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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)

(I) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF INTERESTS IN SUBSIDIARIES; AND (II) CONTINUING CONNECTED TRANSACTIONS

**Independent Financial Adviser to the
Independent Board Committee and the Independent Shareholders**



Giraffe Capital Limited

THE DISPOSAL

On 9 October 2020 (after trading hours), the Company and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Company conditionally agreed to sell and assign, and the Purchaser conditionally agreed to purchase and accept the assignment of the Sale Shares and the Sale Loan, respectively, at the initial aggregate Consideration of GBP5.4 million (equivalent to approximately HK\$53.5 million) in cash.

Upon Completion, the Group's equity interest in BCP will decrease from 96.64% to 75% and the Group's equity interest in BCSL will decrease from 100% to 75%. The Group will continue to exercise control over the board of directors of BCP and BCSL. As such, BCP and BCSL will remain as the non-wholly owned subsidiaries of the Company and their financial results and financial positions will continue to be consolidated in the consolidated financial statements of the Group.

THE VARIED LEASE AGREEMENT

Upon Completion, the Company, BCSL and BCFC will enter into the Deed of Variation to vary certain terms of the Existing Lease Agreement in relation to the lease of the Stadium. Pursuant to the Varied Lease Agreement, BCSL (as landlord) shall continue to lease the Stadium to BCFC (as tenant) for a term ending on 30 June 2023, at a rent of GBP1,250,000 (equivalent to approximately HK\$12.4 million) per annum for use as the football stadium and for ancillary uses by BCFC.

LISTING RULES IMPLICATIONS

The Sale and Purchase Agreement

As one or more of the applicable percentage ratios (as defined under the Listing Rules) of the Disposal calculated in accordance with Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The entire issued share capital of the Purchaser is beneficially owned by Mr. Vong Pech, a substantial Shareholder who is beneficially interested in approximately 25.63% of the issued Shares as at the date of the Sale and Purchase Agreement. Therefore, the Purchaser is a connected person of the Company and the Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under the Listing Rules.

Moreover, as the Purchaser is a connected person of the Company, the Compensation and the Bonus under the Profit and Loss Sharing Arrangement constitute continuing connected transactions of the Company. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed annual caps of each of the Compensation and the Bonus is more than 5%, the continuing connected transactions in respect of the Compensation and the Bonus are subject to the reporting, announcement, circular, Independent Shareholders' approval, annual reporting and annual review requirements under Chapter 14A of the Listing Rules.

The Varied Lease Agreement

Following Completion, BCP and BCSL will become connected subsidiaries of the Company under Rule 14A.16 of the Listing Rules by virtue of the Purchaser being a connected person of the Company and its 21.64% and 25% shareholding in BCP and BCSL, respectively. Accordingly, the Varied Lease Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed annual caps exceed 5%, the Deed of Variation, the Varied Lease Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, circular, Independent Shareholders' approval, annual reporting and annual review requirements under Chapter 14A of the Listing Rules.

GENERAL

As the entire issued share capital of the Purchaser is beneficially owned by Mr. Vong Pech, a substantial Shareholder who is beneficially interested in approximately 25.63% of the issued Shares as at the date of the Sale and Purchase Agreement, Mr. Vong Pech and his associates are required to abstain from voting on the resolution(s) in respect of the Transaction Documents and the respective transactions contemplated thereunder at the EGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors had material interests in the Transaction Documents, and hence no Director was required to abstain from voting on relevant Board resolutions approving the Transaction Documents and the respective transactions contemplated thereunder.

The Independent Board Committee, comprising all the Independent Non-executive Directors has been established to consider the terms of the Transaction Documents and the respective transactions contemplated thereunder, and to advise the Independent Shareholders as to whether the Transaction Documents are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Giraffe Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Transaction Documents and the respective transactions contemplated thereunder.

In connection with the EGM, a circular containing, among other things, further details of the Transaction Documents and the respective transactions contemplated thereunder, letters from the Independent Board Committee and the Independent Financial Adviser, the property valuation report on the Stadium and the Training Pitch, the notice of EGM and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 6 November 2020 as additional time is required to prepare and finalise the information to be included in the circular.

THE DISPOSAL

On 9 October 2020 (after trading hours), the Company and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Company conditionally agreed to sell and assign, and the Purchaser conditionally agreed to purchase and accept the assignment of the Sale Shares and the Sale Loan, respectively, at the initial aggregate Consideration of GBP5.4 million (equivalent to approximately HK\$53.5 million) in cash.

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

Date: 9 October 2020 (after trading hours)

Parties: the Company; and
the Purchaser.

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement:

- (a) the Purchaser has conditionally agreed to acquire and the Company has conditionally agreed to sell:
 - (i) the BCP Sale Shares, representing approximately 21.64% of the issued share capital of BCP; and
 - (ii) the BCSL Sale Shares, representing 25% of the issued share capital of BCSL; and
- (b) the Company has conditionally agreed to assign and the Purchaser has conditionally agreed to accept the assignment of the Sale Loan, representing approximately 21.64% of the total amount of the shareholder's loan outstanding and owing by BCP to the Company as at Completion.

The Sale Shares shall be acquired by the Purchaser free from all encumbrances as at the Completion Date together with all rights attached thereto including the right to receive all dividends and distribution declared, made or paid on or after the Completion Date and all rights, title, interest and benefits in and to the Sale Loan shall be assigned to the Purchaser with effect from the Completion Date. As at 31 August 2020, based on the management accounts of BCP, its total outstanding loans owing to the Company amounted to approximately GBP110.6 million (equivalent to approximately HK\$1,094.9 million), based on which the Sale Loan amounted to approximately GBP23.9 million (equivalent to approximately HK\$236.6 million) as at 31 August 2020.

The Company acknowledges that the Purchaser may be interested to acquire further stakes in BCP and BCSL from the Company (the “Possible Further Sale”), provided that:

- (i) the consideration payable by the Purchaser to the Company and other terms for the Possible Further Sale shall be subject to further agreement between the Purchaser and Company after arm’s length negotiation; and
- (ii) completion of the Possible Further Sale shall be subject to the fulfilment of certain conditions precedent which will include, *inter alia*, the following:
 - (a) compliance with all applicable laws, rules and regulations including but not limited to the Listing Rules for the transactions contemplated under the Possible Further Sale (which may include approval of the Possible Further Sale and the transactions contemplated thereunder by the Shareholders at an extraordinary general meeting); and
 - (b) the grant of any necessary approvals, consents and/or waivers by the relevant governmental or regulatory authorities or bodies, whether in Hong Kong, the UK or elsewhere (including but not limited to the Stock Exchange).

