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BIRMINGHAM SPORTS HOLDINGS LIMITED
伯明翰體育控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2309)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2018

The Board of Directors (the "Board" or the "Directors") of Birmingham Sports Holdings Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively referred as the "Group") for the year ended 30 June 2018 together with comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Notes	**2018** *HK$'000*	2017 *HK$'000*
Revenue	4	**208,013**	172,950
Operating expenses		**(531,563)**	(320,593)
Loss from operations		**(323,550)**	(147,643)
Other income	5	**10,556**	33,062
Profit on sales of players' registration		**21,707**	1,988
Amortisation of intangible assets		**(80,445)**	(29,216)
Administrative and other expenses		**(42,190)**	(30,172)
Impairment loss on intangible assets		**(4,804)**	(26,088)
Finance costs	6	**(19,070)**	(9,037)
Share of loss of a joint venture		**(172)**	–
Loss before taxation		**(437,968)**	(207,106)
Income tax credit	7	**266**	24,528
Loss for the year	8	**(437,702)**	(182,578)

	Notes	2018 HK$'000	2017 HK$'000
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of overseas subsidiaries		**3,870**	(6,653)
Total comprehensive expense for the year		**(433,832)**	(189,231)
Loss for the year attributable to:			
Owners of the Company		**(425,027)**	(177,712)
Non-controlling interests		**(12,675)**	(4,866)
		(437,702)	(182,578)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(421,275)**	(184,203)
Non-controlling interests		**(12,557)**	(5,028)
		(433,832)	(189,231)
Loss per share attributable to owners of the Company			
– Basic *(HK cents)*	10	**(5.21)**	(4.02)
– Diluted *(HK cents)*	10	**(5.21)**	(4.02)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	**2018** **HK$'000**	2017 *HK$'000*
Non-current assets			
Property, plant and equipment		**211,007**	199,007
Intangible assets		**197,024**	141,589
Investment properties	11	**393,908**	–
Interest in a joint venture		**1,073**	–
Deposits, prepayments and other receivables		**–**	2,570
Total non-current assets		**803,012**	343,166
Current assets			
Inventories		**6,469**	5,307
Trade receivables	12	**19,167**	5,203
Deposits, prepayments and other receivables		**51,946**	40,835
Bank balances and cash		**69,221**	131,188
Total current assets		**146,803**	182,533
Current liabilities			
Transfer fee payables		**60,626**	34,476
Trade payables	13	**13,507**	14,347
Accruals and other payables		**48,604**	48,645
Deferred capital grants		**585**	579
Deferred income		**24,969**	27,016
Borrowings	14	**66,201**	39,135
Total current liabilities		**214,492**	164,198
Net current (liabilities)/assets		**(67,689)**	18,335
Total assets less current liabilities		**735,323**	361,501

	Notes	**2018**	2017
		HK$'000	*HK$'000*
Non-current liabilities			
Transfer fee payables		**25,650**	18,895
Accruals and other payables		**7,883**	9,871
Deferred capital grants		**14,996**	15,421
Borrowings	14	**99,814**	188
Deferred tax liabilities		**20,970**	21,020
Total non-current liabilities		**169,313**	65,395
NET ASSETS		**566,010**	296,106
Capital and reserves			
Share capital	15	**109,741**	62,932
Reserves		**473,494**	237,842
Equity attributable to owners of the Company		**583,235**	300,774
Non-controlling interests		**(17,225)**	(4,668)
TOTAL EQUITY		**566,010**	296,106

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance (Cap. 622 of Laws of Hong Kong).

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is Hong Kong dollars ("HK$"). The consolidated financial statements are presented in Hong Kong dollars for the convenience of users of the consolidated financial statements as the Company is listed in Hong Kong.

2. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis as modified by revaluation of investment properties, which are carried at fair values.

The Group incurred a loss attributable to owners of the Company of HK$425,027,000 for the year ended 30 June 2018 and as at 30 June 2018 the Group had net current liabilities of HK$67,689,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on a going concern basis. The Directors 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 given that the Company has entered into a loan facility agreement with Trillion Trophy Asia Limited ("Trillion Trophy") on 21 December 2016 under which an unsecured revolving loan facility up to a maximum amount of HK$250,000,000 has been granted to the Company. Moreover, the Company has entered into a loan facility agreement with a third party on 8 May 2018 under which an unsecured loan facility up to a maximum amount of HK$150,000,000 has been granted to the Company. In addition, the Company has obtained an unsecured loan facility up to a maximum amount of HK$250,000,000 from another third party on 10 August 2018.

As at 30 June 2018, the total carrying amount of the borrowings under the above facilities of the Group was approximately HK$161,197,000. As at 30 June 2018, the Group had available HK$238,803,000 of undrawn borrowing facilities.

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 year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 July 2017. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

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

4. REVENUE AND SEGMENT INFORMATION

The following is an analysis of the Group's revenue by operating segments, based on information provided to the chief operating decision maker represented by 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.

The Group's has two (2017: one) reportable and operating segments under HKFRS 8 are as follows:

(i) operation of a professional football club in the United Kingdom of Great Britain and Northern Ireland (the "UK"); and

(ii) investment in properties.

The Group's revenue and contribution to profit were mainly derived from the operation of a professional football club in the UK. During the year under review, the investment properties of the Group were under development and no revenue nor any contribution were derived from this segment. Accordingly, no segment analysis of the Group's revenue is presented other than entity-wide disclosures.

Entity-wide disclosures

Information about the nature of revenue

	2018	2017
	HK$'000	*HK$'000*
Broadcasting	**81,156**	68,366
Commercial income	**75,029**	60,387
Match day receipts	**51,828**	44,197
	208,013	172,950

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowance and exclude value added tax or other sales related taxes.

