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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)

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF INTERESTS IN A SUBSIDIARY AND MAJOR AND CONNECTED TRANSACTION IN RELATION TO FINANCIAL ASSISTANCE AND RESUMPTION OF TRADING

SHARE PURCHASE AGREEMENT

The Board is pleased to announce that on 7 May 2023, the Company entered into the Share Purchase Agreement with the Buyer, pursuant to which the Company has conditionally agreed to sell and the Buyer has conditionally agreed to buy (i) approximately 24% issued share capital of BCP; and (ii) approximately 32% of the aggregate amounts owing by BCP to the Company.

ORIL/AGGL SHARE PURCHASE AGREEMENT

On the same day, ORIL and AGGL entered into the ORIL/AGGL Share Purchase Agreement with the Buyer, pursuant to which ORIL and AGGL have conditionally agreed to sell and the Buyer has conditionally agreed to buy (i) all shares in the capital of BCP held by ORIL, i.e., approximately 21.64% issued share capital of BCP; (ii) all shares in the capital of BCSL; (iii) all loans owing by BCP to ORIL; and (iv) all loans owing by BCSL to each of ORIL and AGGL.

SHAREHOLDERS AGREEMENT AND FINANCE DOCUMENTS

Pursuant to the terms of the Share Purchase Agreement, the Shareholders' Agreement and the Finance Documents shall also be entered into on the Completion Date.

LISTING RULES IMPLICATIONS

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

ORIL is a company indirectly wholly-owned by Mr. Vong Pech, a substantial Shareholder interested in approximately 23.53% of the issued Shares as at the date of the Share Purchase Agreement and is a connected person of the Company. The Share Purchase Agreement provides that the Buyer shall not be obliged to complete the purchase and the Company shall not be obliged to complete the sale of any of the Sale Shares unless (a) the sale of all the Sale Shares; and (b) the sale of all shares in the capital of BCP held by ORIL and all shares in the capital of BCSL held by ORIL and AGGL pursuant to the ORIL/AGGL Share Purchase Agreement, are completed simultaneously. In light of this requirement, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the highest of the applicable percentage ratios for the Finance Documents and the transactions contemplated thereunder, in aggregate, exceeds 25%, the Finance Documents and the transactions contemplated thereunder constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Immediately following Completion, the Buyer will become a substantial shareholder of BCP. The Finance Documents and the transactions contemplated thereunder will constitute connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be held to consider and if thought fit, to approve the Share Purchase Agreement, the Shareholders' Agreement, the Finance Documents and the transactions contemplated thereunder. At the EGM, Mr. Vong Pech and his associates will abstain from voting on the resolutions approving the Share Purchase Agreement, the Shareholders' Agreement, the Finance Documents and the transactions contemplated thereunder. As at the date of this announcement, Mr. Vong Pech and his associates (including Ever Depot Limited) hold 181,566,440 Shares, representing approximately 23.53% of the issued share capital of the Company. To the best of the knowledge, information and belief of the Directors, none of the persons (excluding Mr. Vong Pech and his associates) who are required to abstain from voting at the EGM holds any Shares as at the date of this announcement.

Pursuant to the Share Purchase Agreement, the Company has delivered to the Buyer the Irrevocable Undertaking of Trillion Trophy and Dragon Villa, pursuant to which they have undertaken to the Buyer to accept and vote in favour of the relevant resolutions regarding the Disposal in relation to all their Shares. As at the date of this announcement, Trillion Trophy and Dragon Villa are beneficially interested in 217,000,000 Shares and 131,774,640 Shares, respectively, representing approximately 28.12% and 17.08%, respectively, of the entire issued share capital and voting rights of the Company.

GENERAL

A circular including, among other information, a letter from the Board containing (i) further details of the Share Purchase Agreement, the Shareholders' Agreement, the Finance Documents and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the EGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders within twenty business days (has the meaning ascribed to it under the Listing Rules) from the date of this announcement as additional time is required by the Company to prepare the information to be included in the circular.

The Board has taken advice and note that the Takeover Panel and The City Code on Takeovers and Mergers does not apply to this transaction.

The Share Purchase Agreement is subject to the satisfaction of the Conditions Precedent as described in this announcement. There is no assurance that any of such Conditions Precedent will be fulfilled. Therefore, the transactions contemplated under the Share Purchase Agreement may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 8 May 2023, pending the issue of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 May 2023.

Reference is made to the inside information announcement of the Company dated 12 April 2023 respecting letters of intent in relation to potential transactions involving, among other things, the disposal of approximately 24% issued share capital of BCP by the Group.

The Board is pleased to announce that on 7 May 2023, the Company entered into the Share Purchase Agreement with the Buyer, pursuant to which the Company has conditionally agreed to sell and the Buyer has conditionally agreed to buy (i) approximately 24% issued share capital of BCP; and (ii) approximately 32% of the aggregate amounts owing by BCP to the Company.

On the same day, ORIL and AGGL entered into the ORIL/AGGL Share Purchase Agreement with the Buyer, pursuant to which ORIL and AGGL have conditionally agreed to sell and the Buyer has conditionally agreed to buy (i) all shares in the capital of BCP held by ORIL, i.e., approximately 21.64% issued share capital of BCP; (ii) all shares in the capital of BCSL; (iii) all loans owing by BCP to ORIL; and (iv) all loans owing by BCSL to each of ORIL and AGGL.

SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are set out below:

Date: 7 May 2023

Parties: The Company as seller; and
the Buyer as buyer.

Assets to be disposed of

Pursuant to the Share Purchase Agreement, subject to the satisfaction (or, as applicable, waiver) of the Conditions Precedent:

- (a) the Company shall sell and the Buyer shall buy the Sale Shares; and
- (b) the Company shall assign to the Buyer all of the Company's rights, title, interest and benefits in and to the Assigned Loans and the Buyer shall accept such assignment.

The Sale Shares represent approximately 24% of the issued share capital of BCP as at the date of this announcement. The Assigned Loans represent approximately 32% of the total amount of the shareholder’s loan owing by BCP to the Company. As at the date of this announcement, the aggregate amounts owing by BCP to the Company are approximately GBP101.1 million (equivalent to approximately HK\$992.8 million).

Consideration

The consideration for the Disposal is approximately GBP5.3 million (equivalent to approximately HK\$52.0 million) in aggregate, which shall be satisfied by the payment in cash to the Company on Completion.

EPL Bonuses

The Buyer shall pay to the Company the following EPL Bonuses in respect of the Club’s promotion to the EPL following the Completion Date:

EPL Bonuses	Eligibility	Amount
EPL Promotion Bonus	The Club qualifies for promotion to the EPL (the “EPL Promotion”) on or before 30 June 2025	GBP7.5 million (equivalent to approximately HK\$73.65 million)
EPL Season 1 Bonus	Following the conclusion of the first season immediately after an EPL Promotion (“EPL Season 1”), the Club remains in the EPL for the duration of EPL Season 1	GBP3.75 million (equivalent to approximately HK\$36.83 million)
EPL Season 2 Bonus	Following the conclusion of the season immediately following EPL Season 1 (“EPL Season 2”) and provided that the Club has remained in the EPL for the duration of EPL Season 1, the Club remains in the EPL for the duration of EPL Season 2	GBP3.75 million (equivalent to approximately HK\$36.83 million)

The EPL Bonuses shall, if payable in accordance with the terms of the Share Purchase Agreement, be paid by the Buyer to the Company within twenty Business Days of the commencement of EPL Season 1 (the EPL Promotion Bonus), EPL Season 2 (the EPL Season 1 Bonus) and the season immediately following EPL Season 2 (the EPL Season 2 Bonus).

