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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 2024

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 2024 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 2024

		Six months ended 31 December	
		2024	2023
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	4	172,647	144,331
Operating expenses		(352,755)	(259,357)
Loss from operations		(180,108)	(115,026)
Interest revenue		4,349	4,244
Other income	6	4,394	4,010
Other gains/(losses), net	7	21,886	1,194
Profit on sales of players' registration		72,424	112,201
Selling and marketing expenses		(6,942)	–
Amortisation of intangible assets		(33,321)	(20,137)
Administrative and other expenses		(36,256)	(20,616)
Finance costs	8	(47,493)	(22,207)
Share of results of an associate		(6,271)	–

		Six months ended 31 December	
		2024	2023
		HK\$'000	HK\$'000
<i>Notes</i>		(Unaudited)	(Unaudited)
	Loss before taxation	(207,338)	(56,337)
	Income tax expense	9	(75)
	Loss for the period	(207,338)	(56,412)
	Other comprehensive income/(expense)		
	<i>Items that may be reclassified subsequently to profit or loss:</i>		
	Exchange differences arising on translation of financial statements of overseas subsidiaries	9,237	(1,250)
	Reclassification of exchange reserve to profit or loss upon disposal of subsidiaries	–	(1,175)
		9,237	(2,425)
	Total comprehensive expense for the period	(198,101)	(58,837)
	Loss for the period attributable to:		
	Owners of the Company	(117,061)	(36,878)
	Non-controlling interests	(90,277)	(19,534)
		(207,338)	(56,412)
	Total comprehensive expense for the period attributable to:		
	Owners of the Company	(113,448)	(38,220)
	Non-controlling interests	(84,653)	(20,617)
		(198,101)	(58,837)
	Loss per share attributable to owners of the Company		
	– Basic (<i>HK cents</i>)	12	(4.78)
	– Diluted (<i>HK cents</i>)	12	(4.78)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		As at 31 December 2024 <i>Notes</i> HK\$'000 (Unaudited)	As at 30 June 2024 <i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment		317,548	172,291
Right-of-use assets		91,801	70,863
Intangible assets		263,662	60,056
Investment properties	<i>13</i>	470,652	470,652
Financial assets at fair value through profit or loss	<i>14</i>	63,055	43,700
Interest in an associate		2,275	5
Deposits, prepayments and other receivables		48,896	89,719
		<hr/>	<hr/>
Total non-current assets		1,257,889	907,286
Current assets			
Inventories		18,992	16,454
Trade receivables	<i>15</i>	17,572	14,046
Deposits, prepayments and other receivables		160,263	129,298
Amount due from a related party	<i>17</i>	40,681	46,410
Bank balances and cash		166,751	145,305
		<hr/>	<hr/>
Total current assets		404,259	351,513
Current liabilities			
Transfer fee payables		66,338	29,988
Trade payables	<i>16</i>	28,952	35,541
Accruals and other payables		161,765	99,670
Amount due to a related party	<i>17</i>	19,758	38,961
Contract liabilities		41,828	30,481
Borrowings	<i>18</i>	20,360	20,831
Lease liabilities		17,964	15,935
		<hr/>	<hr/>
Total current liabilities		356,965	271,407
		<hr/>	<hr/>
Net current assets		47,294	80,106
		<hr/>	<hr/>
Total assets less current liabilities		1,305,183	987,392
		<hr/>	<hr/>

		As at 31 December 2024	As at 30 June 2024
	<i>Notes</i>	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Non-current liabilities			
Transfer fee payables		125,842	16,168
Accruals and other payables		6,649	–
Amount due to a related party	<i>17</i>	169,565	171,871
Borrowings	<i>18</i>	857,126	511,938
Lease liabilities		97,100	79,090
Deferred tax liabilities		2,394	2,426
		<hr/>	<hr/>
Total non-current liabilities		1,258,676	781,493
		<hr/>	<hr/>
NET ASSETS		46,507	205,899
		<hr/>	<hr/>
Capital and reserves			
Share capital	<i>19</i>	203,814	203,814
Reserves		161,029	254,456
		<hr/>	<hr/>
Equity attributable to owners of the Company		364,843	458,270
Non-controlling interests		(318,336)	(252,371)
		<hr/>	<hr/>
TOTAL EQUITY		46,507	205,899
		<hr/>	<hr/>

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 D2 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. MATERIAL 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 2024. The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 31 December 2024 are the same as those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 30 June 2024.