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.

	Revenue from external customers For the year ended 30 June		**Non-current assets At 30 June**	
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	–	**14,887**	43
The People's Republic of China (the "PRC")	**–**	–	**1,604**	715
The Kingdom of Cambodia ("Cambodia")	**–**	–	**393,908**	–
The UK	**208,013**	172,950	**392,613**	342,408
	208,013	172,950	**803,012**	343,166

5. OTHER INCOME

	2018	2017
	HK$'000	*HK$'000*
Compensation from player transfer	**–**	4,985
Compensation from the controlling shareholder on settlement with a former director	**–**	9,028
Gain on disposal of property, plant and equipment	**30**	102
Gain on settlement with a former director	**–**	2,198
Interest income	**1,910**	411
Reversal of provision for directors' fee	**328**	1,134
Reversal of excess provision for donation	**–**	5,620
Subsidies received from the Premier League *(Note)*	**7,688**	6,108
Sundry income	**600**	3,476
	10,556	33,062

Note: During the year ended 30 June 2018, the Group's professional football operation received funding of approximately HK$7,688,000 (2017: approximately HK$6,108,000) from the Premier League in the UK under the Elite Player Performance Plan upon fulfillment of certain terms and conditions.

6. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Interest expenses on:		
– Other borrowings	**7,641**	5,340
– Finance leases	**276**	28
– Notional interest on transfer fee payable	**11,153**	2,687
– Effective interest on convertible notes	**–**	982
	19,070	9,037

7. INCOME TAX CREDIT

	2018	2017
	HK$'000	*HK$'000*
Corporation Tax – the UK		
Over provisions in prior years	**–**	17,734
Deferred taxation – the UK		
Current year	**266**	5,372
Attributable to a change in tax rate	**–**	1,422
	266	24,528

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising from Hong Kong for the years ended 30 June 2018 and 2017.

The Group's subsidiaries in the UK are subject to Corporation Tax in the UK ("Corporation Tax"). Corporation Tax is calculated at 19% of the estimate assessable profit for the year ended 30 June 2018 (2017: 19%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. No provision for profits tax is made in other jurisdictions as the subsidiaries operating in other jurisdictions have no assessable profits for years ended 30 June 2018 and 2017.

8. LOSS FOR THE YEAR

Loss for the year is arrived at after charging the following items:

	2018	2017
	HK$'000	*HK$'000*
Staff costs (including directors' remuneration):		
– Salaries and wages	**383,930**	210,314
– Retirement benefits scheme contributions	**40,512**	21,263
Total staff costs	**424,442**	231,577
Auditors' remuneration	**1,148**	989
Amortisation of intangible assets	**80,445**	29,216
Depreciation of property, plant and equipment	**12,051**	8,507
Minimum lease payments under operating lease in respect of:		
– Properties	**7,227**	1,733
– Others	**2,591**	2,286
Cost of inventories recognised as expense	**16,383**	14,628
Impairment loss on intangible assets	**4,804**	26,088
Foreign exchange loss (net)	**242**	176

9. DIVIDEND

No dividend was paid or proposed for the years ended 30 June 2018 and 2017, nor has any dividend been proposed since the end of the reporting periods.

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic loss per share

The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company of HK$425,027,000 (2017: HK$177,712,000) and the weighted average number of 8,162,300,771 (2017: 4,425,452,861) ordinary shares in issue during the year.

Diluted loss per share

Diluted loss per share for the year ended 30 June 2018 was the same as the basic loss per share as there was no potential dilutive ordinary share in issue during the year.

Diluted loss per share for the year ended 30 June 2017 was the same as the basic loss per share because the impact of the convertible notes outstanding had an anti-dilutive effect.

11. INVESTMENT PROPERTIES

The Group entered into the properties sale and purchase agreement and the equity sale and purchase agreement on 30 June 2017 respectively with Graticity Real Estate Development Co., Ltd. ("GRED") and its subsidiary (collectively, the "GRED Group") and the construction contract with GRED at the completion of the equity sale and purchase agreement (collectively, the "Acquisitions") to invest in certain commercial and residential properties at an aggregate consideration of US$40,241,100. The consideration of the Acquisitions was satisfied by the issuance of 2,086,551,000 ordinary shares of the Company (the "Share(s)"). The Acquisitions constitute a share-based payment under HKFRS 2 "*Share-based Payment*" which require the fair value of the goods or services received to be measured at the date the entity obtains the goods or the counterparty renders the services. The Acquisitions were completed on 27 November 2017 and the fair value of the properties, on completion basis and including the fair value of the future lease payment, was US$50,600,000 (equivalent to approximately HK$393,668,000). The construction of the commercial properties is at its completion stage and the Group is in the course of arranging for the delivery of the commercial properties. The residential properties are expected to be completed in or about August 2019. Details of the Acquisitions and their completion were disclosed respectively in the circular of the Company dated 31 October 2017 (the "Acquisitions Circular"), and the announcements of the Company dated 27 November 2017 (the "Acquisitions Announcement") and 28 August 2018.

At 30 June 2018, the aggregate carrying amount (including legal fee) of the investment properties amounted to approximately HK$393,908,000.

12. TRADE RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**20,227**	5,824
Less: Impairment loss recognised	**(1,060)**	(621)
	19,167	5,203

(i) The average credit period to the Group's trade receivables is 90 days (2017: 90 days) and represents solely from the professional football operation.