The Consideration and the EPL Bonuses were determined after arm's length negotiations between the Company and the Buyer, taking into consideration (i) the net liabilities of BCP in the amount of approximately GBP123.0 million (equivalent to approximately HK\$1,207.9 million) as at 31 March 2023; (ii) the amount of the Assigned Loans of approximately GBP31.7 million (equivalent to approximately HK\$311.3 million) as at 31 March 2023; (iii) the financial performance of the BCP Group for the year ended 30 June 2022 and the six months ended 31 December 2022 having recorded a loss of approximately GBP25.0 million and GBP12.1 million, respectively; (iv) the Operating Loan Facility to be provided by the Buyer; and (v) the benefits of the Disposal and use of proceeds as set out in the section headed "Reasons for and benefits of the Disposal" and "Use of Proceeds" of this announcement.

Conditions Precedent

Completion is conditional upon and subject to the satisfaction (or, as applicable, waiver) of the Conditions Precedent as follows:

- Condition (a): confirmation from the EFL that it does not object (or confirmation to that effect) to the matters contemplated by the Share Purchase Agreement;
- Condition (b): the passing by the Shareholders (or, if required by the Listing Rules, the Independent Shareholders) of all necessary resolutions at the general meeting of the Company approving the Share Purchase Agreement, the Shareholders' Agreement, the Finance Documents and the transactions contemplated thereunder;
- Condition (c): the Share Purchase Agreement not having been terminated by the Buyer pursuant to the terms thereof;
- Condition (d): the Share Purchase Agreement not having been terminated by the Company pursuant to the terms thereof; and
- Condition (e): no material adverse change having occurred from and including the date of the Share Purchase Agreement.

The Conditions Precedent, save for the Conditions (a) and (b) which cannot be waived, may be waived in writing by the Buyer (in respect of Conditions (c) and (e)) or the Seller (in respect of Condition (d)).

If by the Long Stop Date, the Conditions Precedent (save for the Conditions (a) and (b)) have not been satisfied in full or, as applicable, waived by the relevant party, then, by notice in writing from the Buyer to the Seller (where Conditions (c) or (e) has not been satisfied or waived) or from the Seller to the Buyer (where Condition (d) has not been satisfied or waived), such party may without prejudice to any other remedies or accrued rights available to it terminate the Share Purchase Agreement with immediate effect, whereupon all terms and conditions of the Share Purchase Agreement shall cease to have effect; or defer the Long Stop Date to a date not more than 20 Business Days after that date provided that no such deferral or extension will be later than 31 December 2023.

If by the Long Stop Date, Condition (a) has not been satisfied in full, then the Share Purchase Agreement shall cease to have effect as from the Long Stop Date and no party shall have any further or other obligation to the other save in respect of any antecedent breach, provided always that the parties may agree to extend the Long Stop Date in respect of Condition (a) only to such other date as the parties may agree in writing; or if the Buyer or Seller (as the case may be) has not provided such reasonable documents as requested by the EFL in a reasonable period of time from such request by the EFL, then the Share Purchase Agreement shall not automatically terminate, in which case the Seller or the Buyer (as the cause may be) shall be entitled to, without prejudice to any other remedies or accrued rights available to it, terminate the Share Purchase Agreement with immediate effect, whereupon all terms and conditions of the Share Purchase Agreement shall cease to have effect; or defer the Long Stop Date to a date not more than 20 Business Days after that date provided that no such deferral or extension will be later than 31 December 2023.

If by the Long Stop Date, Condition (b) has not been satisfied in full, then the Buyer shall be entitled to, without prejudice to any other remedies or accrued rights available to it, terminate the Share Purchase Agreement with immediate effect, whereupon all terms and conditions of the Share Purchase Agreement shall cease to have effect; or defer the Long Stop Date up to and including 31 March 2024 after that date, provided always that if the Stock Exchange has not finally confirmed in writing with the effect that Condition (b) cannot be met, then the Share Purchase Agreement shall cease to have effect as from the Long Stop Date.

Completion

Completion shall take place as soon as reasonably practicable (and in any event within ten Business Days) following and subject to satisfaction (or, as applicable, waiver) of the Conditions Precedent.

The Buyer shall not be obliged to complete the purchase and the Company shall not be obliged to complete the sale of any of the Sale Shares unless (i) the sale of all the Sale Shares; and (ii) the sale of all shares in the capital of BCP held by ORIL and all shares in the capital of BCSL held by ORIL and AGGL pursuant to the ORIL/AGGL Share Purchase Agreement, are completed simultaneously.

Funding arrangements

In the event:

- (a) the lenders under the Operating Loan Agreement fail to comply with their obligations pursuant to the Subordination Deed; or
- (b) any lender has failed to fund its participation in any loan in accordance with the terms of the Operating Loan Facility where such lender is obliged to do so; or
- (c) the board of directors of BCP, acting fraudulently, in bad faith or unreasonably, fails to deliver a utilisation request pursuant to the Operating Loan Agreement to meet the financial requirements of the BCP Group,

the Buyer shall, within 10 Business Days of a failure to fund, pay to the Company a compensation payment in the amount of GBP20.0 million (equivalent to approximately HK\$196.4 million), provided that such compensation payment shall not be paid or payable if the reason for the failure by any lender to fund pursuant to the Operating Loan Facility is due to the actions or omissions of the Company, any related person, its shareholders or members or regulatory bodies.

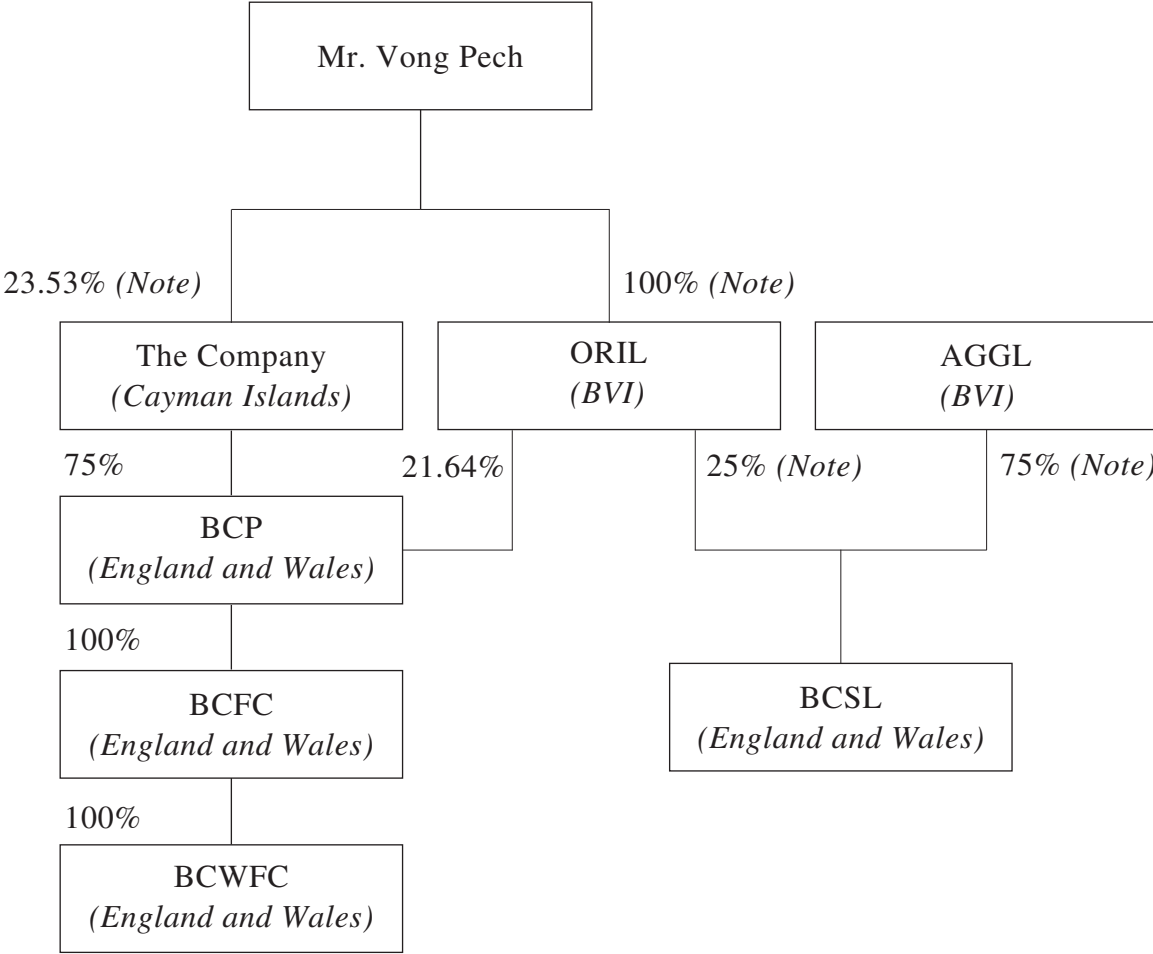
ORIL/AGGL SHARE PURCHASE AGREEMENT

The principal terms of the ORIL/AGGL Share Purchase Agreement are substantially identical with the Share Purchase Agreement, except:

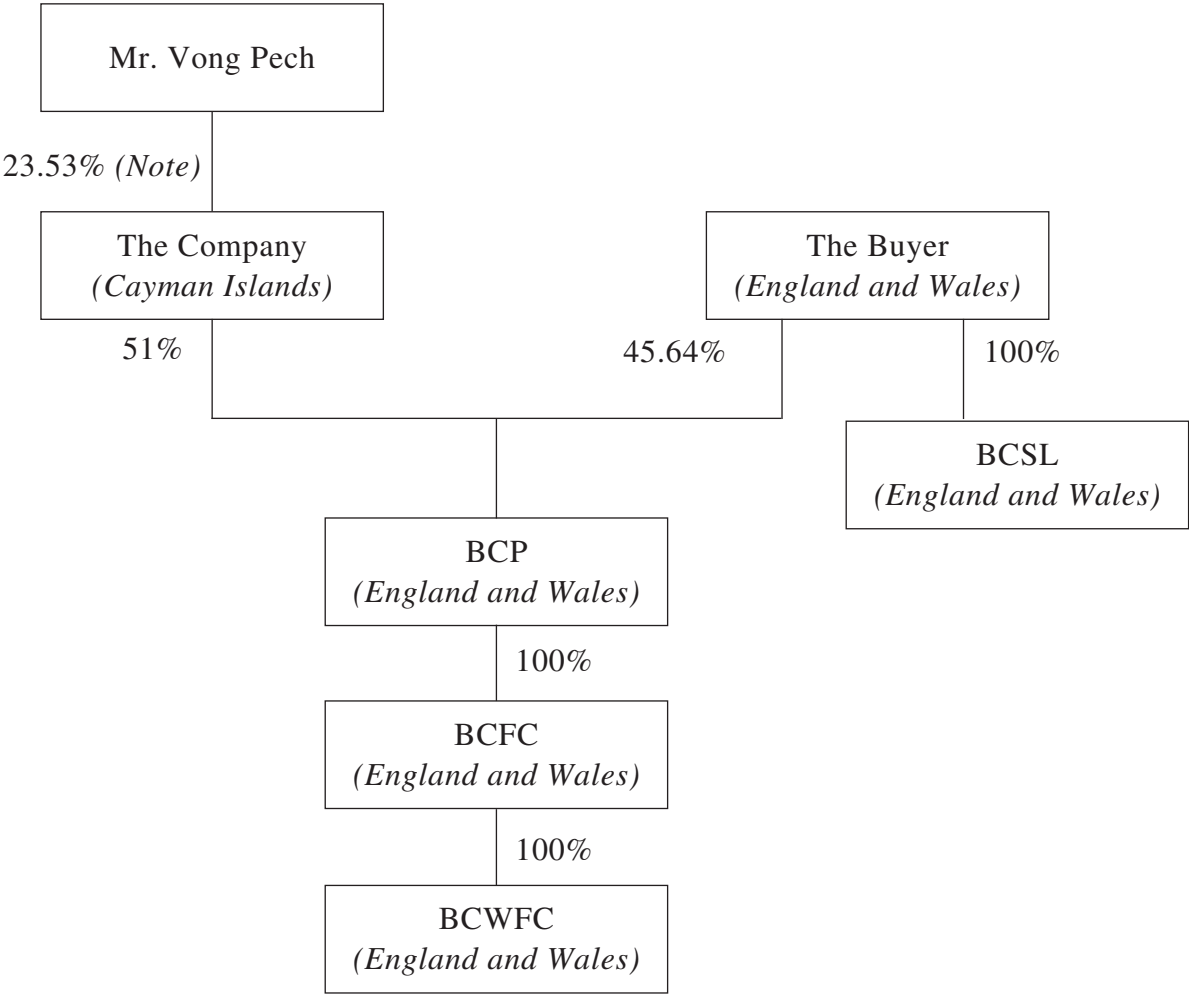
1. Assets to be disposed of: (i) all shares in the capital of BCP held by ORIL, i.e., approximately 21.64% issued share capital of BCP; (ii) the entire issued share capital of BCSL; (iii) all loans owed by BCP to ORIL; and (iv) all loans owed by BCSL to each of ORIL and AGGL.
2. Consideration: the consideration for the sale and purchase of the ORIL Sale Shares together with the assignment of the ORIL Assigned Loans shall be approximately GBP4.7 million (equivalent to approximately HK\$46.2 million), which is in proportion to percentage interest of ORIL in the issued share capital of BCP under the same valuation of the Sale Shares.
3. Conditions Precedent: completion of ORIL/AGGL Share Purchase Agreement is subject to the satisfaction of Conditions (a), (c), (d) and (e) as set out in the section headed “Share Purchase Agreement - Conditions Precedent” of this announcement.

GROUP STRUCTURE

Set out below is the structure of the Group as at the date of this announcement:



Set out below is the structure of the Group immediately after Completion:



Note: Represents beneficial interest

OTHER TRANSACTION DOCUMENTS

Pursuant to the terms of the Share Purchase Agreement, the Shareholders’ Agreement and the Finance Documents shall also be entered into on the Completion Date.

THE SHAREHOLDERS’ AGREEMENT

Management of the BCP Group

The board of directors of each BCP Group Company shall have the responsibility for the supervision and management of the relevant BCP Group Company and its business, save in respect of the following matters which shall require the consent of the Company and the Buyer:

1. The passing of any ordinary or special resolution of any BCP Group Company or any matter requiring the approval of the shareholders under the Companies Act 2006 in relation to any BCP Group Company.

2. The amendment, alteration or modification of the articles of association or constitutional documents of any BCP Group Company save as provided in the Shareholders' Agreement.
3. Declaring, making or paying any dividends or other distributions by any BCP Group Company.
4. Electing to liquidate or dissolve any BCP Group Company or file a petition for insolvency or permit the winding up of or the appointment of a receiver to any BCP Group Company.
5. Varying any rights attaching to the shares of any BCP Group Company.
6. Save in respect of the BCP Charge, the creation, allotment or issue of any shares or securities, or the grant of any right to require the allotment or issue of any such shares or securities or any other agreement or arrangement relating to any right to require the allotment or issue of any shares or securities.
7. The increase, reduction, repayment, redemption, subdivision, consolidation or otherwise variation of the authorised or issued share capital of any BCP Group Company or the rights attaching thereto or reduction of the amount, if any, standing to the credit of the share premium account or capital redemption reserve.
8. The repayment of any indebtedness of each BCP Group Company owed to the Company or the Buyer save for (i) the loan pursuant to the Operating Loan Facility and/or (ii) any amount owing pursuant to the Company Loan Agreement and/or (iii) pursuant to the terms of the Subordination Deed.
9. The creation of any mortgage, charge, lien, encumbrance or other third party right over any of the shares in the issued capital of any BCP Group Company or material assets or the giving by any BCP Group Company of any guarantee or indemnity to, or becoming surety for, any third party.
10. Any change to or waiver of the Company Charge and the Buyer Charge.
11. Any change to the composition of the board of directors of any BCP Group Company other than in accordance with the Shareholders' Agreement.
12. Save as set out in the Shareholders' Agreement or in respect of the enforcement of either of the Company Charge or the Buyer Charge, the sale, transfer, pledge, charge or other disposal of any share of BCP or any interest in any share of BCP.

