

TARGET

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Part One Of Two

BIRMINGHAM SPORTS HOLDINGS LTD: WILL THE NEW 'BROOMS' BE ABLE TO SWEEP AWAY THE HUGE LOSSES OF THE PAST ?

Birmingham Sports Holdings Ltd (伯明翰體育控股有限公司) (Code: 2309, Main Board, The Stock Exchange of Hongkong Ltd) may well be known in certain quarters of Great Britain and Wales by the nomenclature as being, amongst other things, the owner of a very popular, professional football club.

But the Company has never been known as being the corporate entity that could have two pennies to rub together.

In fact, on or about February 16, 2015, Receivers were appointed of the Company, jointly and severally.

On or about Thursday, October 27, 2022, the 2022 Annual Report of Birmingham Sports Holdings Ltd in respect of the Financial Year, ended June 30, 2022, was published and disseminated in the **H**ong**k**ong Special Administrative **R**egion (**HKSAR**) of the **P**eople's **R**epublic of **C**hina (**PRC**).

At Page 64 of the 2022 Annual Report, one was presented with the '**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.**'

The following is an abstract of that which this medium has determined as being amongst the highlights of the financials of the Company:

	For The Financial Year, Ended June 30		Percentage Increase/(Decrease)*
	2022	2021	
	All Figures Are Denominated In \$HK'000 (except where otherwise stipulated)		
Revenue	220,939	165,023	33.88

Loss From Operations	(244,613)	(262,113)	(6.68)
Football Club Segment Compensation	201,318	Nil	Nought
Loss Before Taxation	(107,768)	(112,418)	(4.14)
Income Tax Credit	1	589	(99.83)
Loss For The Year	(107,767)	(111,829)	(196.37)
Total Comprehensive Expense For The Year	(82,001)	(91,598)	(10.48)
Loss For The Year Attributable To Shareholders Of The Company	(40,661)	(74,232)	(45.22)
Loss Per Share Attributable To Shareholders Of The Company	(0.21) cents	(0.40) cents	(47.50)

* These are **TARGET**'s calculations.

At Page 66 of the 2022 Annual Report of Birmingham Sports Holdings Ltd, under the heading, '**Current assets**', '*Amount Due From A Related Party*': \$HK184,384,000.00.

Extrapolating definitive paragraphs in respect of the above statements, inter alia, it was found that, at Page 132 of the 2022 Annual Report of the Company, under Note (i), one was informed of the following:

'Amount due from a related party of approximately HK\$184,384,000 (2021: nil) represented the compensation income from football club segment in the UK (United Kingdom) receivable from Oriental Rainbow (Oriental Rainbow Investments Ltd [東靚投資有限公司]) under the profit and loss sharing arrangement between the Company and Oriental Rainbow pursuant to the shareholders' agreement dated 9 October 2020. Details of the shareholders' agreement, please refer to the announcement of the Company dated 9 October 2020 and the circular of the Company dated 17 November 2020. The balances are denominated in Pounds Sterling, interest-free, unsecured and repayable on demand. The maximum amount outstanding during the year is approximately HK\$184,384,000.'*

* Note:

'Football Club Segment' is defined as being:

'The football club business segment of the Group which principally consists of the BCB – Birmingham City PLC, a company, incorporated in England and Wales, and a 96.64-percent owned subsidiary of the Company as at October 9, 2020 – and BCSL, Birmingham City Stadium Ltd, a company, incorporated in England and Wales and a wholly owned subsidiary of the Company as at October 9, 2020.'

Oriental Rainbow Investments Ltd, a company, incorporated in The Kingdom of Cambodia, has a beneficial equity holding, amounting to 23.53 percent of Birmingham Sports Holdings Ltd.

Mr Vong Pech is the sole equity holder of Oriental Rainbow Investments Ltd.

At Page 67 of the 2022 Annual Report of Birmingham Sports Holdings Ltd, it was shown that Total Equity (Shareholders' Funds), with regard to the 2022 Financial Year, was \$HK222,813,000.00, equivalent to a depreciation of 26.90 percent, compared with the 2021 Financial Year's figure of \$HK304,814,000.00.

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