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**ZO FUTURE GROUP**

**大象未來集團**

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

**(Stock Code: 2309)**

**INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

The Board of Directors (the “Board”) of ZO Future Group (the “Company”) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 December 2023 together with the comparative figures as follows:

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

*For the six months ended 31 December 2023*

	<i>Notes</i>	<b>Six months ended 31 December</b>	
		<b>2023</b>	<b>2022</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	4	<b>144,331</b>	108,946
Operating expenses		<b>(259,357)</b>	(196,218)
<b>Loss from operations</b>		<b>(115,026)</b>	(87,272)
Interest revenue		<b>4,244</b>	1,768
Other income	6	<b>4,010</b>	4,036
Other gains/(losses), net	7	<b>1,194</b>	(17,228)
Football club segment compensation		–	83,382
Profit on sales of players’ registration		<b>112,201</b>	4,938
Amortisation of intangible assets		<b>(20,137)</b>	(16,244)
Administrative and other expenses		<b>(20,616)</b>	(17,520)
Finance costs	8	<b>(22,207)</b>	(12,028)

		<b>Six months ended 31 December</b>	
		<b>2023</b>	<b>2022</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Loss before taxation</b>		<b>(56,337)</b>	(56,168)
Income tax (expense)/credit	9	<u>(75)</u>	<u>1</u>
<b>Loss for the period</b>	<b>10</b>	<b>(56,412)</b>	(56,167)
<b>Other comprehensive (expense)/income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of overseas subsidiaries		(1,250)	766
Reclassification of exchange reserve to profit and loss upon disposal of a subsidiary		<u>(1,175)</u>	<u>–</u>
		<u>(2,425)</u>	<u>766</u>
<b>Total comprehensive expense for the period</b>		<b><u>(58,837)</u></b>	<b><u>(55,401)</u></b>
<b>Loss for the period attributable to:</b>			
Owners of the Company		(36,878)	(28,373)
Non-controlling interests		<u>(19,534)</u>	<u>(27,794)</u>
		<b><u>(56,412)</u></b>	<b><u>(56,167)</u></b>
<b>Total comprehensive expense for the period attributable to:</b>			
Owners of the Company		(38,220)	(30,375)
Non-controlling interests		<u>(20,617)</u>	<u>(25,026)</u>
		<b><u>(58,837)</u></b>	<b><u>(55,401)</u></b>
<b>Loss per share attributable to owners of the Company</b>			
– Basic and diluted ( <i>HK cents</i> )	12	<b><u>(4.78)</u></b>	<b><u>(3.68)</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2023*

	<i>Notes</i>	<b>As at 31 December 2023 HK\$'000 (Unaudited)</b>	<b>As at 30 June 2023 HK\$'000 (Audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment		154,897	58,259
Right-of-use assets		72,720	64,893
Intangible assets		80,876	68,199
Investment properties	13	470,652	470,652
Financial assets at fair value through profit or loss	14	14,040	–
Deposits, prepayments and other receivables		43,540	16,041
<b>Total non-current assets</b>		<b>836,725</b>	678,044
<b>Current assets</b>			
Inventories		151	–
Trade receivables	15	27,559	7,959
Deposits, prepayments and other receivables		78,418	70,367
Amount due from related parties	17	34,723	188,452
Bank balances and cash		79,950	14,749
<b>Total current assets</b>		<b>220,801</b>	281,527
<b>Current liabilities</b>			
Transfer fee payables		15,389	15,186
Trade payables	16	23,436	14,690
Accruals and other payables		60,255	53,821
Amount due to related parties	17	–	302,441
Contract liabilities		26,514	14,068
Borrowings	18	45,402	233,166
Income tax payable		76	–
Lease liabilities		11,659	9,042
<b>Total current liabilities</b>		<b>182,731</b>	642,414
<b>Net current assets/(liabilities)</b>		<b>38,070</b>	(360,887)
<b>Total assets less current liabilities</b>		<b>874,795</b>	317,157

		<b>As at 31 December 2023 HK\$'000 (Unaudited)</b>	<b>As at 30 June 2023 HK\$'000 (Audited)</b>
<b>Non-current liabilities</b>			
Transfer fee payables		17,534	13,653
Amount due to related parties	17	173,177	–
Contract liabilities		331	383
Borrowings	18	269,504	20,296
Lease liabilities		82,843	78,277
Deferred tax liabilities		3,129	3,112
		<hr/>	<hr/>
Total non-current liabilities		546,518	115,721
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>328,277</b>	<b>201,436</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>			
Share capital	19	192,890	192,890
Reserves		293,825	327,161
		<hr/>	<hr/>
Equity attributable to owners of the Company		486,715	520,051
Non-controlling interests		(158,438)	(318,615)
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>328,277</b>	<b>201,436</b>
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**NOTES:**

**1. BASIS OF PREPARATION**

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of Appendix 16 (renumbered as Appendix D2 since 31 December 2023) to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company is Hong Kong dollars (“HK\$”). The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars for the convenience of users of the unaudited condensed consolidated interim financial statements as the Company is listed in the Hong Kong Special Administrative Region (“Hong Kong”) of the People’s Republic of China (the “PRC”).

**2. PRINCIPAL ACCOUNTING POLICIES**

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis, as modified by revaluation of investment properties and certain financial instruments, which are carried at their fair values. They are presented in HK\$ and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 30 June 2023. The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 31 December 2023 are the same as those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 30 June 2023.