Board composition

There shall be seven directors on the board of each BCP Group Company. Subject to compliance with the applicable laws, rules and regulations and obtaining all necessary approvals, consents and registrations (including, but not limited to, the approval of the EFL), the Company shall have the right to appoint up to four directors and the Buyer shall have the right to appoint three directors.

Quorum and decision making

The quorum for any meeting or decision of the board is four directors of whom at least one director must be a director appointed by the Company. If at any board meeting a quorum is not present, then such meeting shall take place one week later at the same time and place as the original meeting however the quorum for the subsequent meeting shall be set at such lower number as is determined by the majority of the board. Decisions of the board are made by a simple majority of votes of the directors present, with each eligible director having one vote. The chairman for any board meeting shall be appointed with the majority vote of the board. As soon as reasonably practicable following the Completion Date, the Chief Executive Officer of BCP shall be appointed to the board of BCP with the consent of the majority of the board. No resolution may be passed at a board meeting unless notice of the meeting has been given to all of the directors.

Funding arrangements

In respect of any costs of any repair and/ or remedial work that has been undertaken to the Stadium for the period from and including 1 April 2023 to and including the Completion Date, the lenders of the Operating Loan Agreement shall make a loan under the Operating Loan Facility in an amount not exceeding the lesser of: (i) the aggregate amount of the approved invoices and (ii) GBP5.0 million (equivalent to approximately HK\$49.1 million).

From the Completion Date until expiry of the Escrow Availability Period (and thereafter at the Buyer's sole discretion), if BCP or BCFC (as applicable) submits a valid utilisation request under the Operating Loan Facility requesting a loan to fund operating costs and expenses of the BCP Group and its business in each case in accordance with the annual operating budget approved by the board of directors of the BCP Group, then the lenders under the Operating Loan Agreement shall ensure that a loan so requested by BCP or BCFC (as applicable) is made to BCP or BCFC (as applicable) in accordance with the Operating Loan Facility.

If, during the Initial Period, the Buyer fails to advance any amount validly due to be advanced pursuant to the terms of the Operating Loan Facility, BCP shall request that the Company makes a commitment of not less than GBP10.0 million (equivalent to approximately HK\$98.2 million) and not more than GBP30.0 million (equivalent to approximately HK\$294.6 million) be made available under the terms of the Company Facility Agreement as determined by the board of directors of BCP. If the Company fails or declines, within 5 Business Days of a commitment request, to confirm that the commitment amount is available for utilisation by BCP, BCP may cancel the Company Facility Agreement or secure financing to support BCP from any third-party lender on terms acceptable to BCP, at which time the Buyer Charge will automatically be released and the Buyer may grant security over the charged property in favour of that third-party lender (if so required by that third-party lender).

Availability period:	The period from and including the date of the Operating Loan Agreement to the fifth anniversary of the date of the Operating Loan Agreement.
Interest rate:	11.9% per annum The interest rate was agreed upon by the Company and the Buyer with reference to normal commercial practice and after arm's length negotiations taking into account the Company's cost of financing from external parties and the terms of the Operating Loan Facility.
Interest period:	3 months Interest payable on each loan on the last day of each interest period of such loan falling before the Termination Date will be capitalised, compounded and added to principal amount of such loan on such day so as to form part of the principal amount of the loan and shall thereafter bear interest together with the rest of the loan.
Non-utilisation fee:	BCP shall save, in respect of any lender, for any period during which that lender has failed to fund its participation in any loan in accordance with the terms of the Operating Loan Agreement, pay a fee computed at the rate of 2% per annum on the lender's available commitment under the Operating Loan Facility for the Availability Period.
Agency fee and security agent fee:	GBP15,000 (equivalent to approximately HK\$147,300) and GBP15,000 (equivalent to approximately HK\$147,300) per annum, respectively
Purpose:	Funding the budgeted operating costs and expenses of the BCP Group in accordance with the annual operating budget approved by the board of directors of BCP, among others.
Events of default:	Each of the events and circumstances set out below, among others, constitutes an event of default: <ul style="list-style-type: none"> (i) an obligor does not pay on the due date any amount of principal or interest or other amount payable pursuant to a Finance Document; (ii) the Company or an obligor does not comply with any provision of any security document;

- (iii) an obligor does not comply with any provision of the Finance Documents;
- (iv) misrepresentation;
- (v) cross default;
- (vi) insolvency and insolvency proceedings;
- (vii) failure to comply with court judgment or arbitral award;
- (viii) BCFC ceases to be a direct wholly-owned subsidiary of BCP or BCWFC ceases to be a direct wholly-owned subsidiary of BCFC;
- (ix) any obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business; and
- (x) any event or circumstance occurs which the majority lenders reasonably believes has or is reasonably likely to have a material adverse effect.

Make-Whole:	On the occurrence of a Make-Whole Event, the borrower to which the Make-Whole Event applies shall pay an amount in cash equal to the Applicable Make-Whole Amount.
Repayment:	Each of the borrowers shall repay the loans made to it in full on the Termination Date.
Mandatory prepayment:	If a BCP Mandatory Prepayment Event occurs, all loans, together with accrued interest, Applicable Make-Whole Amount and all other amounts accrued or outstanding under the finance documents immediately become due and payable and, in the case of some such events if so required by the majority lenders, illegality mandatory prepayment event applies.

Voluntary prepayment: A borrower may, if it gives the Agent fifteen Business Days' prior notice after the Initial Period expires (subject to certain exceptions), prepay the whole or any part of any loan by a minimum amount of GBP5.0 million (equivalent to approximately HK\$49.1 million) together with accrued interest on the amount prepaid and any Applicable Make-Whole Amount payable under the Operating Loan Agreement.

A loan may only be prepaid after the last day of the Initial Period except in circumstances where: (i) the lenders have failed to comply with their obligations under the provisions regarding the Escrow Agreement under the Subordination Deed; and (ii) BCP or, as the case may be, BCFC as a borrower under the Company Loan Agreement has borrowed a loan in accordance with the terms of the Company Loan Agreement, which loan remains outstanding at the time of prepayment of a loan.

Security: The Company Charge and the BCP Charge

Company Charge

The Company Charge will be entered into between the Company and the Security Agent on Completion, pursuant to which, as a continuing security for the payment, discharge and performance of all present and future money, obligations or liabilities due, owing or incurred by BCP, BCFC or BCWFC to the secured parties under the Operating Loan Agreement and the other finance documents as referred to therein, the Company charges to the Security Agent, by way of a first fixed charge:

- (a) all of its rights to, and title, benefit and interest in the entire issued share capital of BCP from time to time; and
- (b) all of its rights to, and title, benefit and interest in each Subordinated Company Debt and any document evidencing or recording the terms thereof.

Notwithstanding anything to the contrary in the Company Charge, any Finance Document and any law of any jurisdiction, the maximum liability of the Company under the Company Charge shall at all times and in all circumstances be absolutely limited to the charged property and the recourse of the Security Agent to the Company and the assets of Company in each and all cases, and the Security Agent's right of enforcement against the Company in respect of the secured liabilities shall at all times and in all circumstances be limited to the rights of enforcement and recovery against the charged property only. The secured parties shall not have any recourse in respect of the secured liabilities to the Company and any assets of the Company other than the charged property.

BCP Charge

The BCP Charge will be entered into between BCP and the Security Agent on Completion, pursuant to which, as a continuing security for the payment, discharge and performance of all present and future money, obligations or liabilities due, owing or incurred by BCP, BCFC or BCWFC to the secured parties under the Operating Loan Agreement and the other finance documents as referred to therein, BCP charges to the Security Agent, by way of a first fixed charge, all of its rights to, and title, benefit and interest in the entire issued share capital of BCFC from time to time.

