
12	**Brera Holdings PLC** Brera Holdings Limited operates as a holding company. The company, through its subsidiaries, focuses on expanding social impact football by developing a global portfolio of emerging football clubs with increased opportunities to earn tournament prizes, gain sponsorships, and provide other professional football and related consulting services.	SLMT US Equity	1. Fudbalski Klub Akademija Pandev Brera Strumica 2. Brera Tchumene F. C. 3. Brera Ilch F. C.	Sponsorships: 51.79% Others: 21.78% Player transfers: 14.10% Ticketing, short-leases, store and youth league: 12.33%

Source: Bloomberg

Selection of Valuation Multiple

Selection of the valuation multiple are typically cited on the market capitalizations or enterprise values ("EV") of a set of identified Guideline Public Companies. Valuation multiples are computed from dividing the valuations by certain operating or financial results of the Guideline Public Companies. We have naturally selected the valuation multiples cited on the ratio of market capitalizations or enterprise value to either key operating or financial indicator of the Guideline Public Companies. Once a valuation multiple is selected later and is computed based on the Guideline Public Companies, the Market Value of the Subject of Valuation can be subsequently computed by the following formula:

Market Value = Valuation multiple X Key operating or financial indicator of the Target Group

In the course of our valuation, we have considered some commonly adopted price multiple such as price-to-earnings ("P/E"), price-to-book ("P/B"); and enterprise multiple such as enterprise value-to-revenue ("EV/Revenue") and enterprise value-to-EBITDA ("EV/EBITDA").

The Target Group with negative EBITDA and earnings, recorded net liabilities, renders the P/E, P/B and EV/EBITDA multiple not preferred for the valuation. The EV/Revenue multiple has been adopted in this valuation. Compared to P/S multiple, EV/Revenue multiple is considered more comprehensive than P/S multiple as it facilitates comparisons among companies with varying capital structures. As such, EV/Revenue multiple is considered as an appropriate valuation multiple in this valuation.

Computation of the Valuation Multiple

After identifying the Guideline Public Companies and determining the valuation multiple, the next step is to compute the EV/Revenue multiples on a reliable and consistent approach across all Guideline Public Companies. The process of computing the valuation multiple in this valuation consists of the following 2 procedures:

Determination of the EV of each Guideline Public Companies as at the Valuation Date. EV is multiplying their share prices by the number of shares outstanding as at the Valuation Date in order to obtain the market capitalization of the Guideline Public Companies. Secondly, add back company's interest-bearing debt, minority interest and preferred equity interest. Finally, subtract cash and cash equivalent items to obtain the EV of each of the Guideline Public Companies. The formula for calculating EV is summarised as below:

EV = market value of common stock + market value of preferred equity + market value of debt + minority interest – cash and cash equivalents

- Determination of the measure of operating results i.e., normalized revenue base, which represent the denominators of the multiple.

Implied EV/Revenue multiple for the Guideline Public Companies

	Name	Ticker	EV *(HKD million)*	Revenue *(HKD million)*	EV/Revenue *(rounded)*
1	Manchester United Plc	MANU US Equity	31,904	6,720	4.75x
2	Juventus Football Club SpA	JUVE IM Equity	13,398	4,489	2.98x
3	AFC Ajax NV	AJAX NA Equity	2,173	1,510	1.44x
4	Societa Sportiva Lazio SpA	SSL IM Equity	1,113	1,196	0.93x
5	Besiktas Futbol Yatirimlari Sanayi ve Ticaret AS	BJKAS TI Equity	2,308	1,282	1.80x
6	AIK Fotboll AB	AIKB SS Equity	37	209	0.18x
7	Eagle Football Group	EFG FP Equity	7,186	1,460	4.92x
8	Sport Lisboa e Benfica-Futebol SAD	SLBEN PL Equity	2,694	1,505	1.79x
9	Sporting Clube De Portugal – Futebol SAD	SCP PL Equity	2,969	1,201	2.47x
10	Broendbyernes IF Fodbold A/S	BIFB DC Equity	521	297	1.76x
11	AGF A/S	AGFB DC Equity	400	214	1.87x
12	Brera Holdings PLC	SLMT US Equity	126	24	5.15x
				Mean (rounded):	2.50x
				Median (rounded):	1.83x
				Selected multiple (rounded):	**1.83x**

We have taken the median, being 1.83x of the 12 Guideline Public Companies, as the adopted EV/Revenue multiple for our valuation analysis. The median multiple serves as a better reflection of the central tendency of the sample if the distribution is not roughly identified as normally distributed. We believe the median rule can better take into consideration of the side effect of the skewed data points than the average rule.