***Going concern basis***

The Group incurred a loss attributable to owners of the Company of approximately HK\$36,878,000 for the six months ended 31 December 2023 and net cash outflow from operating activities of approximately HK\$113,741,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The unaudited condensed consolidated interim financial statements have been prepared on a going concern basis. The directors of the Company (the “Directors”) are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months after taking into consideration that (i) the Group has a loan facility from a substantial shareholder of the Company, Trillion Trophy Asia Limited under which an unsecured revolving loan facility up to HK\$250,000,000 has been granted to the Group; (ii) the Group has a loan facility from Oriental Rainbow Investments Limited (“Oriental Rainbow”), a wholly-owned subsidiary of a substantial shareholder of the Company under which an unsecured revolving loan facility up to HK\$300,000,000 has been granted to the Group; (iii) the Group has a loan facility from Great Summit Ventures Limited, a wholly-owned subsidiary of a substantial shareholder of the Company under which an unsecured revolving loan facility up to HK\$100,000,000 has been granted to the Group; (iv) the Group has a loan facility from Shelby Companies Limited (“Shelby”), a non-controlling shareholder of Birmingham City Limited (“BCL”) under which a secured term loan facility up to HK\$497,375,000 (equivalent to GBP50.0 million) has been granted to the Group; and (v) the Group has a loan facility with aggregate amount of approximately HK\$10,973,000 (equivalent to RMB10.0 million) from a third party lender.

As at 31 December 2023, the total carrying amount of the borrowings under the above facilities of the Group was approximately HK\$298,770,000. As at 31 December 2023, the Group had approximately HK\$859,578,000 undrawn borrowing facilities available.

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

### **3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS**

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 July 2023. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years.

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

#### 4. REVENUE

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

	<b>Six months ended 31 December</b>	
	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
<b>Disaggregation of revenue:</b>		
<b>Revenue from contracts with customers:</b>		
<i>Recognised at a point in time</i>		
Commercial income	<b>8,932</b>	7,371
Match day receipts	<b>14,428</b>	7,828
New energy automobiles and related business	<b>5,590</b>	–
Healthcare and medical related business ("Healthcare Business")	<b>1,331</b>	872
	<u><b>30,281</b></u>	<u>16,071</u>
<i>Recognised over time</i>		
Commercial income	<b>19,606</b>	10,986
Broadcasting	<b>51,050</b>	48,926
Match day receipts	<b>17,063</b>	10,546
Healthcare Business	<b>176</b>	31
	<u><b>87,895</b></u>	<u>70,489</u>
	<u><b>118,176</b></u>	<u>86,560</u>
<b>Revenue from other sources:</b>		
Commercial income	<b>12,065</b>	8,296
Rental income	<b>14,090</b>	14,090
	<u><b>26,155</b></u>	<u>22,386</u>
	<u><b>144,331</b></u>	<u>108,946</u>

Revenue from contracts with customers comprise:

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

## 5. SEGMENT INFORMATION

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

During the six months ended 31 December 2023, the Group has four (31 December 2022: three) reportable and operating segments as follows:

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



## Segment revenue and results

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

### Six months ended 31 December 2023

	Football club <i>HK\$'000</i> (Unaudited)	New energy automobiles and related business <i>HK\$'000</i> (Unaudited)	Investment in properties <i>HK\$'000</i> (Unaudited)	Healthcare Business <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
<b>Segment revenue</b>					
External sales	<u>123,144</u>	<u>5,590</u>	<u>14,090</u>	<u>1,507</u>	<u>144,331</u>
<b>Results</b>					
Segment results	<u>(40,542)</u>	<u>(5,826)</u>	<u>12,399</u>	<u>(1,786)</u>	<u>(35,755)</u>
Interest revenue					20
Other income					1
Other losses, net					(4,690)
Corporate expenses					(12,363)
Finance costs					<u>(3,550)</u>
Loss before taxation					(56,337)
Income tax expense					<u>(75)</u>
Loss for the period					<u>(56,412)</u>

Six months ended 31 December 2022

	Football club <i>HK\$'000</i> (Unaudited)	Investment in properties <i>HK\$'000</i> (Unaudited)	Healthcare Business <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
<b>Segment revenue</b>				
External sales	93,953	14,090	903	108,946
	<u>93,953</u>	<u>14,090</u>	<u>903</u>	<u>108,946</u>
<b>Results</b>				
Segment results	(28,094)	5,609	(2,171)	(24,656)
	<u>(28,094)</u>	<u>5,609</u>	<u>(2,171)</u>	<u>(24,656)</u>
Interest revenue				6
Other income				328
Other losses, net				(10,286)
Corporate expenses				(16,215)
Finance costs				<u>(5,345)</u>
Loss before taxation				(56,168)
Income tax credit				<u>1</u>
Loss for the period				<u>(56,167)</u>

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

### Geographical information

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

(i) Revenue from external customers

	<b>Six months ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>The UK</b>		
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>	<b>23,360</b>	15,199
<i>Recognised over time</i>	<b>87,589</b>	70,404
Revenue from other sources	<b>12,065</b>	8,296
	<b>123,014</b>	93,899
<b>The PRC</b>		
Revenue from contracts with customers:		
<i>Recognised over time</i>	<b>130</b>	54
<b>The Kingdom of Cambodia (“Cambodia”)</b>		
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>	<b>5,590</b>	–
Revenue from other sources	<b>14,090</b>	14,090
	<b>19,680</b>	14,090
<b>Japan</b>		
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>	<b>1,331</b>	872
<i>Recognised over time</i>	<b>176</b>	31
	<b>1,507</b>	903
	<b>144,331</b>	108,946

