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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)

INSIDE INFORMATION LETTERS OF INTENT IN RELATION TO THE POTENTIAL TRANSACTIONS

This announcement is made by Birmingham Sports Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

LETTERS OF INTENT

The Board of Directors of the Company (the “Board”) is pleased to announce that on 12 April 2023 (after trading hours), the Company entered into a letter of intent (the “First Letter of Intent”) with a potential purchaser (the “Purchaser”) in relation to the exclusive negotiations of a potential transaction involving the disposal of approximately 24% issued share capital of Birmingham City PLC (“BCP”) by the Group (the “First Potential Transaction”). On the same date, Oriental Rainbow Investments Limited (“ORIL”) and Achiever Global Group Limited (“AGGL”) entered into a separate letter of intent (the “Second Letter of Intent”, together with the First Letter of Intent, the “Letters of Intent”) with the Purchaser in relation to the exclusive negotiations of a potential transaction involving the disposal of (i) approximately 21.64% issued share capital of BCP by ORIL; and (ii) the entire issued share capital of Birmingham City Stadium Limited (“BCSL”) by ORIL and AGGL (the “Second Potential Transaction”, together with the First Potential Transaction, the “Potential Transactions”).

The consideration of the First Potential Transaction, which remains subject to agreement of the Company and the Purchaser, will comprise a cash payment and a bonus if Birmingham City Football Club PLC (the “Club”) qualifies for promotion to the English Premier League. Management, financing and other arrangements of the Club following the completion of the Potential Transactions will be set out in the definitive agreements in respect of the Potential Transactions (the “Definitive Agreements”).

It is expected that the Definitive Agreements will be entered into within two months from the date of the Letters of Intent.

INFORMATION ON BCP AND BCSL

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. BCP owns the entire issued share capital and is principally engaged in the operation and management of the Club and Birmingham City Women Football Club Limited.

BCSL is 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 St. Andrew’s Stadium, which is leased to the Club as its football stadium and for ancillary uses.

INFORMATION ON THE PARTIES

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are independent third parties of the Group. The Purchaser will be identified in a further announcement of the Company upon entering into the Definitive Agreements.

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 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 of the Group.

GENERAL

The Board considers that the First Potential Transaction when materialised will enable the Group to improve its liquidity and alleviate the pressure on the Group’s cashflow. The First Potential Transaction is therefore considered in the interest of the Company and its shareholders as a whole.

The Letters of Intent, except exclusivity and confidentiality provisions thereof, are not legally binding. As at the date of this announcement, the terms of the Potential Transactions are subject to further negotiations between the parties and no legally binding agreement in relation to the Potential Transactions have been entered into.

The Potential Transactions are subject to the entering into of the Definitive Agreements and will be conditional upon the fulfilment of conditions precedent to the Definitive Agreements, including the approval and consent of the English Football League. The Potential Transactions therefore may or may not proceed. If the Potential Transactions materialise, they may constitute notifiable and connected transactions for the Company under Chapter 14 and Chapter 14A of the Listing Rules. The Company will publish further announcements in compliance with the Listing Rules as when and appropriate. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 April 2023

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.