



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO: FSD OF 2022 (MRHJ)

IN THE MATTER OF THE COMPANIES ACT (2022 REVISION)

AND IN THE MATTER OF SUNING SPORTS GROUP LIMITED

WINDING UP PETITION

TO THE GRAND COURT

The humble petition of IMG Media Limited (the "**Petitioner**"), of Building 6 Chiswick Park, 566 Chiswick High Road, London W4 5HR, United Kingdom, shows that:

Introduction

1. The Petitioner presents this petition for the winding up of Suning Sports Group Limited (the "**Company**") and seeks the appointment of joint official liquidators over the Company.
2. The Petitioner is a creditor of the Company and seeks the winding up of the Company pursuant to Section 92(d) of the Companies Act (2022 Revision) (the "**Companies Act**") on the ground that the Company is unable to pay its debts.

3. The Company is an exempted company with limited liability that was incorporated on 28 September 2017 under the laws of the Cayman Islands with registered number 327309. Its registered office is at Vistra (Cayman) Limited, PO Box 31119, Grand Pavillion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands. The Company is part of the Suning Group, a Chinese retail business. The Company focuses on sports related investments and business operations.

The Petitioner

4. The Petitioner is a limited liability company incorporated in England and Wales with the registration number 04459066. The Petitioner is part of the Endeavor Group, a global sports, events and talent management company.

Particulars of the Debt

5. On 17 September 2018, the Company and the Petitioner entered into a Company Guarantee agreement (the "**Serie A Guarantee**") pursuant to which the Company guaranteed performance of certain obligations of PPLive Sports Italy Limited ("**PPS Italy**") under a Serie A Licence Agreement between PPS Italy and the Petitioner dated 17 September 2018 (the "**Serie A Licence**").
6. Under Clause 1(a) of the Serie A Guarantee, the Company:

*"...as a primary obligor, guarantees to the [Petitioner] full and punctual performance by [PPS Italy] of all of its financial and other payment obligations under the [Serie A Licence] and the full and immediate payment or discharge by it of all of its financial and other payment obligations now or in future due, owing or incurred, or expressed or intended to be due, owing or incurred, to the [Petitioner] by [PPS Italy] under the [Serie A Licence] (the "**Guaranteed Obligations**")."*

7. Under Clause 1(b) of the Serie A Guarantee, the Company:

"...undertakes with the [Petitioner] that, if at any time and from time to time [PPS Italy] does not pay to the [Petitioner] any amount falling within the ambit of the Guaranteed Obligations, the [Company] will, within sixty days after the [Petitioner] issues a written demand, pay the unpaid amount to the [Petitioner] without any need for the [Petitioner] to obtain any court or similar order or judgment."

8. On 17 May 2019, the Company and the Petitioner entered into an FA Cup Licence Agreement (the "**FA Cup Licence**") with Great Mercury Limited ("**GML**") pursuant to which *inter alia* the Company guaranteed certain obligations of GML to the Petitioner.

9. Under Schedule 6, clause 1(a) of the FA Cup Licence, the Company:

*"...guarantees to the [Petitioner] the full, due and punctual performance by [GML] of all of its financial and other payment obligations under the [FA Cup Licence] and the full and immediate payment or discharge by it of all of its financial and other payment obligations now or in future due, owing or incurred, or expressed and intended to be due, owing or incurred, to the [Petitioner] by [GML] under the [FA Cup Licence] (the "**Guaranteed Obligations**"). "*

10. Under Schedule 6, Clause 1(b) of the FA Cup Licence, the Company:

"...undertakes with [the Petitioner] that, if at any time and from time to time [GML] does not pay to the [Petitioner] any amount falling within the ambit of the Guaranteed Obligations, the [Company] will, within thirty (30) working days after the receipt of [the Petitioner's] written demand enclosed with a valid invoice pay the unpaid amount to the [Petitioner] without any need for the [Petitioner] to obtain any court or similar order or judgment."