(ii) Non-current assets

	<b>As</b>	<b>As at</b>
	<b>31 December</b>	<b>30 June</b>
	<b>2023</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Hong Kong	<b>14,160</b>	248
The PRC	–	3
Cambodia	<b>470,652</b>	470,652
The UK	<b>350,487</b>	206,929
Japan	<b>1,426</b>	212
	<b>836,725</b>	678,044

## 6. OTHER INCOME

	Six months ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Subsidies received from the Premier League ( <i>Note (i)</i> )	3,942	3,708
Government subsidies	–	328
Sundry income	68	–
	<u>4,010</u>	<u>4,036</u>

*Note:*

- (i) During the six months ended 31 December 2023, the Group's professional football operation received funding of approximately HK\$3,942,000 (six months ended 31 December 2022: approximately HK\$3,708,000) from the Premier League in the UK under the Elite Player Performance Plan upon fulfilment of certain terms and conditions.

## 7. OTHER GAINS/(LOSSES), NET

	Six months ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Fair value change on investment properties	–	(6,942)
Fixed assets written off	–	(1)
Insurance compensation	5,884	–
Gain on disposal of a subsidiary	1,536	–
Foreign exchange loss	(6,226)	(10,285)
	<u>1,194</u>	<u>(17,228)</u>

## 8. FINANCE COSTS

	Six months ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses on:		
– Other borrowings	14,140	5,291
– Bank borrowings	–	419
– Imputed interest arising on interest-free borrowings from Football League Limited (“Football League”)	380	947
– Notional interest on transfer fee payables	2,333	897
– Lease liabilities	5,354	4,474
	<u>22,207</u>	<u>12,028</u>

## 9. INCOME TAX (EXPENSE)/CREDIT

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

	Six months ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax:		
– Hong Kong profit tax	(76)	–
Deferred tax:		
– Current period	<u>1</u>	<u>1</u>
	<u>(75)</u>	<u>1</u>

Income tax of the Group’s entities has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the jurisdictions in which the entities operate.

The profits tax rate for the first HK\$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK\$2,000,000 will continue to be taxed at the rate of 16.5% (31 December 2022: 16.5%).

The Group’s subsidiaries in the UK are subject to corporation tax in the UK (the “Corporation Tax”). No provision has been made in respect of the Corporation Tax as these subsidiaries did not derive any assessable profits for the six months ended 31 December 2023 and 2022.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. No provision for profits tax is made in other jurisdictions as the subsidiaries operating in other jurisdictions have no assessable profits for the six months ended 31 December 2023 and 2022.

## 10. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging the following items:

	Six months ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Amortisation of intangible assets	20,137	16,244
Depreciation of property, plant and equipment	4,512	2,856
Depreciation of right-of-use assets	5,298	3,834
Foreign exchange loss	6,226	10,285
Expenses related to short-term lease	4,530	3,642
Staff costs (including directors' remuneration)	173,827	152,416
	<u>204,530</u>	<u>193,277</u>

## 11. DIVIDEND

No dividend was paid or proposed for the six months ended 31 December 2023 (six months ended 31 December 2022: nil), nor has any dividend been proposed since the end of the reporting periods.

## 12. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

### Basic loss per share

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

	Six months ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Loss:</b>		
Loss attributable to owners of the Company for the purpose of calculating basic loss per share	<u>(36,878)</u>	<u>(28,373)</u>

	Six months ended 31 December	
	2023	2022
	(Unaudited)	(Unaudited)
<b>Number of shares:</b>		
Weighted average number of ordinary shares for calculating basic loss per share attributable to owners of the Company	<u>771,559,941</u>	<u>771,559,940</u>

The weighted average number of ordinary shares for the six months ended 31 December 2022 for the purposes of calculating basic loss per share have been adjusted for the share consolidation which took place on 6 February 2023.

**Diluted loss per share**

For the six months ended 31 December 2023, the computation of diluted loss per share does not assume the exercise of share options as they would decrease the loss per share attributable to owners of the Company and have anti-dilutive effect. All the outstanding share options lapsed on 6 December 2023 and there were no dilutive potential ordinary shares in issue since then.

For the six months ended 31 December 2022, the computation of diluted loss per share does not assume the exercise of share options as they would decrease the loss per share attributable to owners of the Company and have anti-dilutive effect.

**13. INVESTMENT PROPERTIES**

The carrying amount of the Group's investment properties as at 31 December 2023 and 30 June 2023 were stated based on the valuation conducted by JP Assets Consultancy Limited, an independent qualified professional valuer, on market value using the existing use basis. The fair value of the investment properties as at 31 December 2023 did not vary significantly from the carrying value of the investment properties. Accordingly, no fair value adjustment has been recognised in respect of the Group's investment properties for the six months ended 31 December 2023 (six months ended 31 December 2022: loss approximately HK\$6,942,000).

As at 31 December 2023, investment properties of the Group were stated at fair values of approximately HK\$470,652,000 (30 June 2023: approximately HK\$470,652,000).

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

**14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS**

During the six months ended 31 December 2023, the Group acquired convertible promissory note issued by an independent third party, which principally engaged in the research and development and sale and marketing of next-generation zero-emissions and intelligent heavy-duty trucks, in a principal amount of approximately HK\$14,040,000 (equivalent to US\$1,800,000) with the maturity date on 19 November 2025 (the "Convertible Note"). The Convertible Note carries interest at 10.0% per annum.