Going concern basis

The Group incurred a loss attributable to owners of the Company of approximately HK\$117,061,000 for the six months ended 31 December 2024 and as at 31 December 2024 the Group had net cash outflow from operating activities of approximately HK\$140,493,000. 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; and (iii) 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\$974,000,000 (equivalent to GBP100,000,000) has been granted to the Group.

As at 31 December 2024, the total carrying amount of the borrowings under the above facilities of the Group was approximately HK\$1,524,000,000. As at 31 December 2024, the Group had approximately HK\$646,694,000 undrawn borrowing facilities available.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the unaudited condensed consolidated interim 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 2024. 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:

	Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Disaggregation of revenue:		
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>		
Commercial income	40,177	8,932
Match day receipts	22,813	14,428
New energy automobiles and related business	12,746	5,590
Healthcare and medical related business ("Healthcare Business")	–	1,331
	<u>75,736</u>	<u>30,281</u>
<i>Recognised over time</i>		
Commercial income	20,251	19,606
Broadcasting	26,430	51,050
Match day receipts	21,774	17,063
Healthcare Business	–	176
	<u>68,455</u>	<u>87,895</u>
	<u>144,191</u>	<u>118,176</u>
Revenue from other sources:		
Commercial income	14,366	12,065
Rental income	14,090	14,090
	<u>28,456</u>	<u>26,155</u>
	<u><u>172,647</u></u>	<u><u>144,331</u></u>

Revenue from contracts with customers comprise:

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

Pursuant to a share purchase agreement dated 15 March 2024 entered into between the Group and an independent third party, the Group disposed of all of its interests in Medi Hub Co., Ltd* (Medi Hub 株式会社) (“Medi Hub”) and the total amount of loan outstanding and owing by Medi Hub to the Group. Upon the completion of disposal of Medi Hub on 22 March 2024, the Board has decided to cease the business of Healthcare Business in March 2024. For details of the aforesaid disposal, please refer to the annual report of the Company dated 24 September 2024.

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

5. SEGMENT INFORMATION

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

During the six months ended 31 December 2024, the Group has three (six months ended 31 December 2023: four) 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; and
- (iii) investment in properties.

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 2024

	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)	Total <i>HK\$'000</i> (Unaudited)
Segment revenue				
External sales	<u>145,811</u>	<u>12,746</u>	<u>14,090</u>	<u>172,647</u>
Results				
Segment results	<u>(186,984)</u>	<u>(16,584)</u>	<u>12,411</u>	(191,157)
Interest revenue				6
Other gains, net				1
Corporate expenses				(12,000)
Finance costs				<u>(4,188)</u>
Loss before taxation				(207,338)
Income tax expense				<u>–</u>
Loss for the period				<u>(207,338)</u>

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)
Segment revenue					
External sales	<u>123,144</u>	<u>5,590</u>	<u>14,090</u>	<u>1,507</u>	<u>144,331</u>
Results					
Segment results	<u>(40,542)</u>	<u>(5,826)</u>	<u>12,399</u>	<u>(1,786)</u>	(35,755)
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><u>(56,412)</u></u>

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

Geographical information

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

(i) *Revenue from external customers*

	Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The UK		
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>	62,990	23,360
<i>Recognised over time</i>	68,455	87,589
Revenue from other sources	14,366	12,065
	<u>145,811</u>	<u>123,014</u>
Asia (Note)		
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>	11,433	6,921
<i>Recognised over time</i>	–	306
Revenue from other sources	14,090	14,090
	<u>25,523</u>	<u>21,317</u>
North America		
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>	1,313	–
	<u>172,647</u>	<u>144,331</u>

Note:

For the six months ended 31 December 2024 and 2023, revenue from the PRC, Cambodia and Japan has been grouped under Asia.