(ii) The aging analysis of trade receivables, based on invoice date, net of impairment loss is as follows:

	2018	2017
	HK$'000	*HK$'000*
Within 30 days	**6,430**	1,913
31 days to 90 days	**9,333**	1,281
91 days to 180 days	**880**	1,418
181 days to 365 days	**2,524**	591
	19,167	5,203

(iii) At 30 June 2018 and 2017, the analysis of trade receivables that were past due but not impaired are as follows:

		Neither	**Past due but not impaired**	
	Total	**past due nor impaired**	**Less than 90 days**	**91 days and over**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 30 June 2018	**19,167**	**15,763**	**880**	**2,524**
At 30 June 2017	5,203	3,194	1,418	591

At 30 June 2018, trade receivables of approximately HK$3,404,000 (2017: approximately HK$2,009,000) that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

13. TRADE PAYABLES

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

	2018	2017
	HK$'000	*HK$'000*
Within 30 days	**8,905**	6,786
31 days to 90 days	**2,758**	6,968
91 days to 180 days	**748**	436
181 days to 365 days	**1,096**	157
	13,507	14,347

The Group normally receives credit periods from suppliers averaging at 90 days (2017: 90 days).

14. BORROWINGS

On 26 June 2015, the Company entered into a loan facility agreement (the "2015 Loan Facility") with Trillion Trophy. Pursuant to the 2015 Loan Facility and as supplemented by amendment letters dated 31 May 2016 and 18 May 2017, Trillion Trophy provided a term loan facility up to HK$212,813,600 to the Company which bears interest at the rate of 3% per annum. The outstanding principal amount and interest payable under the 2015 Loan Facility had been repaid upon maturity on 25 June 2018.

On 21 December 2016, the Company and Trillion Trophy entered into a loan facility agreement, under which an unsecured revolving loan facility up to a maximum amount of HK$250,000,000 has been granted to the Company for a term up to 31 December 2018 (the "Trillion Trophy Facility") and bears interest at the rate of 4.5% per annum. As at 30 June 2018, the amount of the borrowings from and interest payable to Trillion Trophy were approximately HK$66,197,000 (2017: approximately HK$39,114,000) and approximately HK$911,000 (2017: approximately HK$13,153,000) respectively.

On 30 June 2017, Celestial Fame Investment (Cambodia) Co., Ltd. ("Celestial Fame Cambodia"), a wholly-owned subsidiary of the Group, entered into the long-term lease agreement with GRED to lease the right of use of a parcel of land (the "Land") at Phnom Penh, Cambodia, pursuant to which Celestial Fame Cambodia shall pay GRED in total of US$3,000,000 (equivalent to approximately HK$23,340,000) by 50 equal instalments in cash each year commencing from the date of completion of the Acquisitions. The fair value of the lease payable was approximately US$595,000 (equivalent to approximately HK$4,629,000) on initial recognition which was measured by computing the present value of estimated future cash flows at the effective interest rate of 10% per annum and was recognised as borrowings of the Group as at the date of completion of the Acquisitions. As at 30 June 2018, the lease payable and interest payable of the long-term lease agreement with GRED were approximately HK$4,629,000 and approximately HK$274,000 respectively.

On 2 August 2017, the Company and Dragon Villa Limited ("Dragon Villa") entered into a standby loan facility, pursuant to which Dragon Villa provided a term loan facility up to HK$100,000,000 (the "1st Dragon Villa Facility") to the Company. The 1st Dragon Villa Facility is unsecured, for a term up to 31 July 2018 and bears interest at the rate of 4.5% per annum. On 14 December 2017, the Company and Dragon Villa entered into a subscription agreement (the "1st Dragon Villa Subscription Agreement") whereby the Company conditionally agreed to issue 714,286,000 new shares at the subscription price of HK$0.14 per share to Dragon Villa or its nominee. The consideration for the issue of such 714,286,000 shares was set off against the outstanding principal amount of the 1st Dragon Villa Facility. As at the date of entering into the 1st Dragon Villa Subscription Agreement, the 1st Dragon Villa Facility was fully utilised and the outstanding principal amount was HK$100,000,000. The shares subscribed under the 1st Dragon Villa Subscription Agreement were allotted and issued on 28 December 2017.

On 10 October 2017, the Company and Chigwell Holdings Limited ("Chigwell") entered into a standby loan facility, pursuant to which Chigwell provided a term loan facility up to HK$150,000,000 (the "Chigwell Facility") to the Company. The Chigwell Facility is unsecured, for a term up to 31 December 2018 and bears interest at the rate of 6.5% per annum. On 14 December 2017, the Company and Chigwell entered into a subscription agreement (the "Chigwell Subscription Agreement") whereby the Company conditionally agreed to issue 500,000,000 new shares at the subscription price of HK$0.14 per share to Chigwell or its nominee. The consideration for the issue of such 500,000,000 shares was set off against the outstanding principal amount of the Chigwell Facility. As at the date of entering into the Chigwell Subscription Agreement, the outstanding principal amount of the Chigwell Facility was HK$70,000,000. The shares subscribed under the Chigwell Subscription Agreement were allotted and issued on 28 December 2017. As at 30 June 2018, all outstanding amount under the Chigwell Facility was fully settled.