The fair value of unlisted Convertible Note was determined and arrived at a valuation performed by an independent professional valuer not connected to the Group, using direct market reference and binominal option pricing model.

## 15. TRADE RECEIVABLES

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

	<b>As at 31 December 2023 HK\$'000 (Unaudited)</b>	<b>As at 30 June 2023 HK\$'000 (Audited)</b>
Within 30 days	14,193	4,112
31 days to 90 days	4,559	1,014
91 days to 180 days	5,792	1,566
181 days to 365 days	3,015	1,267
	<u>27,559</u>	<u>7,959</u>

## 16. TRADE PAYABLES

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

	<b>As at 31 December 2023 HK\$'000 (Unaudited)</b>	<b>As at 30 June 2023 HK\$'000 (Audited)</b>
Within 30 days	11,729	3,114
31 days to 90 days	3,861	6,711
91 days to 180 days	5,507	2,856
181 days to 365 days	929	844
Over 365 days	1,410	1,165
	<u>23,436</u>	<u>14,690</u>

The credit periods of the Group's trade payables normally granted from suppliers averaging at 90 days (30 June 2023: 90 days).



## 17. AMOUNT DUE FROM/TO RELATED PARTIES

	As at 31 December 2023 HK\$'000 (Unaudited)	As at 30 June 2023 HK\$'000 (Audited)
Amount due from related parties		
– Oriental Rainbow	–	188,452
– Birmingham City Stadium Ltd ( <i>Note (i)</i> )	<u>34,723</u>	<u>–</u>
	<u>34,723</u>	<u>188,452</u>
Amount due to related parties		
– Oriental Rainbow	–	302,441
– Shelby ( <i>Note (ii)</i> )	<u>173,177</u>	<u>–</u>
	<u>173,177</u>	<u>302,441</u>

### Notes:

- (i) Amount due from a wholly-owned subsidiary of a non-controlling shareholder of BCL, Shelby, is unsecured, interest bearing and repayable on demand.
- (ii) The carrying amount of approximately HK\$173,177,000 as at 31 December 2023 represented amount due to a non-controlling shareholder of BCL. The balances are denominated in Pounds Sterling and are unsecured, interest-free and will not be demanded for repayment within the next twelve months from the end of reporting period and the amounts are therefore shown as non-current.

## 18. BORROWINGS

	As at 31 December 2023 HK\$'000 (Unaudited)	As at 30 June 2023 HK\$'000 (Audited)
Other borrowings, secured:		
– Loan from a related party ( <i>Note (i)</i> )	268,719	–
Other borrowings, unsecured:		
– Loan from Football League	14,756	28,980
– Loan from substantial shareholders	30,051	198,536
– Loan from a related party	–	5,000
– Loan from third parties	1,196	20,763
– Other loan	<u>184</u>	<u>183</u>
	<u>314,906</u>	<u>253,462</u>

### Note:

- (i) As at 31 December 2023, the Group has charged its entire interest in BCL, a non-wholly owned subsidiary of the Company, from time to time as security for the operating loan provided by Shelby and its group companies.

At 31 December 2023 and 30 June 2023, total other borrowings were repayable as follows:

	<b>As at 31 December 2023 HK\$'000 (Unaudited)</b>	As at 30 June 2023 HK\$'000 (Audited)
Carrying amounts repayable:		
– On demand or within one year	45,402	233,166
– Between one and two years	113	19,581
– Between two and five years	268,945	330
– Over five years	446	385
	<u>314,906</u>	<u>253,462</u>
Less: Amounts due within one year shown as current liabilities	<u>(45,402)</u>	<u>(233,166)</u>
Amounts shown as non-current liabilities	<u>269,504</u>	<u>20,296</u>
	<b>As at 31 December 2023 HK\$'000 (Unaudited)</b>	As at 30 June 2023 HK\$'000 (Audited)
<b>Carrying amounts are denominated in the following currencies:</b>		
Hong Kong dollars	30,051	192,576
Pounds Sterling	283,659	59,787
Renminbi	483	345
Japanese Yen	713	754
	<u>314,906</u>	<u>253,462</u>
<b>Effective interest rates per annum:</b>		
Hong Kong dollars	4.50% – 8.50%	4.50% – 10.50%
Pounds Sterling	0.00% – 11.90%	0.00% – 6.00%
Renminbi	5.00%	5.00%
Japanese Yen	1.36%	0.46% – 1.36%

## 19. SHARE CAPITAL

	Number of shares	Amount HK\$'000
<i>Ordinary shares of HK\$0.01 each (before share consolidation) and HK\$0.25 each (after share consolidation)</i>		
<b>Authorised:</b>		
At 1 July 2022 (audited)	50,000,000,000	500,000
Share consolidation ( <i>Note (i)</i> )	<u>(48,000,000,000)</u>	<u>–</u>
At 30 June 2023 (audited) and 31 December 2023 (unaudited)	<u>2,000,000,000</u>	<u>500,000</u>
<b>Issued and fully paid:</b>		
At 1 July 2022 (audited)	19,288,998,508	192,890
Issuance of shares upon exercise of share options ( <i>Note (i)</i> )	17	– <sup>#</sup>
Share consolidation ( <i>Note (i)</i> )	<u>(18,517,438,584)</u>	<u>–</u>
At 30 June 2023 (audited) and 31 December 2023 (unaudited)	<u>771,559,941</u>	<u>192,890</u>

*Note:*

- (i) Details of movement in the issued share capital of the Company were disclosed in the Company's 2022/2023 annual report dated 28 September 2023.