(ii) *Non-current assets*

	As at 31 December 2024 HK\$'000 (Unaudited)	As at 30 June 2024 HK\$'000 (Audited)
Hong Kong	97,063	64,895
The PRC	179	89
Cambodia	474,244	470,652
The UK	674,146	362,003
Japan	12,257	9,647
	<u>1,257,889</u>	<u>907,286</u>

As at 31 December 2024, the total of non-current assets, other than financial instruments, located in Hong Kong was approximately HK\$34,008,000 (30 June 2024: approximately HK\$21,195,000), the PRC was approximately HK\$179,000 (30 June 2024: approximately HK\$89,000), Cambodia was approximately HK\$474,244,000 (30 June 2024: approximately HK\$470,652,000), the UK was approximately HK\$674,146,000 (30 June 2024: approximately HK\$362,003,000) and Japan was approximately HK\$12,257,000 (30 June 2024: approximately HK\$9,647,000).

6. OTHER INCOME

	Six months ended 31 December	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Subsidies received from the Premier League (<i>Note (i)</i>)	4,042	3,942
Sundry income	352	68
	<u>4,394</u>	<u>4,010</u>

Note:

- (i) During the six months ended 31 December 2024, the Group's professional football operation received funding of approximately HK\$4,042,000 (six months ended 31 December 2023: approximately HK\$3,942,000) 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	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Insurance compensation	2,715	5,884
Gain on disposal of a subsidiary	–	1,536
Gain on termination of lease agreement	435	–
Gain on fair value change on financial assets at fair value through profit and loss	19,355	–
Foreign exchange loss, net (<i>Note (i)</i>)	(619)	(6,226)
	<u>21,886</u>	<u>1,194</u>

Note:

- (i) Foreign exchange loss mainly arose from foreign currencies which depreciated against Hong Kong dollars during the period under review.

8. FINANCE COSTS

	Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses on:		
– Other borrowings	41,566	14,140
– Imputed interest arising on interest-free borrowings from Football League Limited (“Football League”)	–	380
– Notional interest on transfer fee payables	6,861	2,333
– Lease liabilities	6,718	5,354
Total interest	<u>55,145</u>	<u>22,207</u>
Less: Interest capitalised to property, plant and equipment	<u>(7,652)</u>	<u>–</u>
	<u>47,493</u>	<u>22,207</u>

During the six months ended 31 December 2024, the Group has capitalised borrowing costs at a rate of 11.90% per annum (six months ended 31 December 2023: nil), amounting to approximately HK\$7,652,000 (six months ended 31 December 2023: nil) on property, plant and equipment.

9. INCOME TAX EXPENSE

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

	Six months ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
– Hong Kong profit tax	–	(76)
Deferred tax:		
– Current period	–	1
	<u>–</u>	<u>(75)</u>

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong for the six months ended 31 December 2024 (six months ended 31 December 2023: approximately HK\$76,000).

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 2024 and 2023.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. No provision for profits tax is made in other jurisdictions as the subsidiaries operating in other jurisdictions have no assessable profits for the six months ended 31 December 2024 and 2023.

10. LOSS FOR THE PERIOD

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

	Six months ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Amortisation of intangible assets	33,321	20,137
Depreciation of property, plant and equipment	31,781	4,512
Depreciation of right-of-use assets	7,827	5,298
Foreign exchange loss, net	619	6,226
Expenses related to short-term lease	6,958	4,530
Staff costs (including directors' remuneration)	<u>198,418</u>	<u>173,827</u>

11. DIVIDEND

No dividend was paid or proposed for the six months ended 31 December 2024 (six months ended 31 December 2023: 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	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss:		
Loss attributable to owners of the Company for the purpose of calculating basic loss per share	<u>(117,061)</u>	<u>(36,878)</u>

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares for calculating basic loss per share attributable to owners of the Company	<u>815,257,419</u>	<u>771,559,941</u>

Diluted loss per share

For the six months ended 31 December 2024, the diluted loss per share attributable to owners of the Company are not presented as there were no dilutive potential ordinary shares in issue.

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.