On 2 March 2018, the Company and Dragon Villa entered into a standby loan facility, pursuant to which Dragon Villa provided a term loan facility up to HK$150,000,000 (the "2nd Dragon Villa Facility") to the Company. The 2nd Dragon Villa Facility is unsecured, for a term up to 30 June 2019 and bears interest at the rate of 8.0% per annum. On 14 June 2018, the Company and Dragon Villa entered into a subscription agreement (the "2nd Dragon Villa Subscription Agreement") whereby the Company conditionally agreed to issue 1,380,080,000 new shares at the subscription price of HK$0.105 per share to Dragon Villa or its nominee. The consideration for the issue of such 1,380,080,000 shares was set off against the outstanding amount of the 2nd Dragon Villa Facility. As at the date of entering into the 2nd Dragon Villa Subscription Agreement, the outstanding principal amount and interest of the 2nd Dragon Villa Facility were approximately HK$144,908,000. The shares subscribed under the 2nd Dragon Villa Subscription Agreement were allotted and issued on 26 June 2018.

On 8 May 2018, the Company and a third party entered into a standby loan facility, pursuant to which such third party provided a term loan facility up to HK$150,000,000 (the "Facility") to the Company. The Facility is unsecured, for a term up to 30 June 2020 and bears interest at the rate of 8.0% per annum. As at 30 June 2018, the amount of the outstanding principal amount and interest payable under the Facility were approximately HK$95,000,000 and approximately HK$519,000 respectively.

As at 30 June 2018, the total carrying amount of the borrowings of the Group was approximately HK$166,015,000 (2017: approximately HK$39,323,000).

15. SHARE CAPITAL

	Notes	Number of shares	Amount HK$'000
Ordinary shares of HK$0.01 each			
Authorised:			
At 1 July 2016		50,000,000,000	500,000
Share consolidation	*(i)*	(47,500,000,000)	–
Capital reduction	*(i)*	–	(475,000)
Authorised share capital cancellation	*(i)*	(2,015,945,664)	(20,159)
Authorised share capital increase	*(i)*	49,515,945,664	495,159
At 30 June 2017 and 30 June 2018		50,000,000,000	500,000
Issued and fully paid:			
At 1 July 2016		9,681,086,733	96,811
Capital reorganisation	*(i)*	(9,197,032,397)	(91,970)
		484,054,336	4,841
Issue of shares upon share subscription	*(i)*	3,125,000,000	31,250
Issue of shares upon open offer	*(i)*	242,027,168	2,420
Issue of shares upon conversion of convertible notes	*(i)*	2,442,073,168	24,421
At 30 June 2017		6,293,154,672	62,932
Issue of consideration shares	*(ii)*	2,086,551,000	20,865
Issue of shares upon share subscriptions	*(iii)*	2,594,366,000	25,944
At 30 June 2018		10,974,071,672	109,741

Notes:

(i) Details of the movement in authorised share capital and issued share capital of the Company were disclosed in the 2017 annual report of the Company dated 29 September 2017.

(ii) **Consideration shares**

The Group entered into the properties sale and purchase agreement and the equity sale and purchase agreement on 30 June 2017 with the GRED Group and the construction contract with GRED at the completion of the equity sale and purchase agreement to invest in certain commercial and residential properties at an aggregate consideration of US$40,241,100 which was satisfied by the issuance of 2,086,551,000 Shares. The completion of the Acquisitions took place on 27 November 2017 whereby 2,086,551,000 Shares with an aggregate fair value of approximately HK$389,039,000 were allotted and issued to Ever Depot Limited ("Ever Depot"), a subsidiary of GRED. The share capital of the Company was increased by approximately HK$20,865,000 and an amount of approximately HK$368,166,000, net of share issue expenses of approximately HK$8,000, was credited to the share premium account of the Company. Details of the Acquisitions and their completion were disclosed respectively in the Acquisitions Circular and the Acquisitions Announcement.

(iii) **Share subscriptions**

On 14 December 2017, the Company entered into the 1st Dragon Villa Subscription Agreement and the Chigwell Subscription Agreement with Dragon Villa and Chigwell respectively, pursuant to which the Company conditionally agreed to issue 714,286,000 new shares to Dragon Villa and 500,000,000 new shares to Chigwell, or their respective nominee, at the subscription price of HK$0.14 per share to set off against the outstanding principal amount due to the respective parties in aggregate of HK$170,000,000. The completion of the subscriptions took place on 28 December 2017 and an aggregate of 1,214,286,000 Shares were allotted and issued. Accordingly, the Company's issued share capital was increased by approximately HK$12,143,000 and an amount of approximately HK$157,734,000, net of share issue expenses of approximately HK$123,000, was credited to the share premium account of the Company. Details of the subscriptions and their completion were disclosed in the announcements of the Company dated 14 December 2017, 22 December 2017 and 28 December 2017 respectively.

On 14 June 2018, the Company entered into the 2nd Dragon Villa Subscription Agreement with Dragon Villa, pursuant to which the Company conditionally agreed to issue 1,380,080,000 new shares to Dragon Villa or its nominee, at the subscription price of HK$0.105 per share to set off against the outstanding principal amount and interest due to Dragon Villa in aggregate of approximately HK$144,908,000. The completion of the subscription took place on 26 June 2018 and an aggregate of 1,380,080,000 Shares were allotted and issued. Accordingly, the Company's issued share capital was increased by approximately HK$13,801,000 and an amount of approximately HK$131,027,000, net of share issue expenses of approximately HK$80,000, was credited to the share premium account of the Company. Details of the subscription and the completion were disclosed in the announcements of the Company dated 14 June 2018 and 26 June 2018 respectively.

During the year ended 30 June 2018, an aggregate of 2,594,366,000 Shares were allotted and issued under share subscriptions.

(iv) All Shares issued during the year rank *pari passu* with the then existing Shares in all respects.