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

## 20. CONTINGENT LIABILITIES

### Player transfer costs

As at 31 December 2023, under the terms of certain contracts with other football clubs in respect of player transfers, additional player transfer cost would become payable if certain specific conditions are met. The maximum amount not provided that could be payable in respect of the transfers up to 31 December 2023 was approximately HK\$53,805,000 (equivalent to approximately GBP5,409,000) (30 June 2023: approximately HK\$92,580,000, equivalent to approximately GBP9,361,000).

## 21. EVENT AFTER THE REPORTING PERIOD

On 12 January 2024, the Company entered into two subscription agreements with Ever Depot Limited (a substantial shareholder of the Company) and XINSIDER CAPITAL LIMITED (an independent third party), respectively, pursuant to which the Company conditionally agreed an aggregate of 43,697,478 new shares to be allotted and issued at the subscription price of HK\$2.142 per share, being an aggregate consideration of HK\$93,600,000, under specific mandate. As Ever Depot Limited is a substantial shareholder of the Company and hence a connected person of the Company, the relevant subscription agreement and the transactions contemplated thereunder constitute connected transactions for the Company and shall be subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. An extraordinary general meeting of the Company will be held on 20 March 2024 for approving the subscription agreements and the specific mandates. As at the date of this announcement, the share subscriptions have not yet been completed. For details, please refer to the announcement of the Company dated 12 January 2024 and the circular of the Company which will be despatched on 1 March 2024.

On 26 January 2024, Birmingham City Football Club Limited ("BCFC" or the "Club") entered into a stadium naming rights agreement (the "Sponsorship Agreement") with Shelby pursuant to which BCFC granted to Shelby certain sponsorship rights in respect of St. Andrew's Stadium and West Hill Training Ground in the UK at a consideration of (i) sponsorship fee of GBP2,291,666.67, GBP5,500,000, GBP5,775,000 for the licence periods from 26 January 2024 to 30 June 2024, and the years ending 30 June 2025 and 2026; (ii) club performance-related bonus of GBP50,000 per improvement in the league tables (capped at GBP950,000) concerned; and (iii) social media performance-related bonus capped at GBP3,000,000 per licence period concerned. Annual caps of GBP6.3 million, GBP9.5 million and GBP9.8 million were set for the respective licence periods concerned. BCFC is indirectly owned as to approximately 51.72% by the Company, approximately 45.98% by Shelby and approximately 2.30% by public shareholders. Accordingly, Shelby is a connected person of the Company at the subsidiary level under the Listing Rules, and the transactions contemplated under the Sponsorship Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules and 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. For details, please refer to the announcements of the Company dated 26 January 2024 and 19 February 2024.

Save as disclosed above and in this announcement, up to the date of this announcement, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the six months ended 31 December 2023.

## **INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend for the six months ended 31 December 2023 (six months ended 31 December 2022: nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

For the six months ended 31 December 2023, the revenue of the Group was approximately HK\$144.3 million (six months ended 31 December 2022: approximately HK\$108.9 million), representing an increase of approximately 32.5% as compared with last year.

The Group recorded a loss attributable to owners of the Company of approximately HK\$36.9 million for the six months ended 31 December 2023, representing an increase of approximately 30.0% as compared to the loss of approximately HK\$28.4 million for the corresponding period last year. The increase in loss was mainly due to, during the period under review: (i) an absence of compensation from the football club segment under the profit and loss sharing arrangement between the Company and Oriental Rainbow; and (ii) an increase in finance costs, which were partly offset by (a) an increase in profit on sales of players' registration; (b) the share of loss attributable to owners of the Company from a non-wholly owned subsidiary decreased to approximately 51.72% after completion of the disposal of certain interests in the non-wholly owned subsidiary; and (c) an absence of loss arising on fair value change on investment properties.

The basic loss per share for the six months ended 31 December 2023 was approximately HK4.78 cents (six months ended 31 December 2022: approximately HK3.68 cents).

### ***Business Review and Prospect***

During the six months ended 31 December 2023, the Group is principally engaged in four reportable business segments: (i) operation of a professional football club in the UK and other related business; (ii) new energy automobiles and related business; (iii) investment in properties; and (iv) the Healthcare Business.

(i) *Football club*

The Group operates Birmingham City Football Club (i.e. BCFC or the Club) in the UK. In July 2023, the Company completed the disposal of approximately 24.34% of BCL, the holding company of the Club, to Shelby. Shelby is managed and advised by Knighthood Capital Management, LLC (“Knighthood”). Knighthood has a passion for sports and is well-experienced in improving corporate performance. Apart from bringing in their management expertise, Knighthood has also committed to providing the operating funding of the Club. After completion of the said disposal, the Group is interested in approximately 51.72% in the Club and Shelby is interested in approximately 45.98% in the Club. Following a finish at the 17th position in the EFL Championship Division for the season 2022/23, the Club continued to play in the highly competitive Championship Division in the season 2023/24. With the collaboration with Knighthood, the Company is eager to improve the overall performance of the Club and aim at achieving a higher ranking in the league this season. As at the date of this announcement, the Club stood at the 18th position in the Championship Division.