13. INVESTMENT PROPERTIES

The carrying amount of the Group's investment properties as at 31 December 2024 and 30 June 2024 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 2024 did not vary significantly from the carrying value of the investment properties. Accordingly, no fair value adjustment has been recognised in respect of the Group's investment properties for the six months ended 31 December 2024 (six months ended 31 December 2023: nil).

As at 31 December 2024, investment properties of the Group were stated at fair value of approximately HK\$470,652,000 (30 June 2024: 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

	As at 31 December 2024 HK\$'000 (Unaudited)	As at 30 June 2024 HK\$'000 (Audited)
Unlisted equity investments, at fair value	63,055	43,700
Analysed as:		
Current assets	–	–
Non-current assets	63,055	43,700
	63,055	43,700

As at 31 December 2024, the number of issued shares of the unlisted equity issuer held by the Group represented approximately 3.95% (30 June 2024: approximately 3.96%) of the issued share capital of the unlisted equity issuer.

The Group has engaged an independent qualified professional valuer to perform a valuation of the unlisted equity investments as at 31 December 2024 which is estimated to be approximately HK\$63,055,000 (equivalent to approximately US\$8,084,000) (30 June 2024: approximately HK\$43,700,000, equivalent to approximately US\$5,603,000), resulting in a fair value gain of approximately HK\$19,355,000 credited to profit or loss for the six months ended 31 December 2024.

Changes in fair value of financial assets at fair value through profit or loss was included in the other gains, net in the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 31 December 2024.

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:

	As at 31 December 2024 HK\$'000 (Unaudited)	As at 30 June 2024 HK\$'000 (Audited)
Within 30 days	7,039	1,221
31 days to 90 days	5,273	963
91 days to 180 days	3,679	4,017
181 days to 365 days	1,581	7,845
	<u>17,572</u>	<u>14,046</u>

16. TRADE PAYABLES

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

	As at 31 December 2024 HK\$'000 (Unaudited)	As at 30 June 2024 HK\$'000 (Audited)
Within 30 days	9,933	20,632
31 days to 90 days	10,233	8,971
91 days to 180 days	4,301	1,799
181 days to 365 days	1,558	2,931
Over 365 days	2,927	1,208
	<u>28,952</u>	<u>35,541</u>

The credit periods of the Group's trade payables normally granted from suppliers averaging at 90 days (30 June 2024: 90 days).

17. AMOUNT DUE FROM/TO A RELATED PARTY

	As at 31 December 2024 HK\$'000 (Unaudited)	As at 30 June 2024 HK\$'000 (Audited)
Amount due from a related party		
– Birmingham City Stadium Ltd (<i>Note(i)</i>)	40,681	46,410
Amount due to a related party		
– Shelby (<i>Note(ii)</i>)	189,323	210,832
Less: Repayable on demand shown as current liabilities	(19,758)	(38,961)
Amount shown as non-current liabilities	169,565	171,871

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. The balances are denominated in Pounds Sterling and the maximum amount outstanding during the six months ended 31 December 2024 is approximately HK\$46,410,000 (during the year ended 30 June 2024: approximately HK\$46,410,000).
- (ii) The carrying amount of approximately HK\$189,323,000 as at 31 December 2024 (30 June 2024: approximately HK\$210,832,000) represented amount due to a non-controlling shareholder of BCL. The balances are denominated in Pounds Sterling and are unsecured, interest-free. Included in amount due to the related party of approximately HK\$169,565,000 (30 June 2024: approximately HK\$171,871,000) will not be demanded for repayment within the next twelve months from the end of reporting period and the amounts are therefore shown as non-current.

18. BORROWINGS

	As at 31 December 2024 <i>HK\$'000</i> (Unaudited)	As at 30 June 2024 <i>HK\$'000</i> (Audited)
Other borrowings, secured:		
– Loan from a related party (<i>Note (i)</i>)	702,568	475,185
Other borrowings, unsecured:		
– Loan from substantial shareholders	174,738	56,930
– Loan from third parties	–	471
– Other loan	180	183
	<u>877,486</u>	<u>532,769</u>

Note:

- (i) As at 31 December 2024 and 30 June 2024, the Group has charged its entire interest in BCL, a non-wholly owned subsidiary of the Company, from time to time as security for the operating loan provided by Shelby and its group companies.