16. CONTINGENT LIABILITIES

As at 30 June 2018, the Group had the following contingent liabilities:

(a) Player transfer costs

Under the terms of certain contracts with other football clubs in respect of player transfers, additional player transfer cost would become payable if certain specific conditions are met. The maximum amount not provided that could be payable in respect of the transfers up to 30 June 2018 was approximately HK$58,501,000 (equivalent to approximately GBP5,702,000) (2017: approximately HK$98,818,000, equivalent to approximately GBP9,731,000).

(b) Litigation: High Court Action No. 1099 of 2013

On 9 May 2013, Mr. Lee Yiu Tung ("Mr. Lee"), a former executive director of the Company, filed a claim with the Labour Tribunal of Hong Kong against the Company for, *inter alia*, unpaid wages, wages in lieu of notice and expenses allegedly paid by him on behalf of the Company for a sum of approximately HK$1,484,000. The Company made a counterclaim against Mr. Lee on 8 October 2013 in respect of, *inter alia*, wages paid to him in the aggregate sum of HK$240,000 for the months from July to October 2012 and reimbursement of out-of-pocket expenses paid by the Company to him during 2010 to 2012 totaling approximately HK$2,000,000. On 4 June 2013, the Labour Tribunal of Hong Kong made an order to transfer the case to the High Court of Hong Kong (the "High Court").

On 3 November 2017, the High Court has made an order for Mr. Lee to file his Amended Writ and Amended Statement of Claim. The parties finished all consequential amendments to their respective pleadings on 11 June 2018. At the case management conference on 24 July 2018, the High Court has granted leave to Mr. Lee to make an application for setting the case down for a 5-day trial. Mr. Lee's solicitors have accordingly made the application on 3 September 2018, and the parties are required to attend the High Court for fixing the trial dates on 4 October 2018.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

An extract of the Company's independent auditor's report for the year ended 30 June 2018 is as follows:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material uncertainty related to going concern

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss attributable to the owners of the Company of HK$425,027,000 for the year ended 30 June 2018 and as at 30 June 2018 the Group had net current liabilities HK$67,689,000. These conditions indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2018 (2017: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Performance and Results

For the year ended 30 June 2018, the revenue of the Group was approximately HK$208 million (2017: approximately HK$173 million), representing an increase of 20.3% over last year. The loss attributable to owners of the Company during the year under review was approximately HK$425 million as compared to approximately HK$177.7 million for the year ended 30 June 2017. The basic loss per share was approximately HK5.21 cents (2017: approximately HK4.02 cents).

Business Review and Prospect

The principal activity of the Group is the operation of a professional football club, Birmingham City Football Club ("BCFC" or the "Club"), in the UK. The 2017/18 season started disappointingly with BCFC languishing in the bottom places of the English Football League Championship during most of the season. Despite a number of new players were signed to strengthen the team for the season, the target result as envisaged by the management was not achieved. In order to turn around the situation, the Club appointed a new manager in March 2018 and with his refinement of the team's tactics and strategies, the squad demonstrated stability in performance gradually and overall improvement in game play was noted. The Club eventually finished the 2017/18 season at the 19th position (19th position in 2016/17 season).

Due to the reason that the accumulated loss of the Club had exceeded the allowable threshold pursuant to the Financial Fair Play Rules as set out by the English Football League ("EFL"), the Club was currently working under an imposed arrangement that restricts transfer market activities without the consent of the EFL. Despite the above restriction, the Club maintained close communication with the EFL for potential player acquisitions. The management is keen to improve the performance of the Club on and off the field so as to achieve a better position in the 2018/19 season.

The Birmingham City Football Academy has continued to operate at Category 2 status under the Elite Player Performance Plan. A number of academy trained players continued to participate in the first team squad.

On 30 June 2017, the Group entered into agreements to acquire certain properties at One Park in Phnom Penh, Cambodia comprise residential apartments and commercial properties (collectively, the "Properties"). The acquisition of the Properties was approved by the shareholders of the Company (the "Shareholders") on 17 November 2017 and completion of the transactions took place on 27 November 2017. On 28 August 2018, the Group entered into an agreement to acquire further properties at One Park (the "Remaining Properties", and together with the Properties, the "Cambodia Properties").

The investment in the Cambodia Properties represents a good opportunity to secure a stable stream of income for the Group. Moreover, the long-term appreciation in value of the Cambodia Properties can bring further values to the Company and the Shareholders in future as a whole. The acquisition of the Remaining Properties is expected to be completed in November 2018 subject to Shareholders' approval.

It has been the Group's strategy to diversify its business and to broaden the revenue streams of the Group so as to create substantial value to the Shareholders. Throughout the year under review, the management had been actively seeking different business opportunities for the Group in parallel to promoting our football operation. Looking forward, the management will continue to explore potential business opportunities and identify sustainable projects in order to broaden the business scope and scale of the Group. In the meanwhile, the management will take a cautious approach towards development in different markets and industries and to take prompt and appropriate actions as and when appropriate opportunities are identified.

FINANCIAL REVIEW

Revenue

Revenue of the Group mainly consists of revenue derived from the (i) match day receipts which consisted of season and match day tickets; (ii) broadcasting revenue, including distributions from the Football Association Premier League and EFL broadcasting agreements, cup competitions and revenue from the media; and (iii) commercial income which comprised sponsorship income, corporate hospitality, merchandising, conferences and events and other sundry income. For the year ended 30 June 2018, revenue of the Group amounted to approximately HK$208 million, representing an increase of 20.3% from approximately HK$173 million in 2017. The increase was primarily contributed by the growth in commercial income and distribution from FA League, as well as match day receipts.