The Escrow Agreement

The Escrow Agreement will be entered into between the Buyer (as original lender under the Operating Loan Agreement), the Agent, BCP, BCFC and the Company on Completion, pursuant to which BCFC shall make a utilisation request for GBP5.0 million (equivalent to approximately HK\$49.1 million) under the Operating Loan Agreement which will be deposited in a separate bank account of BCFC as escrow account. If at any time before the expiry of the Escrow Availability Period:

1. the Agent has received a valid utilisation request from BCFC in accordance with the Operating Loan Facility;
2. BCFC has complied with all of its obligations pursuant to the Operating Loan Facility and specified conditions on the date of the utilisation request and the proposed utilisation date; and
3. the Agent has not provided to BCFC the amount requested pursuant to such utilisation request on the utilisation date in breach of the Operating Loan Agreement (the “Unpaid Loan”),

then with the written approval of a director of BCFC appointed by the Company, BCFC may transfer an amount not exceeding the Unpaid Loan from the escrow account to such other bank account held in the name of BCFC for the sole purpose of providing the funds to the BCP Group.

Pursuant to the Subordination Deed, if BCFC has transferred an amount from the escrow account, BCFC shall immediately notify the lenders under the Operating Loan Agreement and the Agent in writing of such transfer. Following receipt of the notice, subject to the terms of the Operating Loan Agreement, such lenders shall (or shall procure that the Agent will) within twenty Business Days deposit into the escrow account an amount that is required for restoring the balance of money standing to the credit of the escrow account to GBP5.0 million (equivalent to approximately HK\$49.1 million).

Company Loan Agreement

Principal terms of the Company Loan Agreement are set out below:

Parties:	BCP and BCFC, as borrowers; BCP, BCFC and BCWFC, as guarantors; the Company, as original lender; and the Company as agent and security agent.
Uncommitted loan facility:	Subject to the terms of the Company Loan Agreement, the lenders make available to the borrowers an uncommitted sterling term loan facility in an aggregate amount equal to the proposed total commitments (which shall be no less than GBP10.0 million (equivalent to approximately HK\$98.2 million) and no more than of GBP30.0 million (equivalent to approximately HK\$294.6 million)) as specified in a notice by the borrowers to the lenders requesting for the facility become committed. The lenders (but not some lenders only) may, at their sole discretion, irrevocably accept the aforesaid request, in writing, during the availability period upon which the facility will immediately become a committed facility in the amount of the total commitments.
Availability period:	The period from and including the date of the Company Loan Agreement to (but excluding) 30 November 2025, subject to business day adjustment.
Interest rate:	11.9% per annum The interest rate is same as the interest rate under the Operating Loan Agreement.
Interest period:	3 months Interest payable on each loan on the last day of each interest period of such loan falling before the Termination Date will be capitalised, compounded and added to principal amount of such loan on such day so as to form part of the principal amount of the loan and shall thereafter bear interest together with the rest of the loan.

Purpose: Funding the budgeted operating costs and expenses of the BCP Group in accordance with the annual operating budget approved by the board of directors of BCP.

No borrower may borrow any amount under the Company Loan Agreement unless the lenders of the Operating Loan Agreement fail to comply with the Obligation to Restore.

Events of default: Each of the events and circumstances set out below, among others, constitutes an event of default:

- (i) an obligor does not pay on the due date any amount of principal or interest or other amount payable pursuant to a Finance Document;
- (ii) the Buyer does not comply with any provision of any security document;
- (iii) an obligor does not comply with any provision of the Finance Documents;
- (iv) misrepresentation;
- (v) cross default;
- (vi) insolvency and insolvency proceedings;
- (vii) failure to comply with court judgment or arbitral award;
- (viii) BCFC ceases to be a direct wholly-owned subsidiary of BCP or BCWFC ceases to be a direct wholly-owned subsidiary of BCFC;
- (ix) any obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business; and
- (x) any event or circumstance occurs which the majority lenders reasonably believe has or is reasonably likely to have a material adverse effect.

Repayment: Each of the borrowers shall repay the loans made to it in full on the Termination Date.

Mandatory prepayment: If a Buyer Mandatory Prepayment Event occurs, all loans, together with accrued interest, Applicable Make-Whole Amount and all other amounts accrued or outstanding under the finance documents immediately become due and payable and, in the case of some such events if so required by the majority lenders, illegality mandatory prepayment event applies.

Voluntary prepayment: A borrower may at any time prepay the whole or any part of any loan together with accrued interest on the amount prepaid and any Applicable Make-Whole Amount payable under the Company Loan Agreement (where applicable).

Security: The Buyer Charge

Buyer Charge

The Buyer Charge will be entered into between the Buyer and the Company as security agent on Completion, pursuant to which as a continuing security for the payment, discharge and performance of all present and future money, obligations or liabilities due, owing or incurred by BCP, BCFC or BCWFC under, amongst other things, the Company Loan Agreement, the Buyer charges to the Company, by way of a first fixed charge:

- (a) all of its rights to, and title, benefit and interest in the entire issued share capital of BCP from time to time; and
- (b) all of its rights to, and title, benefit and interest in the Subordinated Buyer Debt and any document evidencing or recording the terms thereof.

Notwithstanding anything to the contrary in the Buyer Charge, any Finance Document and any law of any jurisdiction, the maximum liability of the Buyer under the Buyer Charge shall at all times and in all circumstances be absolutely limited to the charged property and the recourse of the security agent to the Buyer and the assets of the Buyer in each and all cases, and the security agent's right of enforcement against the Buyer in respect of the secured liabilities shall at all times and in all circumstances be limited to the rights of enforcement and recovery against the charged property only. The secured parties shall not have any recourse in respect of the secured liabilities to the Buyer and any assets of the Buyer other than the charged property.

Uncommitted Facility Letter

The Uncommitted Facility Letter will be entered into between BCP, the Company and the Buyer on Completion, pursuant to which in the event that certain events of default under the Operating Loan Agreement have occurred during the Initial Period and are continuing, a facility in an amount equal to GBP50.0 million (equivalent to approximately HK\$491.0 million) minus the aggregate amount of the loans drawn under the Operating Loan Agreement and the Company Loan Agreement may be provided by the Company at the request of BCP, subject to certain conditions.

Subordination Deed

The Subordination Deed will be entered into between, among other parties, BCP and BCFC as borrowers, the Company and the Buyer as subordinated creditors, the Agents and the Security Agents on Completion, pursuant to which, among other things:

- (i) the Company and the Buyer agrees to defer ranking and payment of the Subordinated Buyer Debt and the Subordinated Company Debt in favour of the Senior Company Debt and the Senior Operating Debt;
- (ii) so long as any of the Senior Operating Debt is or may become outstanding, the Company undertakes to the Buyer not to demand or receive payment, prepayment or repayment of any of the Subordinated Company Debt from the BCP Group, without prior consent of the relevant party;
- (iii) so long as any of the Senior Company Debt is or may become outstanding, the Buyer undertakes to the Company not to demand or receive payment, prepayment or repayment of any of the Subordinated Buyer Debt from the BCP Group, without prior consent of the relevant party; and
- (iv) until the date on which all Senior Operating Debt and Senior Company Debt has been unconditionally and irrevocably paid and discharged in full, none of the Company and the Buyer shall be entitled to accelerate any of the Subordinated Company Debt and Subordinated Buyer Debt or otherwise declare any of them prematurely payable.

Notwithstanding the foregoing, following the expiry of the Standstill Period, the Company and the Buyer may make a demand for the payment or repayment of any of the Subordinated Company Debt and Subordinated Buyer Debt owed to it by the BCP Group.

INFORMATION ON THE BCP GROUP

BCP is a public limited liability company incorporated in England and Wales and, as at the date of this announcement, is owned as to approximately 75% by the Company, approximately 21.64% by ORIL and approximately 3.36% by public shareholders. BCFC is a public limited liability company incorporated in England and Wales. BCP owns the entire issued share capital and is principally engaged in the operation and management of BCFC. BCFC owns the entire issued share capital of BCWFC. BCWFC is a private limited liability company incorporated in England and Wales.