Consideration

The initial Consideration for the sale and purchase of the Sale Shares and the assignment of the Sale Loan shall be GBP5.4 million (equivalent to approximately HK\$53.5 million) in aggregate which shall be payable by the Purchaser to the Company in cash within 10 Business Days upon Completion.

In the event that the Sale Loan exceeds GBP23.9 million (equivalent to approximately HK\$236.6 million) as at Completion, the Purchaser shall pay a further consideration to the Company in the sum equal to such excess in cash within 30 Business Days upon Completion. As the parties to the Sale and Purchase Agreement agreed that the Sale Loan shall not exceed GBP25.5 million (equivalent to approximately HK\$252.5 million) as at the Completion Date, the total Consideration is expected to be not more than GBP7.0 million (equivalent to approximately HK\$69.3 million).

The initial Consideration was determined after arm’s length negotiations between the Company and the Purchaser, after taking into consideration (i) the adjusted net liabilities of BCP and BCSL as at 30 June 2020 based on the net liabilities of BCP and BCSL as at 30 June 2020 and the market values of the Stadium and the Training Pitch appraised by an independent property valuer as at 30 June 2020; (ii) the amount of the Sale Loan of approximately GBP23.9 million as at 31 August 2020; (iii) financial performance of the Football Club Segment for the year ended 30 June 2020 having recorded a segment loss of approximately HK\$186.5 million; (iv) the Profit and Loss Sharing Arrangement; 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” below.

Conditions precedent

Completion shall be conditional upon and subject to the fulfilment and satisfaction of the following conditions precedent:

- (i) the approval of:
 - a. the Sale and Purchase Agreement and the transactions contemplated thereunder; and
 - b. the Varied Lease Agreement, the Deed of Variation and the transactions contemplated thereunder,by the Independent Shareholders at the EGM in accordance with the Listing Rules; and
- (ii) the necessary approval from any relevant third parties (including but not limited to any government, government organisation, regulatory authority or any takeover or other listing authority) in relation to the transactions contemplated under the Sale and Purchase Agreement.

If any of the conditions above are not satisfied by the Long Stop Date, either party may by written notice to the other party terminate the Sale and Purchase Agreement without prejudice to the rights and liabilities which accrued prior to termination, which shall continue to subsist.

The sale and purchase of the Sale Shares and the assignment of the Sale Loan are interdependent and shall be completed simultaneously.

Completion

Completion shall take place on the second Business Day after all the conditions to the Sale and Purchase Agreement have been fulfilled or at such time as may otherwise be agreed.

Acknowledgement and undertaking

The Purchaser and the Company acknowledged that the Sale Loan is interest-free and repayable on demand, and after the Completion Date, in the event that BCP and/or BCSL is required to repay any shareholder's loan owing to the Purchaser and the Company, such repayment shall only be made on a pro rata basis in proportion to the amount of shareholder's loan owing to each of the Purchaser and the Company respectively at the time of repayment.

The Purchaser further undertook to the Company that it will not request BCP and/or BCSL to repay any of the shareholder's loan (including but not limited to the Sale Loan) owing by BCP and/or BCSL to the Purchaser respectively from time to time after Completion, unless it is financially viable for BCP and/or BCSL to make such repayment and such repayment will not cause BCP and/or BCSL to become insolvent.

Management of BCP

On 9 October 2020, the Company and the Purchaser entered into the Shareholders' Agreement which provides the rights and duties and further regulates the respective responsibilities of the Company and the Purchaser towards the management of the business and affairs of the BCP Group. The principal terms of the Shareholders' Agreement are set out below.

The Shareholders' Agreement shall become effective upon satisfaction of all of the following conditions:

- (a) approval of the Shareholders' Agreement and the transactions contemplated thereunder by the Independent Shareholders at the EGM in accordance with the Listing Rules; and
- (b) the completion of the Disposal,

whereupon the rights and obligations of the Company and the Purchaser under the Shareholders' Agreement shall take effect from the date on which all the above conditions are fulfilled.

The Shareholders' Agreement shall be automatically terminated upon termination of the Sale and Purchase Agreement.

The Shareholders' Agreement shall continue in full force and effect until:

- (a) BCP shall be wound up or otherwise cease to exist as a separate corporate entity;
- (b) with respect to the Company and/or the Purchaser, it ceases to own any shares of BCP; or
- (c) the Company and the Purchaser shall enter into a written agreement to terminate the Shareholders' Agreement.

The BCFC Board

Pursuant to the Shareholders' Agreement, the BCFC Board shall consist of five directors. The Company shall have the right to appoint four directors and the Purchaser shall have the right to appoint one director. The chairman of the BCFC Board shall be a director appointed by the Company. Matters arising at any meeting of the BCFC Board shall be decided by a simple majority of votes of the directors present and the chairman of the BCFC Board shall have a second or casting vote in case of equality of votes.

The strategic committee of BCFC

BCFC shall establish a strategic committee (the "Strategic Committee") which is principally responsible for formulating the strategies and plans for the overall operation and developments of BCFC, recommending such strategies and plans to the BCFC Board for approval and the implementation of the approved strategies and plan. The Strategic Committee shall consist of three members, two of which shall be nominated by the Purchaser and one of which shall be nominated by the Company. The Strategic Committee shall report to the BCFC Board directly. The major duties of the Strategic Committee shall include:

- (a) to advise on the signing and/or transfer of players;
- (b) to advise on the appointment and removal of team managers;
- (c) to formulate sales, marketing and branding strategies;
- (d) to make recommendations on sponsorship arrangement;
- (e) to review the ticket pricing policy;
- (f) to develop directions and plans for the youth players academy;
- (g) to formulate corporate finance and fund-raising strategies; and
- (h) to implement the matters referenced to in items (a) to (g) above.

The Profit and Loss Sharing Arrangement

Pursuant to the Shareholders' Agreement, the Purchaser undertook to the Company that, in the event that the Football Club Segment, which principally consists of the BCP Group and BCSL, incurs a loss after taxation (the "Loss") for any of the three financial years ending 30 June 2021, 30 June 2022 and 30 June 2023, respectively in which the Club does not compete in the EPL, as reviewed by the auditors engaged by the Company (the "Reviewed Accounts"), the Purchaser shall pay the Compensation to the Company in cash in an amount equivalent to the Company's share of the Loss (i.e. 75% of the Loss) in full within 30 days after the Company issues a payment notice upon the issue of the relevant Reviewed Accounts in the relevant financial year(s) in which the Football Club Segment incurs the Loss. The Reviewed Accounts shall be prepared in accordance with the Hong Kong Financial Reporting Standards and the accounting policies consistent with the accounting policies adopted by the Company from time to time.