Revenue streams of BCFC comprised (i) match day receipts which consisted of season and match day tickets; (ii) broadcasting income, including distributions of broadcasting revenue from the English Football League (the “EFL”), cup competitions, solidarity payment from the Premier League and revenue from the media; and (iii) commercial income which comprised sponsorship income, corporate hospitality, conferences and events and other sundry income. During the period under review, BCFC recorded a revenue of approximately HK\$123.0 million, representing an increase of approximately 31.0% over the same period last year.

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

(ii) *New energy automobiles and related business*

The management has always been proactively exploring new business opportunities that will enhance the value of the Group. In view of the promising and potential in the new energy automobile market, the Group has decided to tap into this business segment. During the period under review, the Group has built a strong dedicated team led by senior management from globally renowned automobile and high-tech companies. The Group will carry out the new energy automobiles and related business under the business name “ZO MOTORS”. The Group will focus on its smart new energy commercial automobiles, integrating high-tech innovations such as intelligent connectivity and autonomous driving, to provide a safer, more cost-effective, and holistic eco-friendly intelligent logistics service chain for logistics enterprises, e-commerce companies, government public sectors, and various commercial automobile customers. The management hope to make a greater contribution to zero emissions in the global commercial automobile sector and to the profitability of the transportation industry, while continuously creating value for commercial automobile owners and users.

In January and February 2024, the Group entered into strategic cooperation agreements with Weichai New Energy Commercial Vehicle Co., Ltd\* (“Weichai New Energy”) (濰柴新能源商用車有限公司) and Foton International Trade Co., Ltd Beijing\* (北京福田國際貿易有限公司) (collectively the “Strategic Partners”), respectively. The Group also entered into a joint development agreement with Weichai New Energy in February 2024. The cooperation marks a full-scale and profound collaboration in new energy automobile manufacturing, joint product development, and sales between us and the Strategic Partners. Leveraging on the Strategic Partners’ product platforms and production bases to develop and manufacture ZO Motors brand intelligent new energy commercial automobiles, the Group will start in-depth business cooperation with the Strategic Partners, make use of each other’s resources and advantages to jointly develop and create business edges. The Group’s commercial automobiles will primarily target overseas markets and are expected to successively enter markets such as Japan, the United States of America (“USA”), South America, Southeast Asia, and the Middle East. For details, please refer to the announcements of the Company dated 16 January 2024, 6 February 2024 and 27 February 2024.

Currently, the Group’s new energy automobiles and related business segment is making steady progress towards its planned goals. In the future, the Group will exert every effort to promote “ZO MOTORS”.

Furthermore, the Group will maintain a strong focus on the development of new energy automobiles, aiming to offer users more innovative new energy automobiles products that combine technological advancements and aesthetic appeal.

During the six months ended 31 December 2023, the Group recorded income of approximately HK\$5.6 million from the new energy automobiles and related business.

*(iii) Investment in properties*

The Group holds certain residential apartments and commercial properties in Phnom Penh, Cambodia. All the properties are leased out to secure a stable stream of income for the Group. During the six months ended 31 December 2023, the Group recorded rental income of approximately HK\$14.1 million from the investment properties.

As at 31 December 2023, investment properties of the Group were stated at fair value and amounted to approximately HK\$470.7 million (30 June 2023: approximately HK\$470.7 million) representing approximately 44.5% (30 June 2023: approximately 49.0%) of the total assets of the Group.

*(iv) Healthcare Business*

Healthcare Business principally comprises the provision of medical consultation and healthcare and wellness referral related services in Japan and the sales of health-related products. Customers are mainly from overseas seeking medical services such as health checks, medical diagnosis and treatments in Japan and distributors and retailers of health-related products. During the six months ended 31 December 2023, the Group recorded income of approximately HK\$1.5 million from this business segment.

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

In November 2023, the Group invested in the Convertible Note issued by an independent third party and entered into a strategic partnership agreement with the issuer on the same date. The issuer group is principally engaged in the research and development and sale and marketing of next-generation zero-emissions and intelligent heavy-duty trucks. As at 31 December 2023, the Group had financial assets at fair value through profit or loss of approximately HK\$14,040,000 (equivalent to US\$1,800,000). The fair value of which represented less than 4.3% of the net assets of the Group as at 31 December 2023.

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



### ***Disposal of a subsidiary***

On 16 October 2023, the Group and an independent third party of the Company, entered into an equity transfer agreement and a loan assignment agreement in relation to the disposal of the entire equity interests in Birmingham (Beijing) Sports Ltd.\* (伯明翰(北京)體育有限責任公司). Following the completion of the disposal on 16 October 2023, the financial results of Birmingham (Beijing) Sports Ltd.\* (伯明翰(北京)體育有限責任公司) is deconsolidated from the Group. The Company no longer holds any interest in the shares of Birmingham (Beijing) Sports Ltd.\* (伯明翰(北京)體育有限責任公司) upon the said completion.

### ***Outlook***

The world economy continues to face with challenges of inflation and slow growth prospects. Ongoing military confrontation in East Europe and Middle East regions, and the continued tensions over between China and USA have introduced greater uncertainty for global business environment. Despite these turbulences and challenges, the management will remain cautious and continue to adopt a proactive and prudent approach to expand its business portfolio. The commencement of the new energy automobiles business can diversify the Group's income streams which will eventually enhance the financial performance of the Group. Moreover, the Group is committed to driving the electrification of the commercial automobile field, accelerating the transition from traditional to green energy, and assisting customers in developing more efficiently through advanced green technology, all while striving to protect the earth's ecology. The management look forward the new business portfolio of the Group to bringing a better tomorrow to the Group, the shareholders and the society as a whole.