The consolidated financial information of the BCP Group for the years ended 30 June 2021 and 30 June 2022 is set out below:

	Year ended 30 June	
	2021	2022
	<i>GBP million</i>	<i>GBP million</i>
Revenue	13.7	18.1
Loss before taxation	5.6	25.0
Loss after taxation	5.6	25.0

As at 30 June 2022, the consolidated net liabilities of the BCP Group amounted to approximately GBP112.4 million.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Group's equity interest in BCP will decrease from approximately 75% to approximately 51%. The BCP Group Companies will remain as non-wholly owned subsidiaries of the Company and their financial results will continue to be consolidated in the consolidated financial statements of the Group.

It is expected that there will be a gain before tax of approximately GBP2.8 million (equivalent to approximately HK\$27.5 million) arising from the Disposal, being the estimated net proceeds of approximately GBP4.7 million (equivalent to approximately HK\$46.2 million) from the Disposal net of the unaudited net liabilities of the BCP Group attributable to the Sale Shares in aggregate of approximately GBP29.3 million (equivalent to approximately HK\$287.7 million) as at 31 March 2023 and the Assigned Loans of approximately GBP31.7 million (equivalent to approximately HK\$311.3 million) as at 31 March 2023. The gain will be recognised as an equity transaction in the consolidated statement of changes in equity of the Group.

The abovementioned financial effects are shown for illustrative purpose only and the actual gain/loss eventually to be recognised in the consolidated financial statements of the Group depends on, among others, the net liabilities of the BCP Group as at the Completion Date.

USE OF PROCEEDS

After deducting the professional fees and other expenses relating to the Disposal of approximately HK\$5.8 million, it is expected that the Company will receive net proceeds of approximately HK\$46.2 million, which is intended to be used for general working capital of the Group and/or for any potential investment opportunities that might occur and for repayment of external debts.

INFORMATION ON THE PARTIES

The Company

The Company is a company incorporated in the Cayman Islands and its subsidiaries are principal engaged in three business segments, namely, the (i) operation of a professional football club in England and Wales and other related business; (ii) investment in properties; and (iii) healthcare and medical related business.

The Buyer

According to the information provided by the Buyer, the Buyer is a holding company incorporated in England and Wales. The Buyer is owned, directly and indirectly, by investment funds and accounts managed and/or advised by Knighthead Capital Management, LLC, an investment adviser registered with the United States Securities and Exchange Commission. As of the date of this announcement, the Buyer and its ultimate beneficial owners are Independent Third Parties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Buyer and its ultimate beneficial owner(s) and/or associates (i) are third parties independent of the Company, ORIL and AGGL; (ii) are not connected persons or associates of the Company, ORIL and AGGL and will, immediately after completion of the Share Purchase Agreement, be independent of any connected persons in relation to the control of the Company; and (iii) are not, directly or indirectly, financed, funded or backed by any core connected person of the Company and are not accustomed to take and have not taken any instructions from any such core connected person in relation to the acquisition, disposal, voting or other disposition of securities of the Company.

ORIL

ORIL is an investment holding company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially wholly-owned by Mr. Vong Pech, a substantial shareholder of the Company beneficially interested in approximately 23.53% of the issued share capital of the Company as at the date of this announcement.

AGGL

AGGL is an investment holding company incorporated in the British Virgin Islands. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, AGGL and its ultimate beneficial owner are Independent Third Parties.

The Agent and the Security Agent

According to the information provided by the Buyer, the Agent is a limited liability company incorporated in State of Delaware, United States of America. The Agent is a wholly owned subsidiary of Knighthead Realty Capital Management, LLC, a relying advisor of Knighthead Capital Management, LLC, an investment adviser registered with the United States Securities and Exchange Commission. As of the date of this announcement, the Agent and its ultimate beneficial owners are Independent Third Parties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Agent and its ultimate beneficial owner(s) and/or associates (i) are third parties independent of the Company, ORIL and AGGL; (ii) are not connected persons or associates of the Company, ORIL and AGGL and will, immediately after completion of the Share Purchase Agreement, be independent of any connected persons in relation to the control of the Company; and (iii) are not, directly or indirectly, financed, funded or backed by any core connected person of the Company and are not accustomed to take and have not taken any instructions from any such core connected person in relation to the acquisition, disposal, voting or other disposition of securities of the Company.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

For the year ended 30 June 2022, the Group recorded a loss attributable to the owners of the Company of approximately HK\$40.7 million, representing a decrease of approximately 45.2% as compared to the loss of approximately HK\$74.2 million for the year ended 30 June 2021. The decrease in loss was mainly due to, among others, the gain on compensation from the BCP Group under the Profit and Loss Sharing Arrangement. For the six months ended 31 December 2022, the Group recorded a loss attributable to the owners of the Company of approximately HK\$28.4 million, representing an increase of approximately 175.7% as compared to the loss of approximately HK\$10.3 million for the corresponding period last year. The increase in loss was partly offset by the expected compensation from the BCP Group under the Profit and Loss Sharing Arrangement. The Profit and Loss Sharing Arrangement, however, will expire on 30 June 2023.

Since December 2020, the lower KOP stand and Tilton Road End of the Stadium have been closed for structural maintenance. The overall income from match day receipts was reduced during the time when the two stands were closed. As at the date of this announcement, the maintenance work is in progress. The Club targets to complete the maintenance of these stands by November 2023.

Following a finish at the 20th position in the EFL Championship for the 2021/2022 season, the Club continued to play for the 12th consecutive season in the EFL Championship in the 2022/2023 season. As at the date of this announcement, the Club ranks 17th in the EFL Championship out of 24 teams and has not qualified for promotion to the EPL in the 2023/2024 season. As a result, it is expected that there will not be any significant increase in revenue of the BCP Group in the 2023/2024 season.

The expiration of the Profit and Loss Sharing Arrangement on 30 June 2023, the costs arising from the maintenance work of the Stadium and the expected increase in operating costs of the BCP Group have posed increasing pressure on the cash flow of the Group.

Under the financing arrangements set forth in the Shareholders' Agreement and the Finance Documents, the Buyer will provide the Operating Loan Facility in an aggregate principal amount of GBP50.0 million (equivalent to approximately HK\$491.0 million) to BCP and BCFC for funding the budgeted operating costs and expenses of the BCP Group. Further, the Buyer will procure a loan of an amount not exceeding GBP5.0 million (equivalent to approximately HK\$49.1 million) is made to BCP or BCFC in accordance with the Operating Loan Agreement in respect of any costs of any repair and/or remedial work that has been undertaken to the Stadium for the period from and including 1 April 2023 to and including the Completion Date. The Board considers that these financing arrangements will alleviate the pressure on the Group's cash flow and enable the Group to improve its liquidity.

The management of the Group have been looking for investment opportunities around the world in a prudent and proactive manner so as to expand the business portfolio of the Group. The management is striving to identify suitable opportunities with potential which can bring value to the Group and the Shareholders as a whole. The Directors are of the view that the Disposal will provide the Group with the financial resources to capture suitable investment opportunities that might occur and allow the Group to reallocate its resources to other business segments which are more profitable.

Having considered the foregoing, the Directors (excluding the independent non-executive Directors who will form their views after considering the advices of the Independent Financial Adviser) are of the view that the terms of the Share Purchase Agreement, the Shareholders' Agreement, the Finance Documents and the transactions contemplated thereunder, taken as a whole, are fair and reasonable and that the Disposal is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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

ORIL is a company indirectly wholly-owned by Mr. Vong Pech, a substantial Shareholder interested in approximately 23.53% of the issued Shares as at the date of the Share Purchase Agreement and is a connected person of the Company. The Share Purchase Agreement provides that the Buyer shall not be obliged to complete the purchase and the Company shall not be obliged to complete the sale of any of the Sale Shares unless (a) the sale of all the Sale Shares; and (b) the sale of all shares in the capital of BCP held by ORIL and all shares in the capital of BCSL held by ORIL and AGGL pursuant to the ORIL/AGGL Share Purchase Agreement, are completed simultaneously. In light of this requirement, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the highest of the applicable percentage ratios for the Finance Documents and the transactions contemplated thereunder, in aggregate, exceeds 25%, the Finance Documents and the transactions contemplated thereunder constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Immediately following Completion, the Buyer will become a substantial shareholder of BCP. The Finance Documents and the transactions contemplated thereunder will constitute connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the Share Purchase Agreement, the Shareholders' Agreement, the Finance Documents and the transactions contemplated thereunder and is required to abstain from voting on the relevant resolutions at the Board meeting.