On the other hand, the Company agrees that, in the event that the Club is promoted to and competes in the EPL in any of the 2021-2022 EPL Season, 2022-2023 EPL Season or 2023-2024 EPL Season, it shall pay the Purchaser an annual Bonus equivalent to 75% of the Company's share of the net profit of the Football Club Segment for each of the financial years in which the Club participates in the EPL competitions up to the financial year ending 30 June 2024 as shown in the relevant Reviewed Accounts within 30 days after the Purchaser issues a payment notice upon the issue of the relevant Reviewed Account (the "Bonus Due Date"), provided that the Company shall only pay the Bonus out of the cash that it receives from BCP or BCSL in the form of, including, but not limited to, repayments of shareholder's loans or dividend payments (if any). The maximum total amount of Bonus payable by the Company up to 30 June 2024 shall not exceed GBP90.0 million (equivalent to approximately HK\$891.0 million). In the event that the cash received by the Company from BCP or BCSL (if any) as at the Bonus Due Date is insufficient for paying off the Bonus in full amount, the Company shall be under continuing obligation to pay off the outstanding amount of the Bonus out of the cash to be received from BCP or BCSL (if any) until the Bonus has been fully paid.

In determining the reasonableness and fairness of the Profit and Loss Sharing Arrangement, the Directors have considered the historical financial performance of the Football Club Segment. The Football Club Segment has been loss making in the recent financial years, which recorded segment loss of approximately HK\$388.1 million, HK\$310.7 million and HK\$186.5 million for the years ended 30 June 2018, 2019 and 2020, respectively. Having considered the historical performance of the Football Club Segment, the Company expects that it will continue to record loss unless the Club is promoted to the EPL. With the Profit and Loss Sharing Arrangement in place, any Loss of the Football Club Segment attributable to the Group for each of the three financial years ending 30 June 2021, 30 June 2022 and 30 June 2023 is expected to be mitigated by the Compensation from the Purchaser in an amount equivalent to 75% of the Loss. On the other hand, the Company considers that the Bonus provides sufficient but not excessive incentive for the Purchaser to endeavour the promotion of the Club to the EPL before the 2023-2024 EPL Season through its participation in the Strategic Committee. In the event that the Club is successfully promoted to the EPL before the 2023-2024 EPL Season, the Group expects that the financial performance of the Football Club Segment will be improved and the Group will be able to enjoy any segment profit to be generated after taking into account the Bonus to be entitled by the Purchaser. Accordingly, it is expected that the Company will be better off in any event in terms of its share of economic interest in the Football Club Segment for the three years ending 30 June 2023 with the Profit and Loss Sharing Arrangement in place. Therefore, the Directors (excluding the Independent Non-executive Directors who will form their view after considering the advices of the Independent Financial Adviser) consider that the Profit and Loss Sharing Arrangement is fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Company and the Shareholders as a whole.

Proposed annual caps for the Compensation and the Bonus

The following table sets out the proposed annual caps in respect of the Compensation for the three years ending 30 June 2023:

	Year ending 30 June		
	2021	2022	2023
	<i>GBP'000</i>	<i>GBP'000</i>	<i>GBP'000</i>
Proposed annual caps in respect of the Compensation	25,000 (equivalent to approximately HK\$247.5 million)	25,000 (equivalent to approximately HK\$247.5 million)	25,000 (equivalent to approximately HK\$247.5 million)

The following table sets out the proposed annual caps in respect of the Bonus for the three years ending 30 June 2024:

	Year ending 30 June		
	2022	2023	2024
	<i>GBP'000</i>	<i>GBP'000</i>	<i>GBP'000</i>
Proposed annual caps in respect of the Bonus	30,000 (equivalent to approximately HK\$297.0 million)	30,000 (equivalent to approximately HK\$297.0 million)	30,000 (equivalent to approximately HK\$297.0 million)

The proposed annual caps in respect of the Compensation is determined based on 75% of the historical loss after taxation of the Football Club Segment, after adjusting for non-recurring items such as gains from disposal of players, for the recent two financial years of the Group.

The proposed annual caps in respect of the Bonus is determined by assuming that the Club will participate in the EPL competitions in the 2021-2022 EPL Season, 2022-2023 EPL Season and 2023-2024 EPL Season and with reference to the financial performance of other football clubs participating in the EPL competitions. It is also assumed that the Club will maintain a team that can subsist in the EPL competitions and there would not be material changes in the cost structure of the BCP Group and BCSL during the three years ending 30 June 2024.

The Directors (excluding the Independent Non-executive Directors who will form their view after considering the advices of the Independent Financial Adviser) are of the view that the above proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Financing

After Completion, in the event that BCP requires financing, such funds shall be met by borrowing, advances or credit from banks or other financial institutions or similar sources. If guarantee and/or security is required to obtain further borrowings, the Company and the Purchaser shall severally (or otherwise as agreed between the Company and the Purchaser and subject to the applicable laws, rules and regulations (including but not limited to the Listing Rules)) give such security and/or guarantee provided that the Company will only provide such security and/or guarantee proportional to its shareholding interest in BCP whereas the Purchaser will be responsible for the remaining proportion of the security and/or guarantee (the “Agreed Proportion”).

If further capital is required by BCP, the Company and the Purchaser shall (subject to the applicable laws, rules and regulations (including but not limited to the Listing Rules)) inject such capital or provide such funds in the form of shareholders’ loan or by way of subscription of new shares of BCP in the Agreed Proportion.

The Purchaser has further undertaken to the Company that the arrangements in respect of the financing of BCSL after Completion shall be similar to the abovementioned arrangements in respect of the financing of BCP after Completion, except that such guarantee, security, shareholders’ loan or subscription of new shares of BCSL shall be provided or performed by the Company and the Purchaser in proportion to their respective shareholding interest in BCSL (the “Shareholding Proportion”).