SUMMARY OF MARKET VALUE OF THE TARGET GROUP AND THE SHAREHOLDER LOAN

As the final step of our valuation, we consolidated our above findings and discussions into the following summary of Market Value of the Target Group:

Market Approach – GPTC Method		**30 June 2025 GBP**
Selected Valuation Multiple (rounded)	EV/Revenue	1.83x
Financial Result of the Target Group:		
Revenue as of 30 June 2025		29,683,213
Implied 100% Enterprise Value in the Target Group, before Adjustment		54,320,280
Less: Interest-bearing debts <*Note 1*>		(100,253,686)
Less: Excess accruals and liabilities <*Note 1*>		(55,842,472)
Add: Excess investments and assets <*Note 1*>		3,820,310
Add: Excess cash and bank <*Note 1*>		14,241,521
Market Value of 100% Equity Interest in the Target Group		(83,714,047)
Market Value of 51.72% Equity Interest in the Target Group	51.72%	(43,296,905)

Note 1. Cash and bank, non-operating assets, non-operating liabilities and debts refer to the consolidated figures of the Target Group as at the Valuation Date.

The Shareholder Loan represents the amount due to the Company from BCL in a total amount of GBP19,233,904 as of the Valuation Date. It is current in nature and assumed that the carrying amount of such current liability can reflect its Market Value.

Concluded Result – Market Value of the Target Group and Shareholder Loan

Summary of Result	**30 June 2025 GBP**
Market Value of 51.72% Equity Interest in the Target Group	(43,296,905)
Market Value of the Shareholder Loan	19,233,904
Market Value of 51.72% Equity Interest in the Target Group and Shareholder Loan	**(24,063,001)**
Market Value of 51.72% Equity Interest in the Target Group and Shareholder Loan (Conclusion)	**No Economic Value**

STATEMENT OF LIMITING CONDITIONS

- Absent a statement to the contrary, we have assumed that no hazardous conditions or materials exist which could affect the Target Group. However, we are not qualified to establish the absence of such conditions or materials, nor do we assume the responsibility for discovering the same.

- The business interest and subject business assets have been valued free and clear of any liens or encumbrances unless stated otherwise. No hidden or apparent conditions regarding the subject business assets or their ownership are assumed to exist.

- All information provided by the client and others is thought to be accurate. However, we offer no assurance as to its accuracy.

- Unless stated otherwise in this report, we have assumed compliance with the applicable local laws and regulations.

- We assume no responsibility for the legal matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable.

- The report may not fully disclose all the information sources, discussions and business valuation methodologies used to reach the conclusion of value. Supporting information concerning this report is on file with our company.

- The valuation analysis and conclusion of value presented in the report are for the purpose of this engagement only and are not to be used for any other reason, any other context or by any other person except the client to whom the report is addressed.

- The opinion of value expressed in this report does not obligate us to attend court proceedings with regard to the subject business assets, properties or business interests, unless such arrangements have been made previously.

- Possession of this report does not imply a permission to publish the same or any part thereof. No part of this report is to be communicated to the public by means of advertising, news releases, sales and promotions or any other media without a prior written consent and approval by us.

- We have only considered circumstances existing as at the Valuation Date. An event that could affect the value may occur subsequent to the Valuation Date. Such an occurrence is referred to as a subsequent event which is not considered in the valuation.

CONCLUSION OF VALUE

In conclusion, based on the analyses as fully described in this valuation report and the valuing methodologies which we have employed, we are of the opinion that the Market Value of 51.72% equity interest in Birmingham City Limited and its subsidiaries and GBP19,233,904 Shareholder Loan as of 30 June 2025 are as follows:

Subject of Valuation	**Valuation Result (GBP)**
Market Value of 51.72% equity interest in Birmingham City Limited and its subsidiaries and GBP19,233,904 Shareholder Loan	No Economic Value

The opinion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and consideration of many uncertainties, not all of which can be easily quantified or ascertained. We hereby certify that we have neither present nor any prospective interests in the subject under valuation. Moreover, we have neither personal interests nor any bias with respect to the any of the parties involved.

This valuation report is issued subject to our general service conditions.

Yours faithfully,
For and on behalf of
JP Assets Consultancy Limited

Marvin K.C. Wong
CPA
Director

GENERAL SERVICE CONDITIONS

The service(s) we provide will conform to the professional appraisal standard. The proposed service fee is not contingent in any way upon our conclusions of value or result. All the data provided to us are assumed to be accurate without independent verification. As an independent contractor, we have and will reserve the right to use subcontractors. Furthermore, we have the right to retain all files, working papers or documents developed by us during the engagement for as long as we wish, which will also be our property.

The report we prepare is prohibited for any other use but only for the specific purpose stated herein. No reliance may be made by any third party on the report or part thereof without our prior written consent. The report along with this General Services Conditions could be shown to the third parties who need to review the information contained herein.

No one should rely on our report as a substitute for their own due diligence. No reference to our name or our report, in whole or in part, in any document you prepare and/or distribute to third parties may be made without our written consent. You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including all fees of lawyers, including ours and the parties successfully suing us, to which we may become subject in connection with this engagement except in respect of our own negligence. Your obligation for indemnification and reimbursement shall extend to any of our management and employees, including any director, officer, employee, subcontractor, affiliate or agent. In the event we are subject to any liability in connection with this engagement, regardless the nature of the claim, such liability will be limited to the amount of fees we received for this engagement.