As at 31 December 2024 and 30 June 2024, total other borrowings were repayable as follows:

	As at 31 December 2024 <i>HK\$'000</i> (Unaudited)	As at 30 June 2024 <i>HK\$'000</i> (Audited)
Carrying amounts repayable:		
– On demand or within one year	20,360	20,831
– Between one and two years	–	–
– Between two and five years	856,946	511,755
– Over five years	180	183
	<u>877,486</u>	<u>532,769</u>
Less: Amounts due within one year shown as current liabilities	<u>(20,360)</u>	<u>(20,831)</u>
Amounts shown as non-current liabilities	<u>857,126</u>	<u>511,938</u>

	As at 31 December 2024 HK\$'000 (Unaudited)	As at 30 June 2024 HK\$'000 (Audited)
Carrying amounts are denominated in the following currencies:		
Hong Kong dollars	174,738	56,930
Pounds Sterling	702,748	475,368
Renminbi	–	471
	<u>877,486</u>	<u>532,769</u>
Effective interest rates per annum:		
Hong Kong dollars	7.00%	4.50% – 10.50%
Pounds Sterling	11.90%	0.00% – 11.90%
Renminbi	5.00%	5.00%
Japanese Yen	N/A	1.36%
	<u>N/A</u>	<u>1.36%</u>

19. SHARE CAPITAL

	Number of shares	Amount HK\$'000
<i>Ordinary shares of HK\$0.25 each</i>		
Authorised:		
At 1 July 2023 (audited), 30 June 2024 (audited) and 31 December 2024 (unaudited)	<u>2,000,000,000</u>	<u>500,000</u>
	Number of shares	Amount HK\$'000
Issued and fully paid:		
At 1 July 2023 (audited)	771,559,941	192,890
Issue of shares upon share subscriptions (<i>Note(i)</i>)	<u>43,697,478</u>	<u>10,924</u>
At 30 June 2024 (audited) and 31 December 2024 (unaudited)	<u>815,257,419</u>	<u>203,814</u>

Note:

- (i) Details of movement in the issued share capital of the Company were disclosed in the Company's 2023/2024 annual report dated 24 September 2024.

20. CONTINGENT LIABILITIES

Player transfer costs

As at 31 December 2024, under the terms of certain contracts with other football clubs in respect of player transfers, additional player transfer cost would become payable if certain specific conditions are met. The maximum amount not provided that could be payable in respect of the transfers up to 31 December 2024 was approximately HK\$139,788,000 (equivalent to approximately GBP14,352,000) (30 June 2024: approximately HK\$24,740,000, equivalent to approximately GBP2,506,000).

21. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, up to the date of this announcement, there has been no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the six months ended 31 December 2024.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 31 December 2024 (six months ended 31 December 2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Performance and Results

For the six months ended 31 December 2024, the revenue of the Group was approximately HK\$172.6 million (six months ended 31 December 2023: approximately HK\$144.3 million), representing an increase of approximately 19.6% as compared with last year.

The Group recorded a loss attributable to owners of the Company of approximately HK\$117.1 million for the six months ended 31 December 2024, representing an increase of approximately 217.4% as compared to the loss of approximately HK\$36.9 million for the corresponding period last year. The significant increase in loss was mainly due to, during the period under review: (i) a decrease in broadcasting income due to the relegation of Birmingham City Football Club (“BCFC” or the “Club”) to the EFL League One this season; (ii) a decline in profit on sales of players’ registration; (iii) an increase in finance costs mainly driven by higher borrowings; (iv) a rise in operating expenses in the Club mainly due to higher match day and commercial expenses and an increase in depreciation on property, plant, and equipment following the completion of the repair and maintenance of infrastructure and facility upgrades; and (v) an increase in selling and marketing expenses and administrative expense of the automobiles business, which was partly offset by an increase in commercial income and match day receipts and a gain on fair value change on financial assets recorded during the period.

The basic loss per share for the six months ended 31 December 2024 was approximately HK14.36 cents (six months ended 31 December 2023: approximately HK4.78 cents).