Operating Expenses

Operating expenses incurred during the year were approximately HK$531.6 million, representing an increase of 65.8% over that of the previous year. The increase was mainly due to higher staff related costs incurred by the Club, in particular the wages of players and coaching team as a result of the introduction of more players to strengthen the squad.

Other Income

Other income during the year was approximately HK$10.6 million and was 68.1% lower than that of previous year. The decrease was primarily due to certain compensations received last year and the income from the reversal of excess provision for donation in last year were not recurred during the year under review.

Profit on Sales of Players' Registration

Profit on sales of players' registration was approximately HK$21.7 million (2017: approximately HK$2.0 million). The increase was mainly attributable to more revenue from sales of players were recorded during the year under review.

Amortisation of Intangible Assets

Amortisation of intangible assets during the year under review was approximately HK$80.4 million, representing an increase of 1.75 times over that of the previous year. The increase was primarily due to the additional players' registration incurred during the year as more players were signed.

Administrative and Other Expenses

Administrative and other expenses increased by approximately 39.8% to approximately HK$42.2 million for the year ended 30 June 2018. The increase was mainly because of in last year, there was only about eight month normal operation after the resumption of trading of the Shares on the Stock Exchange in October 2016 whereas the Group was in full year operation during the year under review. 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.

Impairment Loss on Intangible Assets

For the year ended 30 June 2018, the Group made an impairment loss of approximately HK$4.8 million on the Group's intangible assets (2017: approximately HK$26.1 million). The impairment made this year was in relation to the loss on the carrying value of players' registration (2017: nil). No impairment loss on trademark was recognised this year (2017: approximately HK$26.1 million).

Finance Costs

During the year under review, the Group incurred finance costs of approximately HK$19.1 million, representing an increase of 1.1 times over last year. The increase was mainly due to the increase in notional interest on transfer fee payables and interest payable on new loans drawn during the year under review in order to cope with the Group's business development.

Income Tax Credit

The income tax credit for last year primarily represented the release of tax provision in respect of the transfer to the Company a debt owed by a subsidiary of the Group in the UK to an ex-director of the Company.

Intangible Assets

The Group had intangible assets amounted to approximately HK$197 million at the year ended 30 June 2018, which was 39.2% higher than that of the previous year. The increase was primarily due to the additional players' registration for the signing of the new players amounting approximately HK$162.3 million.

Inventories

The Group's inventories at the end of the year increased by 21.9% to approximately HK$6.5 million. The increase was mainly due to more merchandise with higher value was kept in stock. All the inventories were current in nature and no written down of its value was considered necessary.

Trade Receivables

The Group had net trade receivables at the end of the year amounted to approximately HK$19.2 million, representing an increase of 2.7 times over that of the previous year. The increase was primarily due to increase in commercial income receivables as at end of this year.

Transfer Fee Payables

The Group's transfer fee payables at the end of the year increased by 61.7% to approximately HK$86.3 million in total as more players were signed during the year.

Trade Payables

The Group's trade payables decreased by 5.9% over that of the previous year to approximately HK$13.5 million. The decrease was largely attributable to the lower amount of merchandise payables as at end of this year.

Deferred Income

Being mainly the unrecognised income in relation to match receipt, the deferred income at the end of the year was approximately HK$25 million, representing a decrease of 7.6% over that of last year. The decrease was primarily due to less season tickets for the new season were sold before year end as compared to last year.

Contingent Liabilities

Other than disclosed in note 16 above, the Group did not have any material contingent liabilities as at 30 June 2018.

Capital Expenditure and Commitments

For the year ended 30 June 2018, the Group invested approximately HK$21.9 million in the purchase of property, plant and equipment, and approximately HK$393.9 million for the addition of investment properties.

At 30 June 2018, the Group had no significant capital commitment (2017: nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Gearing Ratio

As at 30 June 2018, the Group's current ratio (as defined by current assets divided by current liabilities) was 68.4% (2017: 111%) and the gearing ratio (as defined by total borrowings divided by equity plus total borrowings) was 22.2% (2017: 12%). The ratio of total liabilities to total assets of the Group was 40.4% (2017: 44%).

Financial Resources

The Group generally finances its operations with internally generated cash flows, loans from substantial Shareholders and from independent third parties, and through the capital market available to listed companies in Hong Kong. As at 30 June 2018, the Group's bank balances and cash were approximately HK$69.2 million (2017: approximately HK$131.2 million), which were principally denominated in Hong Kong dollars, Pounds Sterling and Renminbi. As at 30 June 2018, the Group had total borrowings of approximately HK$166 million (2017: approximately HK$39.1 million), of which approximately HK$66.2 million were repayable within one year (2017: approximately HK$39.1 million).

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

The Company also explores measures to improve its overall financial position. In particular, the Company had from time to time negotiated with the major lenders of the Group for possible conversion of substantial portion of the outstanding loan to equity. The Company believes that such conversion can improve the overall gearing of the Group and strengthen the equity base of the Company which is beneficial to the Company, the Shareholders and other stakeholders of the Company as a whole.

On 21 December 2016, the Company entered into the Trillion Trophy Facility with Trillion Trophy in respect of the provision of a revolving loan facility up to HK$250,000,000 for a term up to 31 December 2018 or the date on which facility is cancelled or terminated pursuant to the terms of the Trillion Trophy Facility (or such other date as agreed between the Company and Trillion Trophy). As at 30 June 2018, a total of HK$66,197,000 had been drawn from the Trillion Trophy Facility.