We will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. Meanwhile, we reserve the right to include your company/firm name in our client list.

The conditions stated in this section can only be modified by written documents executed by both parties.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, there were no interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules.

(b) Interests of Shareholders

As at the Latest Practicable Date, so far as is known to the Directors, the following person or corporation (other than a Director or chief executive of the Company) had, or were deemed to have an interest or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in the shares and the underlying shares of the Company:

Name of Shareholder	Capacity and nature of interest	Number of Shares interested in	Approximate percentage of the Company's issued share capital[4]
Ever Depot [1]	Beneficial owner	273,307,652	29.62%
Graticity Real Estate Development Co., Ltd ("GRED") [1]	Interest of controlled corporation	273,307,652	29.62%
Mr. Vong [1]	Interest of controlled corporation	273,307,652	29.62%
Trillion Trophy [2]	Beneficial owner	217,000,000	23.52%
Wealthy Associates International Limited ("Wealthy Associates") [2]	Interest of controlled corporation	217,000,000	23.52%
Mr. Suen [2]	Interest of controlled corporation	217,000,000	23.52%
Dragon Villa Limited ("Dragon Villa) [3]	Beneficial owner	131,774,640	14.28%
Mr. Lei Sutong [3]	Interest of controlled corporation	131,774,640	14.28%

Notes:

(1) Ever Depot is a wholly-owned subsidiary of GRED which in turn is wholly owned by Mr. Vong. Accordingly, GRED and Mr. Vong are deemed to be interested in the Shares held through Ever Deport under the SFO.

(2) Trillion Trophy is a wholly-owned subsidiary of Wealthy Associates which in turn is wholly owned by Mr. Suen. Accordingly, Wealthy Associates and Mr. Suen are deemed to be interested in the Shares held through Trillion Trophy under the SFO.

(3) Dragon Villa is wholly owned by Mr. Lei Sutong. Accordingly, Mr. Lei Sutong is deemed to be interested in the Shares held through Dragon Villa under the SFO.

(4) The approximate percentage of the Company's issued share capital was calculated on the basis of 922,783,892 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the Company's shares and underlying shares as at the Latest Practicable Date as required pursuant to section 336 of the SFO.

3. DIRECTORS' INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 30 June 2025, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested and which is significant to the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, there was no existing or proposed service agreement between any Director and any member of the Group (excluding agreements expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective close associates had engaged in any business that competes or may compete with the business of the Group or had any other conflict of interests with the Group.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) had been entered into by the Company or any of its subsidiaries within two years preceding the date of this circular and are or may be material:

(a) the Share Purchase Agreement;

(b) the Deed of Release;

(c) the Deed of Termination;

(d) the First Deed of Amendment;

(e) the Second Deed of Amendment;

(f) the building contract dated 4 July 2024 entered into between BCFC and Dawnvale Cafe Components Limited in relation to infrastructure improvements at the stadium of the BCL Group;

(g) the Subscription Agreement dated 11 April 2025 entered into between the Company and Ever Depot in relation to the subscription of in aggregate 69,892,473 Shares at the subscription price of HK$1.86 per Share, details of are set out in the circular of the Company dated 16 May 2025; and

(h) the Placing Agreement dated 11 April 2025 entered into between the Company and Lego Securities Limited in relation to the placing, on a best effort basis, of up to 37,634,000 Shares at the price of HK$1.86 per Share.

8. EXPERTS AND CONSENTS

The following is the qualification of each expert who has given its opinion which is contained in this circular:

Name	Qualification
JP Assets Consultancy Limited	An independent valuer
Silver Nile Global Investments Limited	A corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

As at the Latest Practicable Date, each expert above was not beneficially interested in the share capital of any member of the Group nor did the above expert have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group nor did the above expert have any interest, either direct or indirect, in any assets which have been, since the date to which the latest published audited financial statements of the Group were made up (i.e., 30 June 2025), acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

Each expert above has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report and references to its name in the form and context in which they are included.

9. MISCELLANEOUS

(a) The company secretary of the Company is Mr. Yam Pui Hung, Robert. Mr. Yam holds a Bachelor of Arts in Accountancy degree from City Polytechnic of Hong Kong (now known as City University of Hong Kong). Mr. Yam is a fellow of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Yam has extensive experience in accounting, financial management, corporate finance and company secretarial practice.

(b) The registered office of the Company is at 4th Floor, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

(c) The principal place of business of the Company in Hong Kong is at 31/F., Vertical Sq, No. 28 Heung Yip Road, Wong Chuk Hang, Hong Kong.

(d) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

10. DOCUMENTS ON DISPLAY

The following documents are published on the website of the Stock Exchange *(www.hkexnews.hk)* and the website of the Group *(www.zogroup.com.hk)* for a period of 14 days from the date of this circular:

(a) the letter from the Board, the text of which is set out in this circular;

(b) the Valuation Report, the text of which is set out in Appendix II to this circular;

(c) the material contracts referred to in the section headed "Material contracts" above; and

(d) the consent from each expert referred to in the section headed "Experts and consents" above.