Business Review and Prospect

During the six months ended 31 December 2024, the Group is principally engaged in three reportable business segments: (i) operation of a professional football club in the UK and other related business; (ii) new energy automobiles and related business; and (iii) investment in properties.

(i) Football club

The Group operates a football club through BCFC in the UK. The Club was relegated after finishing the previous season and is now playing in the EFL League One in the season 2024/25. At the date of this announcement, the Club stood at the 1st position in the EFL League One division. The management is ambitious to secure a promotion back to EFL Championship after this season.

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 shop sales, sponsorship income, corporate hospitality, conferences and events and other sundry income. During the period under review, BCFC recorded broadcasting income of approximately HK\$26.4 million, representing a decrease of approximately 48.2% compared to the same period last year due to relegation to the EFL League One in the season 2024/25. However, this decline was offset by an increase in commercial income and match day receipts. During the period under review, BCFC recorded a revenue of approximately HK\$145.8 million, representing an increase of approximately 18.4% over the same period last year.

(ii) New energy automobiles and related business

During the period under review, the Group proactively pursued the advancement of its new energy automobiles and related business. On the business upstream side, the Group has established strategic cooperation with a number of renowned commercial vehicle manufacturers. These collaborations expanded the Group’s product lineup of zero-emission commercial vehicles, ranging from light-duty to medium and heavy-duty trucks, buses as well as special-purpose vehicles, and highly enhanced the Group’s competitiveness in the business sector. The Group has also built business partnerships with prominent service providers, launching an extensive roadside assistance network, repair and maintenance network, wholesale and retail finance solutions and upfitter partnerships in the target markets to enhance our sales and customer support. Moreover, the Group has initiated its first knockdown kit assembly plant project in Cambodia and is implementing the “100 Stations, 1000 Chargers” initiative in the country. The assembly plant will focus on the assembly and production of battery electric trucks with a targeted annual output of 10,000 units. The management expects that the assembly plant will significantly enhance the Group’s production capacity and supply chain efficiency which can further strengthen and drive its business in the Southeast Asia markets. On the other hand, the deployment of “100 Stations, 1000 Chargers” initiative drives the development of zero emission

vehicle ecology in Cambodia and promotes the widespread adoption and application of electric vehicles in the society. These charging facilities which are managed by the Group expedite the development of the Group's zero-emission truck business in Cambodia. On the business downstream side, the Group achieved promising results in its business development. Since introducing its zero-emission vehicles to the market, the Group has garnered an encouraging volume of intention orders from its external customers across the globe and from its affiliated partner in the United States, and 34 units had been delivered during the period under review. The management is ambitious to accelerate the delivery of zero-emission vehicles and boost the Group's revenue in the second half of the financial year 2024/25.

Leveraging on its global presence, brand operations, sales, and service advantages, the Group will fully establish its presence under the business names "ZO MOTORS" and "ZM TRUCKS" in strategic markets including Asia Pacific, the Middle East and North America, and accelerates the globalization of the Group's products, sales, and operations. The Group will continue to solidify its foundation in the global competition for zero-emission commercial vehicles, positioning itself as an innovative leader with significant growth potential in the zero-emission commercial vehicle industry.

Revenue streams of the new energy automobiles and related business comprised income from sales of products and provision of services. During the six months ended 31 December 2024, the Group recorded income of approximately HK\$12.7 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. During the six months ended 31 December 2024, the Group recorded rental income of approximately HK\$14.1 million from the investment properties. All the properties are leased out to secure a stable stream of income for the Group. The management will proactively explore opportunities in investment properties and to expand its portfolio as and when opportunities with good potential have been identified.

As at 31 December 2024, investment properties of the Group were stated at fair value and amounted to approximately HK\$470.7 million (30 June 2024: approximately HK\$470.7 million) representing approximately 28.3% (30 June 2024: approximately 37.4%) of the total assets of the Group.

Outlook

Looking ahead, given the complexity and unpredictability of the global business landscape, the management team will continue to adopt a prudent and responsible approach to managing our operations and financial resources. Our primary focus will be on optimizing the potential of our existing businesses during this challenging period, with particular emphasis on the growth and development of our new energy automobiles and related business segment.