Event of default

Upon occurrence of an event of default by the Purchaser or the 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 from the EFL or the EPL (as the case may be, if required)), the non-defaulting party is entitled to (i) require the defaulter to purchase all of the non-defaulting party’s shares and shareholders’ loan (if any) in BCP or (ii) purchase all of the defaulter’s shares and shareholders’ loan (if any) in BCP, within six months from the date of default. Events of default include, the breach of material obligations under the Shareholders’ Agreement by a party which has not been remedied within the prescribed period, the failure of the defaulter to pay its debt when due and a change to the ultimate beneficial owner of the Purchaser without prior written consent from the Company.

Guarantee

In consideration of the Company entering into the Sale and Purchase Agreement and the Shareholders’ Agreement with the Purchaser, Mr. Vong Pech (as the guarantor) irrevocably and unconditionally, as primary obligor, undertook to the Company and guaranteed the full, prompt, complete and due performance by the Purchaser of all and any of its obligations under the Sale and Purchase Agreement and the Shareholders’ Agreement and the due and punctual payment of all sums now or subsequently payable by the Purchaser under the Sale and Purchase Agreement and the Shareholders’ Agreement when the same shall become due. Mr. Vong Pech further undertook to pay such sum demanded by the Company if the Purchaser defaults in the payment of any sum under the Sale and Purchase Agreement and the Shareholders’ Agreement.

INFORMATION ON BCP

BCP is a limited liability company incorporated in England and Wales and is owned as to 96.64% by the Company and 3.36% by public shareholders as at the date of this announcement. BCP is a public limited company under the definition of the UK Takeover Code, and its wholly-owned subsidiaries are engaged in the operation and management of the Club and Birmingham City Women Football Club in the UK. BCP also owns and operates the Training Pitch.

The market value of the Training Pitch as at 30 June 2020 as appraised by an independent property valuer was approximately GBP3.2 million (equivalent to approximately HK\$31.7 million).

The consolidated financial information of the BCP Group for the years ended 30 June 2019 and 2020 is set out below:

	Year ended 30 June	
	2019	2020
	<i>GBP'000</i>	<i>GBP'000</i>
Revenue	23,325	23,104
Loss before taxation (<i>Note</i>)	8,444	18,132
Loss after taxation (<i>Note</i>)	8,444	18,132

Note: The BCP Group undertook a group reorganisation during the year ended 30 June 2019 and BCP recorded a gain of approximately GBP17.2 million, which was eliminated in the consolidated financial statements of the Group.

As at 30 June 2020, the consolidated net liabilities of BCP amounted to approximately GBP81.5 million.

INFORMATION ON BCSL

BCSL is a limited liability company incorporated in England and Wales in May 2019 and is wholly-owned by the Company as at the date of this announcement. BCSL is the owner of the Stadium and does not engage in any other business activities save for holding of the Stadium and leasing the Stadium to BCFC as its football stadium. BCSL did not have any revenue or profit/loss during the year ended 30 June 2019 since it was incorporated in May 2019. For the year ended 30 June 2020, revenue and net profit of BCSL was approximately GBP1.25 million and GBP1.24 million, respectively. As at 30 June 2020, the net assets value of BCSL amounted to approximately GBP1.24 million.

The market value of the Stadium as at 30 June 2020 as appraised by an independent property valuer was approximately GBP20.7 million (equivalent to approximately HK\$204.9 million).

The BCP Group and BCSL principally constitute the football club segment of the Group. The segment results and financial positions of the Football Club Segment for the years ended 30 June 2019 and 2020 are as follows:

	Year ended/As at 30 June	
	2019	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	205,790	204,395
Segment loss	310,737	186,519
Segment assets	411,919	454,888
Segment liabilities	1,122,490	1,314,420

As at 31 August 2020, based on the management accounts of BCSL, its total outstanding loan owing to BCP amounted to approximately GBP21.3 million (equivalent to approximately HK\$210.9 million). Such outstanding loan is unsecured, interest free and repayable on demand. Following Completion, BCP and BCSL will become connected subsidiaries of the Company under Rule 14A.16 of the Listing Rules by virtue of the Purchaser being a connected person of the Company and its 21.64% and 25% shareholding in BCP and BCSL, respectively. Accordingly, the outstanding loan due from BCSL to BCP will constitute connected transaction of the Company upon Completion and will be subject to annual review requirement under Chapter 14A of the Listing Rules.

INFORMATION OF THE PURCHASER

The Purchaser is an investment holding company incorporated in the BVI, the entire issued share capital of which is wholly-owned by Mr. Vong Pech, a substantial Shareholder who is beneficially interested in approximately 25.63% of the issued Shares as at the date of the Sale and Purchase Agreement through Ever Depot Limited (“Ever Depot”). Accordingly, the Purchaser is a connected person of the Company.