EGM

The EGM will be held to consider and if thought fit, to approve the Share Purchase Agreement, the Shareholders' Agreement, the Finance Documents and the transactions contemplated thereunder. At the EGM, Mr. Vong Pech and his associates will abstain from voting on the resolutions approving the Share Purchase Agreement, the Shareholders' Agreement, the Finance Documents and the transactions contemplated thereunder. As at the date of this announcement, ORIL and its associates (including Ever Depot Limited) hold 181,566,440 Shares, representing approximately 23.53% of the issued share capital of the Company. To the best of the knowledge, information and belief of the Directors, none of the persons (excluding Mr. Vong Pech and his associates) who are required to abstain from voting at the EGM holds any Shares as at the date of this announcement.

Pursuant to the Share Purchase Agreement, the Company has delivered to the Buyer the Irrevocable Undertaking of Trillion Trophy and Dragon Villa, pursuant to which they have undertaken to the Buyer to accept and vote in favour of the relevant resolutions regarding the Disposal in relation to all their Shares. As at the date of this announcement, Trillion Trophy and Dragon Villa are beneficially interested in 217,000,000 Shares and 131,774,640 Shares, respectively, representing approximately 28.12% and 17.08%, respectively, of the entire issued share capital and voting rights of the Company.

The Company has established the Independent Board Committee comprising all the independent non-executive Directors to advise the Independent Shareholders as to whether the terms of the Share Purchase Agreement, the Shareholders' Agreement and the Finance Documents are fair and reasonable, and transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser.

GENERAL

A circular including, among other information, a letter from the Board containing (i) further details of the Share Purchase Agreement, the Shareholders' Agreement, the Finance Documents and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the EGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders within twenty business days (has the meaning ascribed to it under the Listing Rules) from the date of this announcement as additional time is required by the Company to prepare the information to be included in the circular.

The Board has taken advice and note that the Takeover Panel and The City Code on Takeovers and Mergers does not apply to this transaction.

The Share Purchase Agreement is subject to the satisfaction of the Conditions Precedent as described in this announcement. There is no assurance that any of such Conditions Precedent will be fulfilled. Therefore, the transactions contemplated under the Share Purchase Agreement may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 8 May 2023, pending the issue of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 May 2023.

DEFINITIONS

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

“Agent” or the “Security Agent”	KHR Services LLC, which is more particularly described in the section headed “Information on the Parties – The Agent and the Security Agent” of this announcement.
“AGGL”	Achiever Global Group Limited, which is more particularly described in the section headed “Information on the Parties – AGGL” of this announcement
“Applicable Make-Whole Amount”	an amount in cash equal to the value of all future interest payable or as would become payable on the amount of the loan so repaid or prepaid or required to be so repaid or prepaid under the terms of the Operating Loan Agreement or the Company Loan Agreement (as the case may be) during the period from and including the date of such repayment or prepayment or required repayment or prepayment to and including the Termination Date
“Assigned Loans”	32% of the aggregate amounts owing by BCP to the Company on Completion
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“BCFC” or “Club”	Birmingham City Football Club PLC, which is more particularly described in the section headed “Information on the BCP Group” of this announcement
“BCP”	Birmingham City PLC, which is more particularly described in the section headed “Information on the BCP Group” of this announcement
“BCP Charge”	the share charge and security deed to be entered into between BCP and the Security Agent on Completion, which is more particularly described in the section headed “The Finance Documents – BCP Charge” of this announcement
“BCP Group”	BCP and its subsidiaries
“BCP Group Company”	a member of the BCP Group

“BCP Mandatory Prepayment Event”	<p>any of the following events or circumstances:</p> <ul style="list-style-type: none"> (i) a Company Change of Control; (ii) the sale of all or substantially all of the assets of the BCP Group, whether in a single transaction or a series of related transactions without the prior written consent of the Agent; or (iii) the Standstill Period expires.
“BCSL”	<p>Birmingham City Stadium Ltd, a limited liability company incorporated in England and Wales and, as at the date of this announcement, is owned as to 75% by AGGL and 25% by ORIL. BCSL is the owner of the Stadium, which is leased to the Club as its football stadium and for ancillary uses</p>
“BCWFC”	<p>Birmingham City Women Football Club Limited, which is more particularly described in the section headed “Information on the BCP Group” of this announcement</p>
“Board”	<p>board of Directors</p>
“Business Day”	<p>any day other than a Saturday, Sunday or English, New York or Hong Kong bank or public holiday</p>
“Buyer”	<p>Shelby Companies Limited, which is more particularly described in the section headed “Information on the Parties – The Buyer” of this announcement</p>
“Buyer Change of Control”	<ul style="list-style-type: none"> (i) the Buyer and its permitted transferees together ceases directly to <ul style="list-style-type: none"> (A) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, at least 45.96% of the maximum number of votes that might be cast at a general meeting of BCP; or (B) hold legally and beneficially at least 45.96% of the issued share capital of BCP; or

- (ii) the Buyer and its permitted transferees together ceases to own legally and beneficially 100% of the Subordinated Buyer Debt as at the date of the Company Loan Agreement (other than permitted by the Subordination Deed)

“Buyer Charge”

the share charge and security deed to be entered into between the Buyer and the Company on Completion, which is more particularly described in the section headed “The Finance Documents – Buyer Charge” of this announcement

“Buyer Mandatory Prepayment Event”

any of the following events or circumstances:

- (i) a Buyer Change of Control;
- (ii) the sale of all or substantially all of the assets of the BCP Group, whether in a single transaction or a series of related transactions without the prior written consent of the Agent; or
- (iii) the Initial Period expires.

“Company”

Birmingham Sports Holdings Limited (伯明翰體育控股有限公司) (stock code: 2309), an exempted company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange

“Company Charge”

the share charge and security deed to be entered into between the Company and the Security Agent on Completion, which is more particularly described in the section headed “The Finance Documents – Company Charge” of this announcement

“Company Change of Control”

- (i) the Company ceases directly to
 - (A) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, at least 51% of the maximum number of votes that might be cast at a general meeting of BCP; or
 - (B) hold legally and beneficially at least 51% of the issued share capital of BCP;

- (ii) the board of directors of BCP is no longer appointed in accordance with the Shareholders' Agreement; or
- (iii) the Company ceases to own legally and beneficially 100% of the Subordinated Company Debt as at the date of the Operating Loan Agreement (other than permitted by the Subordination Deed)

“Company Loan Agreement”	the loan agreement to be entered into by, among others, the Company, BCP and BCFC on Completion, which is more particularly described in the section headed “The Finance Documents – Company Loan Agreement” of this announcement
“Completion”	completion of the Share Purchase Agreement pursuant to the terms and conditions thereof
“Completion Date”	the date on which Completion occurs
“Conditions Precedent”	the conditions precedent for Completion as set out in the Share Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration payable by the Buyer for the Sale Shares and the Assigned Loans pursuant to the Share Purchase Agreement
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Shares and the assignment of the Assigned Loans pursuant to the terms and conditions of the Share Purchase Agreement
“Dragon Villa”	Dragon Villa Limited, which is wholly-owned by Mr. Lei Sutong
“EFL”	English Football League