On 2 August 2017, the Company and Dragon Villa entered into the 1st Dragon Villa Facility, pursuant to which Dragon Villa provided a term loan facility up to HK$100,000,000 to the Company. The 1st Dragon Villa Facility is unsecured, for a term up to 31 July 2018 and bears interest at the rate of 4.5% per annum. On 14 December 2017, the Company and Dragon Villa entered into the 1st Dragon Villa Subscription Agreement whereby the Company conditionally agreed to issue 714,286,000 new shares at the subscription price of HK$0.14 per share to Dragon Villa or its nominee. The consideration for the issue of such 714,286,000 shares was set off against the outstanding principal amount of the 1st Dragon Villa Facility. As at the date of entering into the 1st Dragon Villa Subscription Agreement, the 1st Dragon Villa Facility was fully utilised and the outstanding principal amount was HK$100,000,000. The shares subscribed under the 1st Dragon Villa Subscription Agreement were allotted and issued on 28 December 2017. As at 30 June 2018, all outstanding amount under the 1st Dragon Villa Facility was fully settled.

On 10 October 2017, the Company and Chigwell entered into the Chigwell Facility, pursuant to which Chigwell provided a term loan facility up to HK$150,000,000 to the Company. The Chigwell Facility is unsecured, for a term up to 31 December 2018 and bears interest at the rate of 6.5% per annum. On 14 December 2017, the Company and Chigwell entered into the Chigwell Subscription Agreement whereby the Company conditionally agreed to issue 500,000,000 new shares at the subscription price of HK$0.14 per share to Chigwell or its nominee. The consideration for the issue of such 500,000,000 shares was set off against the outstanding principal amount of the Chigwell Facility. As at the date of entering into the Chigwell Subscription Agreement, the outstanding principal amount of the Chigwell Facility was HK$70,000,000. The shares subscribed under the Chigwell Subscription Agreement were allotted and issued on 28 December 2017. As at 30 June 2018, all outstanding amount under the Chigwell Facility was fully settled.

On 2 March 2018, the Company and Dragon Villa entered into the 2nd Dragon Villa Facility pursuant to which Dragon Villa provided a term loan facility up to HK$150,000,000 to the Company. The 2nd Dragon Villa Facility is unsecured, for a term up to 30 June 2019 and bears interest at the rate of 8.0% per annum. On 14 June 2018, the Company and Dragon Villa entered into the 2nd Dragon Villa Subscription Agreement whereby the Company conditionally agreed to issue 1,380,080,000 new shares at the subscription price of HK$0.105 per share to Dragon Villa or its nominee. The consideration for the issue of such 1,380,080,000 shares was set off against the outstanding amount of the 2nd Dragon Villa Facility. As at the date of entering into the 2nd Dragon Villa Subscription Agreement, the outstanding principal amount and interest of the 2nd Dragon Villa Facility were approximately HK$144,908,000. The shares subscribed under the 2nd Dragon Villa Subscription Agreement were allotted and issued on 26 June 2018. As at 30 June 2018, the outstanding principal amount under the 2nd Dragon Villa Facility was fully settled.

On 8 May 2018, the Company and a third party entered into a standby loan facility, pursuant to which such third party provided a term loan facility up to HK$150,000,000 to the Company. The Facility is unsecured, for a term up to 30 June 2020 and bears interest at the rate of 8.0% per annum. As at 30 June 2018, the amount of the outstanding principal amount and interest payable under the Facility were approximately HK$95,000,000 and approximately HK$519,000 respectively.

Directors' Opinion on Sufficiency of Working Capital

As at 30 June 2018, the current liabilities of the Group exceeded current assets by approximately HK$67.7 million (2017: the current assets of the Group exceeded current liabilities approximately HK$18.3 million). The Group's ability to continue as a going concern depends on the financial resources presently available to the Group. Taking into account the expected financial performance, net cash expected to be generated from the operation of the Group and the available loan facilities, the Directors believe that the Group is able to fully meet its liabilities as and when they fall due and to carry on its business without a significant curtailment of operations for the foreseeable future.

Foreign Exchange Exposure

The Group's exposure to foreign currency risk mainly relates to the Group's operation in the UK and the investment in Cambodia and most of which transactions, assets and liabilities are denominated in Pounds Sterling 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

Certain bank credit facilities made available to BCFC were secured by a fixed charge over a specific bank deposit account of BCFC held with the bank. As at 30 June 2018, the balance on this bank deposit account was GBP800,000 (equivalent to approximately HK$8,208,000) (2017: GBP800,000 which was equivalent to approximately HK$8,124,000).

Save for the above, the Group had not charged other assets to secure its borrowings.

Capital Structure

On 27 November 2017, pursuant to the Acquisitions and under the specific mandate granted by the Shareholders at the extraordinary general meeting of the Company on 17 November 2017, the Company allotted and issued in aggregate 2,086,551,000 shares at HK$0.15 per share to satisfy the consideration payable for the Acquisitions at a fair value in aggregate of approximately HK$389,039,000.

On 28 December 2017, pursuant to the 1st Dragon Villa Subscription Agreement and the Chigwell Subscription Agreement and under the general mandate granted by the Shareholders at the annual general meeting of the Company on 30 December 2016, the Company allotted and issued in aggregate 1,214,286,000 shares at HK$0.14 per share to offset against the outstanding principal amount of the 1st Dragon Villa Facility and the Chigwell Facility which as at the date of the Dragon Villa Subscription Agreement and the Chigwell Subscription Agreement amounted to approximately HK$170,000,000 in aggregate.

On 26 June 2018, pursuant to the 2nd Dragon Villa Subscription Agreement and under the general mandate granted by the Shareholders at the annual general meeting of the Company on 29 December 2017, the Company allotted and issued in aggregate 1,380,080,000 shares at HK$0.105 per share to offset against the outstanding amount of the 2nd Dragon Villa Facility, including interest, which as at the date of the 2nd Dragon Villa Subscription Agreement amounted to approximately HK$144,908,000 in aggregate.