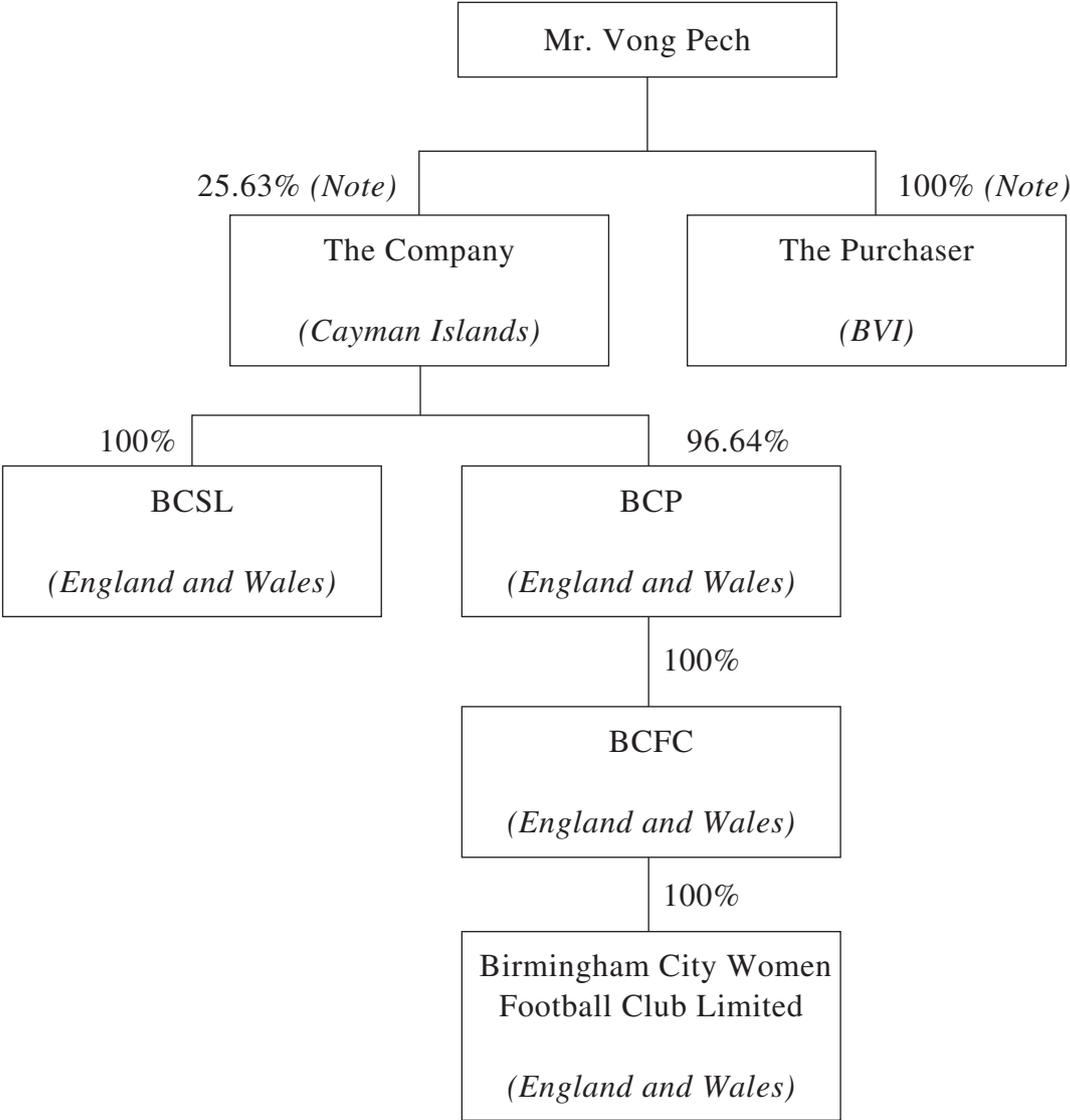
Ever Depot is principally engaged in investment holding and is a limited company incorporated in the BVI. It is a wholly-owned subsidiary of Graticity Real Estate Development Co., Ltd. (“GRED”) as at the date of this announcement.

GRED is a limited company incorporated in the Kingdom of Cambodia (“Cambodia”) and is wholly-owned by Mr. Vong Pech as at the date of this announcement. GRED is principally engaged in property development and is the developer and owner of a mixed-use development located at north of central Phnom Penh, Cambodia and close to many key amenities. The development comprised of shop-houses, multiple and mid-rise condominium buildings, residential buildings and a commercial and educational building erected on a parcel of land with a total site area of approximately 79,000 square meters.

The Group had in June 2017 and August 2018 acquired and leased certain commercial and residential buildings in Phnom Penh, Cambodia from GRED. Moreover, the Group entered into a master lease agreement in August 2018 with Ever Depot to lease certain properties to Ever Depot. Details of the acquisitions and lease of properties as mentioned above are set out in the circulars of the Company dated 31 October 2017 and 20 November 2018, respectively.

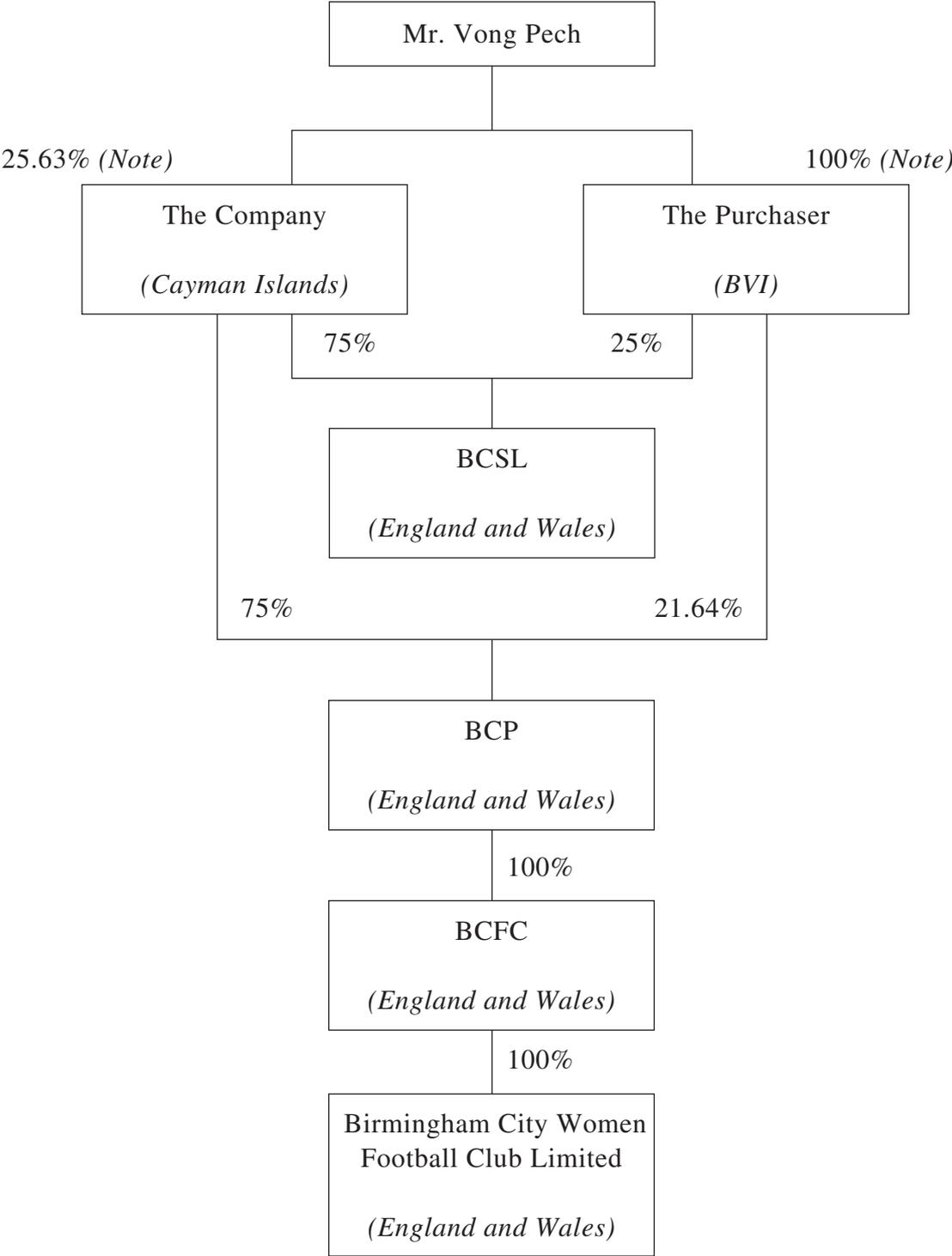
GROUP STRUCTURE

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



Note: Representing beneficial interests

Set out below is the extract of the structure of the Group and the Purchaser upon Completion:



Note: Representing beneficial interests

REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS

The Company is engaged in investment holding. As the date of this announcement, the major subsidiaries of the Company are principally engaged in (i) the operation and management of the Club and Birmingham City Women Football Club in the UK; (ii) investment in properties; (iii) provision of lottery system and online payment service solutions; and (iv) provision of medical and healthcare services.