11. On 9 November 2019 the Petitioner, GML, PPS Italy and a related company, PPLive Sports International Limited, entered into a Debt Assignment and Set-Off Deed (the "**DASOD**") pursuant to which, *inter alia*:
 - a. PPS Italy assigned to GML the obligation to pay a portion of the amount outstanding to the Petitioner under the Serie A Licence in the sum of EUR 1,317,998.77 (the "**Serie A Assignment**"); and
 - b. the Petitioner assigned to GML its own obligation to pay the same sum of EUR 1,317,998.77 to a further entity, Inter Media and Communication S.P.A., under an agreement dated 20 September 2018 (the "**Inter Media Assignment**"). In consideration for the Inter Media Assignment, the Petitioner agreed to set-off an amount equal to the value of the liability under the Inter Media Assignment against GML's newly acquired liability under the Serie A Assignment.
12. Accordingly, the amount owed by PPS Italy under the Serie A Licence was reduced by the sum of EUR 1,317,998.77.
13. Despite multiple requests for payment by the Petitioner, both before and after the entry by the parties into the DASOD, PPS Italy and GML repeatedly failed to discharge in full their liabilities under the Serie A Licence and the FA Cup Licence respectively.
14. Accordingly, on 15 January 2021, the Petitioner delivered to the Company written demands pursuant to clause 1(b) of the Serie A Guarantee and clause 1(b) of Schedule 6 to the FA Cup Licence respectively, requiring the Company to pay the amounts then outstanding under the Serie A Licence and the FA Cup Licence by PPS Italy (EUR 6,300,251.23) and GML (USD 5,000,000) respectively.
15. On 17 January 2021, the Company and Suning Sports International ("**SSI**") undertook and guaranteed (as recorded in a letter from SSI and the Company to

the Petitioner of the same date) *inter alia* that in the event that the amounts owed by PPS Italy and GML as principals in respect of the relevant licence fees were not paid in full by 3 February 2021:

- (a) The time period for payment specified in clause 1(b) of the Serie A Guarantee (as set out at paragraph 7 above) would be reduced from 60 working days to 10 working days; and
 - (b) The time period for payment specified in clause 1(b) of Schedule 6 to the FA Cup Licence (as set out at paragraph 10 above) would be reduced from 30 working days to 10 working days.
16. No payment was made by PPS Italy, GML or the Company in respect of the amounts demanded and owing as set out in paragraph 14 above by 3 February 2021. Accordingly, the amendments to the Serie A Guarantee and the FA Cup Licence set out above at paragraph 15 took effect.
17. On 5 February 2021, the Petitioner sent the Company a further demand for payment of the then outstanding sums (EUR 14,573,451.23 under the Serie A Licence and USD 5,000,000 under the FA Cup Licence respectively) within 10 working days of receipt of the written demand.
18. On 9 February 2021, PPS Italy made a part payment of EUR 2,000,000 (USD 2,421,000 as at 9 February 2021 per XE.com) to the Petitioner in respect of the outstanding sums owed by GML under the FA Cup Licence. In the premises, the amount owed by GML in respect of the FA Cup Licence was reduced to USD 2,579,000. The Company's liability to the Petitioner under the FA Cup Licence was reduced accordingly.

The Statutory Demand

19. In light of the matters set out above, the Petitioner caused a statutory demand under Section 93(a) of the Companies Act to be hand-delivered to the registered office of the Company on 4 May 2021 (the "**Statutory Demand**") under which the Petitioner demanded payment of total indebtedness as at that date in the amount of EUR 14,573,451.23 and USD 2,579,000 (the "**Statutory Demand Debt**").
20. The Statutory Demand notified the Company that if the Statutory Demand Debt was not paid within 21 days, the Company would be deemed to be insolvent and that a winding up petition would be presented against the Company in accordance with Section 92(d) of the Companies Act.

Events subsequent to the Statutory Demand

21. On 15 June 2021, the Company made a payment of USD 500,000 towards the Statutory Demand Debt (and, specifically, the Company's liability to the Petitioner under the FA Cup Licence). Accordingly, the amount outstanding under the FA Cup Licence that was subject of the Statutory Demand was reduced to USD 2,079,000.
22. On 30 July 2021, the Petitioner's Cayman Islands' attorneys, Walkers (Cayman) LLP, wrote to the Company to demand payment of the remaining amounts outstanding under the Statutory Demand, namely the sums of EUR 14,563,451.23 and USD 2,079,000.
23. On 26 October 2021, IMG wrote to GML (with representatives of the Company in copy) to terminate the FA Cup Licence according to its terms, both (i) on the grounds of repudiatory breach and (ii) pursuant to clause 11.1(a) of Schedule 1 (General Licence Conditions) on the grounds of GML's material breach of its payment obligations. The Company's liability to the Petitioner under the the FA Cup Licence survived termination pursuant to Clause 12 of Schedule 1 and generally.