“EGM”	the extraordinary general meeting of the Company to be convened and held for considering, and if thought fit, approving the Share Purchase Agreement, the Shareholders’ Agreement, the Finance Documents and the transactions contemplated thereunder
“EPL”	English Premier League
“EPL Bonuses”	bonuses that the Buyer shall pay to the Company pursuant to the terms of the Share Purchase Agreement, which is more particularly described in the section headed “Share Purchase Agreement – EPL Bonuses” of this announcement
“Escrow Agreement”	the escrow agreement to be entered into on Completion, which is more particularly described in the section headed “The Finance Documents – The Escrow Agreement” of this announcement
“Escrow Availability Period”	the period from and including the date of the Escrow Agreement to (but excluding) the earlier of: (i) the expiration of the availability period of the Operating Loan Facility; and (ii) the date on which all loans are prepaid or repaid or required to be prepaid or repaid in accordance with the Operating Loan Agreement
“Finance Documents”	collectively, the Operating Loan Agreement, the Company Charge, the BCP Charge, the Escrow Agreement, the Company Loan Agreement, the Buyer Charge, the Uncommitted Facility Letter and the Subordination Deed
“GBP”	Pounds Sterling, the lawful currency of the UK
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	the independent committee of the Board comprising all independent non-executive Directors formed to advise the Independent Shareholders on the Share Purchase Agreement, the Shareholders’ Agreement, the Finance Documents and the respective transactions contemplated thereunder
“Independent Financial Adviser”	independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Share Purchase Agreement, the Shareholders’ Agreement, the Finance Documents and the transactions contemplated thereunder
“Independent Shareholder(s)”	the Shareholder(s), other than those who are required under the Listing Rules to abstain from voting at the EGM to approve the Share Purchase Agreement, the Shareholders’ Agreement, the Finance Documents and the transactions contemplated thereunder
“Independent Third Party”	a third party who is independent of and not connected with the Company and its connected persons and not otherwise a connected person of the Company
“Initial Period”	the period from and including the date of the Subordination Deed to (and including) 30 November 2025, subject to business day adjustment
“Irrevocable Undertaking”	the irrevocable undertaking provided by each of Dragon Villa and Trillion Trophy to the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	24 August 2023 (or such later date as may be agreed between the Company and the Buyer)
“Make-Whole Event”	in respect of a borrower under the Operating Loan Agreement or the Company Loan Agreement (as the case may be) (i) any repayment or prepayment, or (ii) any requirement to make any repayment or prepayment of any loan made to that borrower (whether in whole or in part), by acceleration, by operation of law or otherwise in each case at any time prior to the Termination Date, subject to certain exceptions

“Obligation to Restore”	the obligation of the Buyer to deposit into the escrow account an amount that is required for restoring the balance of money standing to the credit of the escrow account to GBP5.0 million (equivalent to approximately HK\$49.1 million) pursuant to the Subordination Deed and the Escrow Agreement
“ORIL”	Oriental Rainbow Investments Limited, which is more particularly described in the section headed “Information on the Parties – ORIL” of this announcement
“ORIL/AGGL Share Purchase Agreement”	the conditional share purchase agreement dated 7 May 2023 entered into between ORIL, AGGL and the Buyer
“ORIL Assigned Loans”	the aggregate amount owing by BCP to ORIL as at the Completion Date and to be assigned to the Buyer on completion of the ORIL/AGGL Share Purchase Agreement pursuant to the terms thereof
“ORIL Sale Shares”	collectively, (i) approximately 21.64% issued share capital of BCP and (i) the entire issued share capital of BCSL to be transferred to the Buyer on completion of the ORIL/AGGL Share Purchase Agreement pursuant to the terms thereof
“Operating Loan Agreement”	the Operating Loan Agreement to be entered into between, amongst others, the Buyer (as the original lender) and BCP, which is more particularly described in the section headed “The Finance Documents – Operating Loan Agreement” of this announcement
“Operating Loan Facility”	the loan facility made available by the lenders under the Operating Loan Agreement to BCP or BCFC pursuant to the Operating Loan Agreement
“Profit and Loss Sharing Arrangement”	the profit and loss sharing arrangement between the Company and ORIL pursuant to the conditional shareholders’ agreement dated 9 October 2020 entered into between the Company and ORIL in relation to the BCP Group, details of which are set out in the section headed “Letter from the Board - the Profit and Loss Sharing Arrangement” of the circular of the Company dated 17 November 2020

“Senior Company Debt”	all present and future sums, liabilities and obligations (actual or contingent) payable, owing, due or incurred by the BCP Group to any secured party under or in connection with Company Loan Agreement and its security documents together with all ancillary liabilities relating thereto (excluding any document evidencing or recording the terms of any Subordinated Company Debt)
“Senior Operating Debt”	all present and future sums, liabilities and obligations (actual or contingent) payable, owing, due or incurred by the BCP Group to the Buyer under or in connection with Operating Loan Agreement together with all ancillary liabilities relating thereto
“Share Purchase Agreement”	the conditional share purchase agreement dated 7 May 2023 entered into between the Company and the Buyer in relation to the Disposal
“Sale Shares”	19,838,227 shares in the issued share capital of BCP owned by the Company and to be transferred to the Buyer on Completion pursuant to the terms of the Share Purchase Agreement
“Share(s)”	ordinary shares of HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholders’ Agreement”	the shareholders’ agreement in relation to BCP to be entered into between the Company, the Buyer and BCP on Completion
“Stadium”	the land and buildings known as St. Andrew’s Stadium, Cattell Road, Birmingham, B9 4NH, which is currently leased by BCSL (as landlord) to BCFC (as tenant)
“Standstill Period”	the later of (i) 30 November 2025, subject to business day adjustment, (ii) the date on which all Senior Company Debt and all Uncommitted Company Debt (if any) has been unconditionally and irrevocably paid and discharged in full, or (iii) such later date as the relevant parties may agree in writing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subordinated Buyer Debt”	all present and future sums, liabilities and obligations whatsoever (actual or contingent) payable, owing due or incurred by the BCP Group to the Buyer together with all ancillary liabilities relating thereto (but excluding the Senior Operating Debt and any such sums, liabilities and obligations under the Shareholders’ Agreement)
“Subordinated Company Debt”	all present and future sums, liabilities and obligations whatsoever (actual or contingent) payable, owing due or incurred by the BCP Group to the Company, including under any Uncommitted Facility, together with all ancillary liabilities relating thereto (but excluding the Senior Company Debt and any such sums, liabilities and obligations under the Shareholders’ Agreement)
“Subordination Deed”	the subordination deed to be entered into on Completion, which is more particularly described in the section headed “The Finance Documents – Subordination Deed” of this announcement
“Takeover Panel”	The Panel on Takeovers and Mergers, in the United Kingdom
“Termination Date”	the seventh anniversary of the date of the Operating Loan Agreement or the Company Loan Agreement (as the case may be)
“The City Code on Takeovers and Mergers”	The City Code on Takeovers and Mergers that applies to certain companies incorporated in the United Kingdom
“Trillion Trophy”	Trillion Trophy Asia Limited, which is a wholly-owned subsidiary of Wealthy Associates International Limited, which in turn is wholly-owned by Mr. Suen Cho Hung, Paul
“UK”	the United Kingdom of Great Britain and Northern Ireland
“Uncommitted Company Debt”	all present and future sums, liabilities and obligations whatsoever (actual or contingent) payable, owing due or incurred by the BCP Group to the Company together with all ancillary liabilities thereto pursuant to an Uncommitted Facility
“Uncommitted Facility”	any facility granted pursuant to the terms and on the conditions set out in the Uncommitted Facility Letter

“Uncommitted
Facility Letter”

the letter dated on or around the date of the Subordination Deed between BCP, the Company and the Buyer setting out the terms and conditions on which the Company may lend moneys to BCP during the Initial Period

“%”

per cent

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

Hong Kong, 9 May 2023

For illustration purpose only, conversion of GBP into HK\$ in this announcement is based on the exchange rate of GBP1.0 to HK\$9.82.

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

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