## **FINANCIAL REVIEW**

### ***Revenue***

The revenue of the Group for the six months ended 31 December 2023 was approximately HK\$144.3 million (six months ended 31 December 2022: approximately HK\$108.9 million), representing an increase of approximately 32.5% over the same period last year.

The revenue from the football club segment for the six months ended 31 December 2023 was approximately HK\$123.1 million (six months ended 31 December 2022: approximately HK\$94.0 million), representing an increase of approximately 31.1% compared with the corresponding period in 2022.

The new energy automobiles and related business segment commenced operations in October 2023. The revenue derived from the new energy automobiles and related business for the six months ended 31 December 2023 was approximately HK\$5.6 million.

The revenue derived from the investment properties for the six months ended 31 December 2023 was approximately HK\$14.1 million (six months ended 31 December 2022: approximately HK\$14.1 million), all of which was the rental income from the premises of the Group.

The revenue derived from the Healthcare Business for the six months ended 31 December 2023 was approximately HK\$1.5 million (six months ended 31 December 2022: approximately HK\$0.9 million), representing an increase of approximately 66.9% over the same period last year.

### ***Operating Expenses***

Operating expenses incurred during the six months ended 31 December 2023 were approximately HK\$259.4 million (six months ended 31 December 2022: approximately HK\$196.2 million), representing an increase of approximately 32.2% over the same period in 2022. The increase in operating expenses were mainly attributable to higher operating expenses of the Club and a new business segment during the period under review.

### ***Other Income***

Other income during the six months ended 31 December 2023 was approximately HK\$4.0 million (six months ended 31 December 2022: approximately HK\$4.0 million). Other income was mainly generated from the subsidies received from the Premier League.

### ***Other Gains/(Losses), Net***

Other gains and losses for the six months ended 31 December 2023 recorded a gain of approximately HK\$1.2 million (six months ended 31 December 2022: loss of approximately HK\$17.2 million). Other gains and losses mainly include (i) the gain on disposal of a subsidiary of approximately HK\$1.5 million; (ii) the foreign exchange loss of approximately HK\$6.2 million; and (iii) an insurance compensation of approximately HK\$5.9 million.

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

Profit on sales of players' registration for the six months ended 31 December 2023 was approximately HK\$112.2 million (six months ended 31 December 2022: approximately HK\$4.9 million). The increase was mainly because higher revenue from sales of players' registration were generated during the six months ended 31 December 2023.

### ***Amortisation of intangible assets***

Amortisation of intangible assets during the period under review was approximately HK\$20.1 million (six months ended 31 December 2022: approximately HK\$16.2 million), representing an increase of approximately 24.0% over the same period in 2022. The increase was primarily due to the additional players' registration incurred during the period as more players were signed.

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

Administrative and other expenses for the six months ended 31 December 2023 amounted to approximately HK\$20.6 million (six months ended 31 December 2022: approximately HK\$17.5 million) representing an increase of approximately 17.7% over the same period in 2022, which included mainly depreciation charges, professional fees, staff costs and office overheads. The increase in administrative and other expenses was mainly due to an increase in the cost of the administrative expense resulted from a new business segment of the Group during the period. The management will continue to adopt stringent measures on control and management so as to maintain the administrative and other expenses at a reasonable level.

### ***Finance Costs***

During the six months ended 31 December 2023, the Group incurred finance costs of approximately HK\$22.2 million (six months ended 31 December 2022: approximately HK\$12.0 million), representing an increase of approximately 84.6% over the same period in 2022. Such increase was mainly attributable to the increase in interest on other borrowings costs and notional interest on transfer fee payables as compared to the corresponding period last year.

### ***Contingent Liabilities***

Other than disclosed in note 20 above, the Group did not have any material contingent liabilities as at 31 December 2023.

### ***Capital Commitments***

As at 31 December 2023, the Group had no significant capital commitment (30 June 2023: HK\$12.0 million).

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

### ***Financial Ratios***

As at 31 December 2023, the current ratio (calculated as current assets divided by current liabilities) of the Group was approximately 120.8% (30 June 2023: approximately 43.8%) and the gearing ratio (calculated as total borrowings divided by equity attributable to owners of the Company plus total borrowings) of the Group was approximately 39.3% (30 June 2023: approximately 32.8%). The ratio of total liabilities to total assets of the Group was approximately 69.0% (30 June 2023: approximately 79.0%).

### ***Financial Resources***

The Group generally finances its operations with internally generated cash flows, bank borrowings, loans from substantial shareholders and from independent third parties, and through the capital market available to listed companies in Hong Kong. As at 31 December 2023, the Group had bank balances and cash of approximately HK\$80.0 million (30 June 2023: approximately HK\$14.7 million), which were principally denominated in Hong Kong dollars, Pounds Sterling, Renminbi and Japanese Yen. As at 31 December 2023, the Group had total borrowings of approximately HK\$314.9 million (30 June 2023: approximately HK\$253.5 million), with approximately HK\$45.40 million repayable on demand or within one year, approximately HK\$0.11 million repayable after one year and within two years, approximately HK\$268.94 million repayable after two years and within five years and approximately HK\$0.45 million repayable after five years. About 9.54%, 90.08%, 0.15% and 0.23% of these borrowings were denominated in Hong Kong dollars, Pounds Sterling, Renminbi and Japanese Yen, respectively. All borrowings were at fixed interest rates.