FINANCIAL REVIEW

Revenue

The revenue of the Group for the six months ended 31 December 2024 was approximately HK\$172.6 million (six months ended 31 December 2023: approximately HK\$144.3 million), representing an increase of approximately 19.6% over the same period last year.

The revenue from the football club segment for the six months ended 31 December 2024 was approximately HK\$145.8 million (six months ended 31 December 2023: approximately HK\$123.1 million), representing an increase of approximately 18.4% compared with the corresponding period in 2023.

The revenue derived from the new energy automobiles and related business segment for the six months ended 31 December 2024 was approximately HK\$ 12.7 million (six months ended 31 December 2023: approximately HK\$5.6 million), representing an increase of approximately 128.0% over the same period last year.

The revenue derived from the investment properties for the six months ended 31 December 2024 was approximately HK\$14.1 million (six months ended 31 December 2023: approximately HK\$14.1 million), all of which was the rental income from the premises of the Group.

Operating Expenses

Operating expenses incurred during the six months ended 31 December 2024 were approximately HK\$352.8 million (six months ended 31 December 2023: approximately HK\$259.4 million), representing an increase of approximately 36.0% over the same period in 2023. The increase in operating expenses were mainly attributable to higher operating expenses of the Club and new energy automobiles and related business segment during the period under review.

Other Income

Other income during the six months ended 31 December 2024 was approximately HK\$4.4 million (six months ended 31 December 2023: approximately HK\$4.0 million). Other income was mainly generated from the subsidies received from the Premier League.

Other Gains/(Losses), Net

For the six months ended 31 December 2024, we recorded other gains, net of approximately HK\$21.9 million (six months ended 31 December 2023: other gains, net of approximately HK\$1.2 million). Other gains and losses mainly include (i) a foreign exchange loss of approximately HK\$0.6 million; (ii) an insurance compensation of approximately HK\$2.7 million; and (iii) a gain on fair value change on financial assets at fair value through profit or loss of approximately HK\$19.4 million.

Profit on Sales of Players' Registration

Profit on sales of players' registration for the six months ended 31 December 2024 was approximately HK\$72.4 million (six months ended 31 December 2023: approximately HK\$112.2 million). The decrease was mainly because lower revenue from sales of players' registration were generated during the six months ended 31 December 2024.

Amortisation of Intangible Assets

Amortisation of intangible assets during the period under review was approximately HK\$33.3 million (six months ended 31 December 2023: approximately HK\$20.1 million), representing an increase of approximately 65.5% over the same period in 2023. The increase was primarily due to the additional players' registration incurred during the period as more players were signed.

Selling and Marketing Expenses

Selling and marketing expenses primarily consist of incentives paid to the sales and marketing staff, advertising and promotion expenses, consultancy fee, transportation costs, travelling expenses and business hospitality expenses. For the six months ended 31 December 2024, selling and marketing expenses amounted to approximately HK\$6.9 million (six months ended 31 December 2023: nil). The management will continue to implement stringent control measures to ensure that selling and marketing expenses are maintained at a reasonable level.

Administrative and Other Expenses

Administrative and other expenses for the six months ended 31 December 2024 amounted to approximately HK\$36.3 million (six months ended 31 December 2023: approximately HK\$20.6 million) representing an increase of approximately 75.9% over the same period in 2023, which included mainly depreciation charges, professional fees, staff costs and office overheads. The increase in administrative and other expenses was mainly due to rising costs associated with the development of the Group's new energy automobiles and related business segment during the period. The management will continue to implement 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 2024, the Group incurred finance costs of approximately HK\$47.5 million (six months ended 31 December 2023: approximately HK\$22.2 million), representing an increase of approximately 113.9% over the same period in 2023. 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 2024.

Capital Commitments

As at 31 December 2024, the Group had no significant capital commitments in respect of property, plant and equipment (30 June 2024: nil).

As at 31 December 2024, the Group had capital commitments in respect of product development fee which are contracted for but not provided for approximately HK\$17.8 million (30 June 2024: approximately HK\$5.4 million).