As at 30 June 2018, the Company had 10,974,071,672 shares of HK$0.01 each in issue (2017: 6,293,154,672 shares).

EVENT AFTER THE REPORTING PERIOD

Reference is made to the announcement of the Company dated 28 August 2018. Deep Blue Trade (Cambodia) Co., Ltd. ("Deep Blue"), an indirect wholly-owned subsidiary of the Company, entered into a long term lease agreement with GRED on 28 August 2018 (the "2018 Long Term Lease Agreement"), pursuant to which GRED has conditionally agreed to lease the properties, which are located within and form part of One Park, comprise (i) 22 residential apartments on four floors and all areas on three floors at Block C of One Park with total saleable area of approximately 3,468.15 sq.m.; and (ii) portion of the podium and corridor connected to the main building of the condominium with saleable area of approximately 1,791.34 sq.m. (collectively the "Remaining Properties") to Deep Blue at the consideration of approximately US$16.3 million (equivalent to approximately HK$127.2 million).

On 28 August 2018, Celestial Fame Investments Limited ("Celestial Fame"), an indirect wholly-owned subsidiary of the Company, entered into a master lease agreement with Ever Depot (the "Master Lease Agreement"), pursuant to which Celestial Fame has conditionally agreed to lease, or procure the lease of, the Cambodia Properties to Ever Depot for 3 years at US$15 per sq.m. per month.

The consideration of the 2018 Long Term Lease Agreement amounted to approximately US$16.3 million (equivalent to approximately HK$127.2 million) shall be satisfied as to US$6.2 million (equivalent to approximately HK$48.4 million) by cash and as to US$10.1 million (equivalent to approximately HK$78.8 million) by the allotment and issue of 832,610,000 new Shares to GRED (or its nominee(s)) at an issue price of HK$0.0947 per share on completion of the 2018 Long Term Lease Agreement in accordance with the terms thereof.

Since GRED, being the sole shareholder of Ever Depot, is a connected person of the Company, the 2018 Long Term Lease Agreement constituted a connected transaction for the Company. Since Ever Depot, being a substantial Shareholder, is a connected person of the Company, the transactions contemplated under the Master Lease Agreement constituted continuing connected transactions for the Company. The 2018 Long Term Lease Agreement, the Master Lease Agreement and the transactions contemplated thereunder are subject to the approval of the independent Shareholders. As at the date of this announcement, the transactions contemplated thereunder have not yet been completed.

On 10 August 2018, the Company and a third party lender entered into a loan facility pursuant to which such lender provides a term loan facility up to HK$250,000,000 to the Company (the "201808 Facility"). The 201808 Facility is unsecured, for a term up to 31 December 2020 and bears interest at the rate of 8% per annum.

On 14 August 2018, BCFC, a subsidiary of the Group, received a notification from the EFL in connection with breaches of the Championship Profitability and Sustainability Rules of Appendix 5 of the EFL regulations. The breaches were mainly associated with BCFC's financial performance. As a result of the breaches, BCFC was placed under an imposed arrangement that restricts transfer market activities without the consent of the EFL and was referred to a disciplinary commission, which is estimated to be held in October 2018.

Up to the date of approval of these consolidated financial statements, the management of BCFC are still in negotiation with the EFL on the possible disciplinary actions that might be imposed to BCFC and is not in a position to estimate the impact on the Group.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2018, the Group employed approximately 279 full time employees and approximately 549 temporary staff members in Hong Kong, the PRC and the UK (2017: approximately 230 full time employees and approximately 520 temporary staff members). 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.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the Company's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2018 as set out in the preliminary announcement of the Group's results for the year ended 30 June 2018 have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three Independent Non-executive Directors, namely Mr. To Yan Ming, Edmond, Mr. Pun Chi Ping and Ms. Leung Pik Har, Christine. Mr. To Yan Ming, Edmond is the Chairman of the Audit Committee. The audited consolidated financial statements of the Company for the year ended 30 June 2018 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 has complied with all the applicable provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules for the year ended 30 June 2018, except for the following deviation:

Code Provision E.1.2

Under Code Provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. Mr. Zhao Wenqing, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 29 December 2017 (the "AGM") due to other business commitment. However, Ms. Chan Yuk Yee, an Executive Director, had taken the chair of the AGM in accordance with Article 63 of the Articles of Association of the Company. Ms. Chan was of sufficient calibre and knowledge for communication with the Shareholders at the AGM.

Save as the deviation mentioned above, the Company complied with the provisions of the CG Code during the year ended 30 June 2018.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all of them confirmed that they had complied with the required standard set out in the Model Code during the year ended 30 June 2018.

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

During the year ended 30 June 2018, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

PUBLICATION OF FINAL RESULTS

This announcement is published on the website of the Company at www.bshl.com.hk and the Stock Exchange website at www.hkexnews.hk.

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

Hong Kong, 28 September 2018

As at the date of this announcement, the Board comprises nine Directors, namely Mr. Zhao Wenqing (Chairman), Mr. Huang Dongfeng (Chief Executive Officer), Ms. Chan Yuk Yee, Mr. Yiu Chun Kong and Mr. Hsiao Charng Geng as Executive Directors; Mr. Sue Ka Lok as Non-executive Director; and Mr. To Yan Ming, Edmond, Mr. Pun Chi Ping and Ms. Leung Pik Har, Christine as Independent Non-executive Directors.