Upon Completion, the estimated net proceeds of the Disposal will be approximately GBP5.0 million (equivalent to approximately HK\$49.5 million) (after deducting the relevant professional fees), based on the initial total Consideration of GBP5.4 million (equivalent to approximately HK\$53.5 million). The Board intends to apply the net proceeds from the Disposal for repayment of external debts, general working capital and future investment(s). The management has been ambitious to explore new business opportunities in different markets and industries that can enhance the performance of the Group. If no suitable investment opportunities can be identified, the portion of the net proceeds originally intended for future investment(s) will be used to repay the external debts of the Group.

The Football Club Segment continued to record a segment loss of approximately HK\$186.5 million for the year ended 30 June 2020 (year ended 30 June 2019: segment loss of approximately HK\$310.7 million) and segment net liabilities of approximately HK\$859.5 million as at 30 June 2020 (30 June 2019: segment net liabilities of approximately HK\$710.6 million). As a result of the continued operating loss of the Football Club Segment, the Group has been arranging external borrowings to finance its operational funding needs. Further, the Group had (i) total debts of approximately HK\$761.3 million; (ii) bank balances and cash of approximately HK\$38.8 million; and (iii) net current liabilities of approximately HK\$573.5 million as at 30 June 2020.

In view of the operational and financial performance of the Football Club Segment as disclosed above, the Company considers that the Disposal will serve as a valuable opportunity to relieve the Company's financial burden in supporting the ongoing operation of the Football Club Segment and improve the Group's future financial performance in the following manners:

- (i) the Company intends to apply part of the net proceeds from the Disposal for repayment of external debts so as to lower the finance costs of the Group;

- (ii) the Company's financial position is expected to be gradually and further improved as both the Company and the Purchaser will be required to use their respective reasonable endeavours to procure that the working capital requirements of the BCP Group and BCSL are met according to the Agreed Proportion and the Shareholding Proportion respectively;
- (iii) under the Profit and Loss Sharing Arrangement, the Company will be compensated for its attributable loss after taxation incurred by the Football Club Segment for the years ending 30 June 2021, 2022 and 2023 in which the Club does not compete in the EPL, while the Company will be able to maintain its control over the Club by continuing to hold the controlling stakes in BCP and BCSL; and
- (iv) it is intended that the Purchaser will introduce two members to the Strategic Committee. These two candidates, whose biographies are detailed below, have extensive experience in football club operations and management, and corporate financing respectively. It is expected that the Club will benefit from their expertise to improve its performance in the EFL competitions and financially. Through introducing the Purchaser as a shareholder of BCP with its financial and human resources and with the establishment of the Strategic Committee which is principally responsible for formulating the strategies and plans for the overall operation and developments of BCP, the Company will be able to attain the potential benefits of the Club being promoted to EPL while retaining the controlling stakes in BCP and BCSL.

As mentioned above, the Strategic Committee shall consist of three members, two of which shall be nominated by the Purchaser and one of which shall be nominated by the Company. The Strategic Committee shall report to the BCFC Board directly. Set out below are the biographical profiles of the members of the Strategic Committee which the Purchaser intends to nominate upon Completion:

Mr. Mike Wiseman

Mr. Mike Wiseman ("Mr. Wiseman") has a long standing family involvement with the Club, with his grandfather, father and himself seated in the board of directors of BCFC. He has extensive experience and knowledge in the management and operation of the Club, with established network in the football industry.

Mr. Wiseman joined the board of directors of BCFC in December 1997 and the board of directors of BCP in 2006, both until 2011, during which he led the functions of Commercial Department and Academy & Community Department of the Club and was mainly responsible for strategic formulation and on and off the field management of the Club. During his 14 years' service in the board of directors of BCFC, the Club had achieved remarkable results and always finished at the top tier of the EFL Championship Division. In season 2001/02, the Club finished at the 5th position and won the playoff games, which then successfully promoted the Club to EPL in season 2002/03. Thereafter, Mr. Wiseman managed to lead the Club to participate in the EPL competitions for seven out of the following ten years of his tenure in the board of BCFC. Mr. Wiseman also served on the former players committee and was a trustee of the Club's Community Trust, and supported the Birmingham City Women Football Club. In 1994, Mr. Wiseman was invited to become a Governor of the Birmingham College of Food, Tourism & Creative Studies and has seen the institution grow from a further education college to a university (now known as University College Birmingham). Apart from being a member of the corporation board of the college, he also chairs the audit committee and is a member of the remuneration committee.

Mr. Wiseman has worked for Haunch Lane Developments Limited, a company involved in the property development & investment business since 1985, where he is currently a managing director. In 2005, he set up Metal Packaging International Limited, a company involved in the stockholding of imported tins & aerosols, where he is currently a management director.

Mr. Wiseman graduated from The University of Sheffield with a Bachelor of Arts in Economics and was a Chartered Accountant in the UK.

Mr. Zhou Desheng

Mr. Zhou Desheng ("Mr. Zhou") has extensive experience in the banking and finance industry particularly in areas such as equity investment, corporate financing and fund management. Mr. Zhou is the founder and has been the chairman of the board of directors of Zhushan Equity Investment Fund Management (Shanghai) Co., Ltd.* (鑄山股權投資基金管理(上海)股份有限公司) since 2013, which involved in the investments in and business development of a vast number of listed enterprises, including a number of enterprises with renowned brands in the consumer markets, with asset under management of over RMB2 billion. Before that, Mr. Zhou had been working in a number of commercial banks including The Industrial Bank Co., Ltd., Shanghai Pudong Development Bank Co. Ltd. and China Minsheng Bank for around 10 years in aggregate.