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

million). As at 31 December 2024, the outstanding capital commitments of the Group amounted to approximately HK\$1.5 million (equivalent to approximately US\$195,000) (30 June 2024: approximately HK\$10.1 million, equivalent to approximately US\$1.3 million).

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

Capital Expenditure

During the six months ended 31 December 2024, the Group incurred approximately HK\$184.1 million (30 June 2024: approximately HK\$204.8 million) in acquiring property, plant and equipment, majority of which were for the non-wholly owned subsidiaries in the UK. This capital expenditure was financed mainly from a non-controlling shareholder of the subsidiaries in the UK.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Financial Ratios

As at 31 December 2024, the current ratio (calculated as current assets divided by current liabilities) of the Group was approximately 113.2% (30 June 2024: approximately 129.5%) 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 70.6% (30 June 2024: approximately 53.8%). The ratio of total liabilities to total assets of the Group was approximately 97.2% (30 June 2024: approximately 83.6%).

Financial Resources

The Group generally finances its operations with internally generated cash flows, bank borrowings, loans from shareholders and from independent third parties, and through the capital market available to listed companies in Hong Kong. As at 31 December 2024, the Group has bank balances and cash (including bank deposits and cash and cash equivalents) of approximately HK\$166.8 million (30 June 2024: approximately HK\$145.3 million), which were principally denominated in Hong Kong dollars, Pounds Sterling, US dollars, Renminbi and Japanese Yen. As at 31 December 2024, the Group had total borrowings of approximately HK\$877.5 million (30 June 2024: approximately HK\$532.8 million), with approximately HK\$20.4 million repayable on demand or within one year, approximately HK\$856.9 million repayable after two years and within five years and approximately HK\$0.2 million repayable after five years. Approximately 19.9% and 80.1% of these borrowings were denominated in Hong Kong dollars and Pounds Sterling, respectively. All borrowings were at fixed interest rates.

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

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

Foreign Exchange Exposure

The Group runs its businesses in various countries. Exposure of the Group to foreign currency risk mainly arises from daily commercial transactions, recognised assets and liabilities, and net investments in these overseas operations. It is the Group's policy to encourage its operating entities to use their corresponding local currencies as much as possible to minimise exchange-related risks. During the period under review, most transactions of the Group's principal businesses were conducted and recorded in Pounds Sterling, US dollars, Hong Kong dollars, Renminbi and Japanese Yen. The Group does not use derivative financial instruments to hedge its foreign currency risks. Management will continue to monitor foreign exchange exposure and take appropriate measures when necessary.

Pledge of Assets

As at 31 December 2024, the Group has charged its entire interest in BCL, a non-wholly owned subsidiary of the Company, from time to time as security for the operating loan provided by Shelby and its group companies. For details, please refer to the circular of the Company dated 27 June 2023 and the announcements of the Company dated 9 May 2023, 30 May 2023, 5 June 2023, 7 June 2023, 13 July 2023, 3 October 2024 and 9 October 2024.

Save as disclosed above, there was no material charge on the Group's assets as at 31 December 2024.

Capital Structure

As at 31 December 2024, the Company had an issued capital of 815,257,419 shares of HK\$0.25 each (30 June 2024: 815,257,419 shares).

HUMAN RESOURCES AND REMUNERATION POLICY

During the six months ended 31 December 2024, the Group employed on average approximately 420 full time employees and approximately 130 temporary staff members in Hong Kong, the PRC, the UK, Southeast Asia and Japan (30 June 2024: approximately 340 full time employees and approximately 120 temporary staff members) and the total staff costs of the Group amounted to approximately HK\$198.4 million (six months ended 31 December 2023: approximately HK\$173.8 million). The Group recognises the importance of high calibre and competent staff and continues to provide remuneration packages to employees mainly based on industry practices and individual performance. In addition, the Group provides other employee benefits including medical insurance, training subsidy, discretionary bonus and participation in the share schemes of the Group.

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 2024 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 2024 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 2024 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 C1 to the Listing Rules for the six months ended 31 December 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 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 2024.

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

During the six months ended 31 December 2024, 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

Save as disclosed in this announcement, up to the date of this announcement, there has been no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the period ended 31 December 2024.

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, 28 February 2025

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