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

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

### ***Foreign Exchange Exposure***

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

### ***Pledge of Assets***

As at 31 December 2023, the Group has charged its entire interest in BCL, a non-wholly owned subsidiary of the Company, from time to time as security for the operating loan provided by Shelby and its group companies. For details, please refer to the circular of the Company dated 27 June 2023 and the announcements of the Company dated 9 May 2023, 30 May 2023, 5 June 2023, 7 June 2023 and 13 July 2023.

Save as disclosed above, there was no charge on the Group's assets as at 31 December 2023.

### ***Capital Structure***

As at 31 December 2023, the Company had an issued capital of 771,559,941 shares of HK\$0.25 each (30 June 2023: 771,559,941 shares).

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

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

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

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

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

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

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

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

## **HUMAN RESOURCES AND REMUNERATION POLICY**

During the six months ended 31 December 2023, the Group employed on average approximately 310 full time employees and approximately 100 temporary staff members in Hong Kong, the PRC, the UK and Japan (30 June 2023: approximately 280 full time employees and approximately 110 temporary staff members) and the total staff costs of the Group amounted to approximately HK\$173.8 million (six months ended 31 December 2022: approximately HK\$152.4 million). The Group recognises the importance of high calibre and competent staff and continues to provide remuneration packages to employees mainly based on industry practices and individual performance. In addition, the Group provides other employee benefits including medical insurance, training subsidy, discretionary bonus and participation in the share option scheme of the Company.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “Audit Committee”) comprises three Independent Non-executive Directors, namely Mr. Yeung Chi Tat (“Mr. Yeung”), Mr. Pun Chi Ping and Ms. Leung Pik Har, Christine. Mr. Yeung is the chairman of the Audit Committee. The condensed consolidated interim financial statements of the Company for the six months ended 31 December 2023 have not been audited, but the Audit Committee has discussed with the management of the Company and the external auditor, ZHONGHUI ANDA CPA Limited, on the appropriateness and consistency of the accounting policies that have been adopted by the Company. In addition, ZHONGHUI ANDA CPA Limited has performed certain checking of accounting treatments and disclosure requirements in accordance with the request of the management regarding the interim results and interim report for the six months ended 31 December 2023 and reported to the management and the Audit Committee accordingly. The condensed consolidated interim financial statements of the Company for the six months ended 31 December 2023 have been reviewed by the Audit Committee and have been duly approved by the Board under the recommendation of the Audit Committee.

## **CORPORATE GOVERNANCE**

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 (renumbered as Appendix C3 since 31 December 2023) to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the existing Directors, all of them confirmed that they had complied with the required standard set out in the Model Code during the six months ended 31 December 2023.

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

During the six months ended 31 December 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## **EVENTS AFTER THE REPORTING PERIOD**

On 12 January 2024, the Company entered into two subscription agreements with Ever Depot Limited (a substantial shareholder of the Company) and XINSIDER CAPITAL LIMITED (an independent third party), respectively, pursuant to which the Company conditionally agreed an aggregate of 43,697,478 new shares to be allotted and issued at the subscription price of HK\$2.142 per share, being an aggregate consideration of HK\$93,600,000, under specific mandate. As Ever Depot Limited is a substantial shareholder of the Company and hence a connected person of the Company, the relevant subscription agreement and the transactions contemplated thereunder constitute connected transactions for the Company and shall be subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. An extraordinary general meeting of the Company will be held on 20 March 2024 for approving the subscription agreements and the specific mandates. As at the date of this announcement, the share subscriptions have not yet been completed. For details, please refer to the announcement of the Company dated 12 January 2024 and the circular of the Company which will be despatched on 1 March 2024.

On 26 January 2024, Birmingham City Football Club Limited ("BCFC" or the "Club") entered into a stadium naming rights agreement (the "Sponsorship Agreement") with Shelby pursuant to which BCFC granted to Shelby certain sponsorship rights in respect of St. Andrew's Stadium and West Hill Training Ground in the UK at a consideration of (i) sponsorship fee of GBP2,291,666.67, GBP5,500,000, GBP5,775,000 for the licence periods from 26 January 2024 to 30 June 2024, and the years ending 30 June 2025 and 2026; (ii) club performance-related bonus of GBP50,000 per improvement in the league tables (capped at GBP950,000) concerned; and (iii) social media performance-related bonus capped at GBP3,000,000 per licence period concerned. Annual caps of GBP6.3 million, GBP9.5 million and GBP9.8 million were set for the respective licence periods concerned. BCFC is indirectly owned as to approximately 51.72% by the Company, approximately 45.98% by Shelby and approximately 2.30% by public shareholders. Accordingly, Shelby is a connected person of the Company at the subsidiary level under the Listing Rules, and the transactions contemplated under the Sponsorship Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules and 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. For details, please refer to the announcements of the Company dated 26 January 2024 and 19 February 2024.

Save as disclosed above and in this announcement, up to the date of this announcement, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the six months ended 31 December 2023.



## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This announcement is published on the websites of the Company at *www.zogroup.com.hk* and the Stock Exchange at *www.hkexnews.hk*. The interim report of the Company will be published on the websites of the Company and the Stock Exchange and will be despatched to the shareholders of the Company in due course.

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

Hong Kong, 29 February 2024

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

\* *For identification purpose only*