Mr. Zhou graduated from the Hunan University of Finance and Economics with a bachelor's degree in Finance and the Shanghai University of Finance and Economics (College of Business) with a master's degree in Business Administration.

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 Sale and Purchase Agreement and the Shareholders' Agreement are fair and reasonable and that the Disposal is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Group's equity interest in BCP will decrease from 96.64% to 75% and the Group's equity interest in BCSL will decrease from 100% to 75%. The Group will continue to exercise control over the board of directors of BCP and BCSL. As such, BCP and BCSL will remain as the non-wholly owned subsidiaries of the Company and their financial results and financial positions 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 GBP0.8 million (equivalent to approximately HK\$7.9 million) arising from the Disposal, being the estimated net proceeds of approximately GBP5.0 million (equivalent to approximately HK\$49.5 million) from the Disposal (based on the initial total Consideration and after payment of professional fees and other related expenses) net of the unaudited net liabilities of the Football Club Segment attributable to the Sales Shares in aggregate of approximately GBP19.7 million (equivalent to approximately HK\$195.0 million) as at 30 June 2020 and the Sale Loan of approximately GBP23.9 million (equivalent to approximately HK\$236.6 million) as at 31 August 2020. 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 asset value of the Football Club Segment as at the Completion Date.

THE DEED OF VARIATION AND THE VARIED LEASE AGREEMENT

Upon Completion, the Company, BCSL and BCFC will enter into the Deed of Variation and BCSL and BCFC will enter into the Varied Lease Agreement to vary certain terms of the Existing Lease Agreement in relation to the lease of the Stadium including the variation of the term and the release and discharge of the Company's guarantee in the Existing Lease Agreement. The Stadium is used as the football stadium and for ancillary uses of BCFC. Details of the principal terms of the Varied Lease Agreement are set out below:

Parties: BCSL, as landlord; and
 BCFC, as tenant

Premises: the Stadium

Term: the Deed of Variation will be entered into on the Completion Date and the term of the Varied Lease Agreement will end on 30 June 2023

Rental: GBP1,250,000 (equivalent to approximately HK\$12.4 million) per year

The rental was determined by the parties to the Varied Lease Agreement after arm's length negotiation, which was fair and reasonable based on the opinion of an independent valuer.

Conditions precedent

The Varied Lease Agreement and the related annual caps for the period from the Completion Date to 30 June 2021 and for the two years ending 30 June 2022 and 2023 are subject to approval by the Independent Shareholders at the EGM in accordance with the Listing Rules.

Proposed annual caps in respect of the Varied Lease Agreement

The following table sets out the proposed annual caps in respect of the transactions contemplated under the Varied Lease Agreement for the period from the Completion Date to 30 June 2021 and for the two years ending 30 June 2022 and 2023:

	From the Completion Date to 30 June 2021	Year ending 30 June	
		2022	2023
	<i>GBP'000</i>	<i>GBP'000</i>	<i>GBP'000</i>
Proposed annual caps	840	1,250	1,250
	(equivalent to approximately HK\$8.3 million)	(equivalent to approximately HK\$12.4 million)	(equivalent to approximately HK\$12.4 million)

The Stadium rental fee payable by BCFC to BCSL for the year ended 30 June 2020 was GBP1,250,000. Each of the proposed annual caps is determined based on the annual rental payable by BCFC to BCSL under the Varied Lease Agreement in each financial year.

The Directors (excluding the Independent Non-executive Directors who will form their view after considering the advices of the Independent Financial Adviser) are of the view that the above proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR ENTERING INTO THE DEED OF VARIATION AND THE VARIED LEASE AGREEMENT

BCFC and BCSL, both being subsidiaries of the Company, are parties to the Existing Lease Agreement in respect of the lease of the Stadium by BCSL to BCFC as the football stadium of and for ancillary uses by BCFC.

Following Completion, BCP and BCSL will become connected subsidiaries of the Company under Rule 14A.16 of the Listing Rules by virtue of the Purchaser being a connected person of the Company and its 21.64% and 25% shareholding in BCP and BCSL, respectively, upon Completion. Accordingly, the Company, BCFC and BCSL will enter into the Deed of Variation and BCFC and BCSL will enter into the Varied Lease Agreement upon Completion to shorten the term of the lease and to release and discharge the Company's guarantee in the Existing Lease Agreement, in order to comply with the relevant requirements under the Listing Rules, and the transactions contemplated under the Varied Lease Agreement will constitute continuing connected transactions of the Company.

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 Deed of Variation and the Varied Lease Agreement and the transactions contemplated thereunder will be entered into in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Sale and Purchase Agreement

As one or more of the applicable percentage ratios (as defined under the Listing Rules) of the Disposal calculated in accordance with Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The entire issued share capital of the Purchaser is beneficially owned by Mr. Vong Pech, a substantial Shareholder who is beneficially interested in approximately 25.63% of the issued share capital of the Company as at the date of the Sale and Purchase Agreement. Therefore, the Purchaser is a connected person of the Company and the Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under the Listing Rules.

Moreover, as the Purchaser is a connected person of the Company, the Compensation and the Bonus under the Profit and Loss Sharing Arrangement constitute continuing connected transactions of the Company. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed annual caps of each of the Compensation and the Bonus is more than 5%, the continuing connected transactions in respect of the Compensation and the Bonus are subject to the reporting, announcement, circular, Independent Shareholders' approval, annual reporting and annual review requirements under Chapter 14A of the Listing Rules.

The Varied Lease Agreement

Following Completion, BCP and BCSL will become connected subsidiaries of the Company under Rule 14A.16 of the Listing Rules by virtue of the Purchaser being a connected person of the Company and its 21.64% and 25% shareholding in BCP and BCSL, respectively. Accordingly, the Varied Lease Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed annual caps is more than 5%, the Deed of Variation, the Varied Lease Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, circular, Independent Shareholders' approval, annual reporting and annual review requirements under Chapter 14A of the Listing Rules.

GENERAL

As the entire issued share capital of the Purchaser is beneficially owned by Mr. Vong Pech, a substantial Shareholder who is beneficially interested in approximately 25.63% of the issued Shares as at the date of the Sale and Purchase Agreement, Mr. Vong Pech and his associates are required to abstain from voting on the resolution(s) in respect of the Transaction Documents and the respective transactions contemplated thereunder at the EGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors had material interests in the Transaction Documents, and hence no Director was required to abstain from voting on relevant Board resolutions approving the Transaction Documents and the respective transactions contemplated thereunder.