24. On 18 January 2022, the Petitioner's English attorneys, Latham & Watkins, sent a further letter to the Company in which they identified that the Company had failed either (i) to make payment of any further amounts in respect of the Statutory Demand Debt or (ii) to dispute that the sums claimed are due and payable. That letter stated that, unless payment of the amounts outstanding in respect of the Statutory Demand Debt was received in full by 31 January 2022, the Petitioner would take immediate steps to present a winding up petition against the Company without further notice.
25. As at the date of this petition, the Company has failed to make payment of a total amount of EUR 14,563,451.23 and USD 2,079,000 owing by the Company to the Petitioner in respect of the Statutory Demand Debt, or any further amounts due and owing.

Relief sought

26. In the premises:
- (a) the Petitioner is a creditor of the Company and has standing to present this petition under Section 94(1)(b) of the Companies Act; and
 - (b) the Company is unable to pay its debts pursuant to Section 92(d) of the Companies Act and is therefore insolvent and should be wound up.
27. The Petitioner nominates David Griffin and Andrew Morrison of FTI Consulting (Cayman) Ltd. and Fok Hei Yu of FTI Consulting (Hong Kong) Limited to act as joint official liquidators of the Company.
28. The Petitioner reserves all rights in respect of other sums owed to it by the Company in addition to the Statutory Demand Debt.

Your Petitioner therefore humbly prays that:

1. The Company be wound up by the Court in accordance with the Companies Act.
2. David Griffin and Andrew Morrison of FTI Consulting (Cayman) Ltd., and Fok Hei Yu of FTI Consulting (Hong Kong) Limited be appointed as joint official liquidators of the Company (the "JOLs").
3. The JOLs shall not be required to give security for their appointment.
4. The JOLs have the power to act jointly and severally in their capacity as liquidators of the Company.
5. The JOLs be authorised to do any acts or things considered by them to be necessary or desirable in connection with the liquidation of the Company and the winding up of its affairs in the Cayman Islands and/or elsewhere.
6. The JOLs be authorised to take any such action as may be necessary or desirable to obtain recognition of the JOLs and / or their appointment and / or powers in any other relevant jurisdiction and to make applications to the courts of such jurisdictions for that purpose.
7. In addition to the powers set out in Part II of the Third Schedule to the Companies Act, the JOLs be authorised to exercise all of the powers set out in Part I of the Third Schedule to the Companies Act pursuant to Section 110(2) of the Companies Act without requiring further sanction of the Court.
8. The JOLs be at liberty to appoint such counsel, attorneys, professional advisors whether in the Cayman Islands or elsewhere, as they may consider necessary to advise and assist them in the performance of their duties in accordance with Order 25 of the Companies Winding Up Rules, 2018.
9. No disposition of the property of the Company by or with the authority of the JOLs in carrying out their duties and functions and the exercise of their power under any

Order granted pursuant to this petition shall be voided by virtue of Section 99 of the Companies Act.

10. Subject to Section 109(2) of the Companies Act and the Insolvency Practitioners' Regulations, 2018, the JOLs be authorised to render and pay invoices out of the assets of the Company for their own remuneration.
11. The JOLs be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties and, for the avoidance of doubt, all such payments shall be made as and when they fall due out of the assets of the Company as an expense of the liquidation.
12. The JOLs be at liberty to apply generally.
13. The Petitioner's costs of and incidental to the Petition shall be paid forthwith out of the assets of the Company as an expense of the liquidation, such costs to be taxed on the indemnity basis if not agreed with the JOLs.
14. Such further or other relief as the Court deems appropriate.

AND your Petitioner will ever pray etc.

DATED the 11 day of April 2022

Walkers (Cayman) LLP

WALKERS (CAYMAN) LLP

Attorneys at Law for the Petitioner

NOTE: This petition is intended to be served on the Company.

This **WINDING UP PETITION** is presented by Walkers (Cayman) LLP, Attorneys at Law, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9001, for the Petitioner whose address for service is care of its Attorneys at Law.

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman on _____ at _____ am / pm.

Any correspondence or communication with the Court relating to the hearing of this Petition should be addressed to the Registrar of Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, telephone no. +1 345 949 4296.