The Independent Board Committee, comprising all the Independent Non-executive Directors has been established to consider the terms of the Transaction Documents and their respective transactions contemplated thereunder, and to advise the Independent Shareholders as to whether the Transaction Documents are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Giraffe Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Transaction Documents and the respective transactions contemplated thereunder.

In connection with the EGM, a circular containing, among other things, further details of the Transaction Documents and the respective transactions contemplated thereunder, letters from the Independent Board Committee and the independent financial adviser, the property valuation report on the Stadium and the Training Pitch, the notice of EGM and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 6 November 2020 as additional time is required to prepare and finalise the information to be included in the circular.

DEFINITIONS

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

“2021-2022 EPL Season”	the 30 th season of the EPL, which is expected to commence in August 2021 and end in May 2022
“2022-2023 EPL Season”	the 31 st season of the EPL, which is expected to commence in August 2022 and end in May 2023
“2023-2024 EPL Season”	the 32 nd season of the EPL, which is expected to commence in August 2023 and end in May 2024
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“BCFC” or “Club”	Birmingham City Football Club PLC, a company incorporated in England and Wales and a wholly-owned subsidiary of BCP
“BCFC Board”	the board of directors of BCFC
“BCP”	Birmingham City PLC, a company incorporated in England and Wales and a 96.64% owned subsidiary of the Company as at the date of this announcement
“BCP Group”	BCP and its subsidiaries
“BCP Sale Shares”	the 17,637,682 ordinary shares of GBP0.10 each, credited as fully paid in the capital of BCP, representing approximately 21.64% of the total issued capital of BCP
“BCSL”	Birmingham City Stadium Ltd, a company incorporated in England and Wales and a wholly-owned subsidiary of the Company as at the date this announcement

“BCSL Sale Shares”	the 25 ordinary shares of GBP1.00 each, credited as fully paid in the capital of BCSL, representing 25% of the total issued capital of BCSL
“Board”	board of Directors
“Bonus”	the annual bonus which may be payable by the Company to the Purchaser for the three years ending 30 June 2024 under the Profit and Loss Sharing Arrangement
“Business Day”	a day (other than a Saturday, Sunday, public holiday, or days on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted or in effect in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which banks are generally open for business in Hong Kong or London
“BVI”	the British Virgin Islands
“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
“Compensation”	the cash compensation which may be payable by the Purchaser to the Company for the three years ending 30 June 2023 under the Profit and Loss Sharing Arrangement
“Completion”	completion of the Disposal pursuant to the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the second Business Day after all the conditions to the Sale and Purchase Agreement have been fulfilled or such other date as may be agreed between the Purchaser and the Company in writing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration payable by the Purchaser for the Sale Shares and Sale Loan pursuant to the Sale and Purchase Agreement

“Deed of Variation”	the deed of variation to be entered into among the Company, BCFC and BCSL upon Completion to vary certain terms of the Existing Lease Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Shares and the assignment of the Sale Loan pursuant to the terms and conditions of the Sale and Purchase Agreement
“EFL”	English Football League
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, among other matters, the Transaction Documents and the respective transactions contemplated thereunder
“EPL”	English Premier League
“Existing Lease Agreement”	the lease agreement entered into among the Company (as guarantor), BCSL (as landlord) and BCFC (as tenant) dated 31 May 2019, pursuant to which BCSL leased the Stadium to BCFC for a term of twenty five years commencing from 31 May 2019, at a rent of GBP1,250,000 (equivalent to approximately HK\$12.4 million) per annum, after which the rent will be reviewed on every fifth anniversary thereof
“Football Club Segment”	the football club business segment of the Group which principally consists of the BCP Group and BCSL
“GBP”	Pound 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 Transaction Documents and the respective transactions contemplated thereunder

“Independent Financial Adviser”	Giraffe Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transaction Documents and the respective 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 Transaction Documents and the respective transactions contemplated thereunder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2020, or such later date as may be agreed between the Company and the Purchaser
“Profit and Loss Sharing Arrangement”	the profit and loss sharing arrangement between the Company and the Purchaser pursuant to the Shareholders’ Agreement as disclosed under the paragraph headed “The Profit and Loss Sharing Arrangement” in this announcement
“Purchaser”	Oriental Rainbow Investments Limited, a company incorporated in the BVI, the entire issued share capital of which is wholly-owned by Mr. Vong Pech, a substantial Shareholder who is beneficially interested in approximately 25.63% of the issued share capital of the Company as at the date of the Sale and Purchase Agreement
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Sale Loan”	such amount of loan as shall be outstanding and owing by BCP to the Company to be assigned to the Purchaser, representing approximately 21.64% of the total outstanding amount of the shareholder’s loan outstanding and owing by BCP to the Company as at Completion. Such amount of loan shall not exceed GBP25.5 million on Completion
“Sale Shares”	the BCP Sale Shares and the BCSL Sale Shares

“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 9 October 2020 entered into between the Company and the Purchaser in relation to the Disposal
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholders’ Agreement”	the conditional shareholders’ agreement dated 9 October 2020 entered into between the Company and the Purchaser in relation to the BCP Group
“Stadium”	the land and buildings known as St. Andrew’s Trillion Trophy Stadium, Cattell Road, Birmingham, B9 4NH, which is currently leased by BCSL (as landlord) to BCFC (as tenant) under the Existing Lease Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Training Pitch”	the Club’s training pitch located at West Hills Playing Fields, West Hill Lane, Birmingham B38 9EH
“Transaction Documents”	collectively the Sale and Purchase Agreement, the Shareholders’ Agreement, the Deed of Variation and the Varied Lease Agreement
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Takeover Code”	The City Code on Takeovers and Mergers of the UK, which is issued and administered by the UK Takeover Panel
“UK Takeover Panel”	the Takeover Panel of the UK
“Varied Lease Agreement”	the Existing Lease Agreement as varied by the Deed of Variation, pursuant to which BCSL (as landlord) shall lease the Stadium to BCFC (as tenant) for a term ending on 30 June 2023, at a rent of GBP1,250,000 (equivalent to approximately HK\$12.4 million) per annum
“%”	per cent

For illustration purpose only, conversion of GBP into HK\$ in this announcement is based on the exchange rate of GBP1 to HK\$9.9.

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

Hong Kong, 9 October 2020

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

* *For identification purposes only*