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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)

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

On 15 January 2021 (after trading hours), the Company entered into the Subscription Agreements with each of the Subscribers, pursuant to which the Company has conditionally agreed to allot and issue and the Subscribers have conditionally agreed to subscribe for in aggregate 1,062,576,000 Subscription Shares at the Subscription Price of HK\$0.13175 per Subscription Share. The net Subscription Price, after deduction of relevant expenses, is approximately HK\$0.13164 per Subscription Share. The aggregate Subscription Price payable by each Subscriber to the Company on completion of the Subscription shall be offset by an equivalent amount which is owed by the Company to each Subscriber.

The Subscription Shares will be allotted and issued pursuant to the General Mandate and is not subject to further approval of the Shareholders. Application will be made by the Company to the Stock Exchange for granting the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the condition under the Subscription Agreements. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The Board announces that on 15 January 2021 (after trading hours), the Company entered into the Subscription Agreements with each of the Subscribers, pursuant to which the Company has conditionally agreed to allot and issue and the Subscribers have conditionally agreed to subscribe for in aggregate 1,062,576,000 Subscription Shares at the Subscription Price of HK\$0.13175 per Subscription Share.

THE SUBSCRIPTION AGREEMENTS

The principal terms of the Subscription Agreements entered into with each of the Subscribers are identical, except for the number of Subscription Shares to be subscribed by each of the Subscribers and total Subscription Price payable therefor as more particularly set out in the section headed “The Subscription Agreements – 3. Subscription Shares” of this announcement and otherwise specified below.

Summarised below are the principal terms of the Subscription Agreements:

- 1. Date:** 15 January 2021
- 2. Parties:**
 - (i) the Company as issuer
 - (ii) the respective Subscribers (namely, Global Mineral and Join Surplus) as subscribers

Global Mineral is an investment holding company incorporated in the BVI with limited liability and is ultimately beneficially owned as to 100% by Mr. Jia Yuchuan. Global Mineral principally invests in mining business and properties in South East Asia and the PRC.

Join Surplus is an investment holding company incorporated in the BVI with limited liability and is ultimately beneficially owned as to 100% by Mr. Wang Feng. Join Surplus principally invests in property management business in the PRC.

Save as mentioned in the section headed “Information of the Subscribers” below, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Subscribers and its ultimate beneficial owners is an Independent Third Party and there is no relationship, business arrangement or understanding between the Group and them.

3. Subscription Shares

Details of the Subscription Shares to be subscribed by each of the Subscribers are as follows:

Name of Subscriber	As at the date of this announcement		Immediately after the allotment and issue of the Subscription Shares	Total Subscription Price HK\$
	Number of Subscription Shares	Approximate% of the total issued Shares ⁽¹⁾	Approximate% of the total issued Shares ⁽¹⁾	
Global Mineral	541,000,000	2.97%	2.80%	71,276,750
Join Surplus	521,576,000	2.86%	2.70%	68,717,638
Total:	1,062,576,000	5.83%	5.51%	139,994,388

Note:

- (1) The percentage of the Shares are rounded to the nearest two decimal places, and the discrepancy between the total and the sums of percentage of the Shares herein are due to the rounding.

The 1,062,576,000 Subscription Shares of aggregate nominal value of HK\$10,625,760 represent:

- (i) approximately 5.83% of the existing issued share capital of the Company of 18,226,422,508 Shares as at the date of this announcement; and
- (ii) approximately 5.51% of the issued share capital of the Company of 19,288,998,508 Shares as enlarged by the allotment and issue of the Subscription Shares.

4. Subscription Price and payment terms

The Subscription Price of HK\$0.13175 per Subscription Share represents:

- (i) a discount of approximately 5.89% to the closing price of HK\$0.14 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and

- (ii) a discount of approximately 14.56% to the average closing price of HK\$0.1542 per Share as quoted on the Stock Exchange for the last five (5) trading days immediately prior to the date of the Subscription Agreements.

The net Subscription Price, after deduction of relevant expenses, is approximately HK\$0.13164 per Subscription Share. The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to, among others, (i) the prevailing market price of the Shares; (ii) the recent trading volume of the Shares; and (iii) the recent performance and prospect of the Group's business. The Directors (including the Independent Non-executive Directors) consider that the Subscription Price and the terms of the Subscription Agreements (including the Subscription Price) are fair and reasonable and that the Subscription is in the interests of the Company and the Shareholders as a whole.

The aggregate Subscription Price payable by each Subscriber to the Company on completion of the Subscription shall be offset by an equivalent amount which is owed by the Company to each Subscriber, and the Group will use its internal resources to settle the professional fees and all related expenses which may be borne by the Company in connection with the Subscription.

5. Ranking of the Subscription Shares

The Subscription Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with all of the Shares in issue on the date of allotment and issue of the Subscription Shares.

6. Condition precedent

Completion of the Subscription under the Subscription Agreements shall be conditional upon the compliance with the requirements of the Stock Exchange and the Listing Rules, including but not limited to the listing of, and permission to deal in, all of the Subscription Shares being granted by the Listing Committee of the Stock Exchange (either unconditionally, or subject to customary conditions) being fulfilled on or before the Long Stop Date.

In the event the condition is not fulfilled on or before the Long Stop Date, the obligations of the Company and the Subscribers under the respective Subscription Agreements shall cease to be of any effect and none of the parties shall be bound to carry out the remaining terms of the Subscription Agreements except for any claims arising out of any antecedent breach of the Subscription Agreements or any accrued rights or remedies of any party arising prior to such date.

7. Completion

Completion of the Subscription under each Subscription Agreement shall take place on the fifth Business Day after the condition has been fulfilled by the Company (or such later date as the Company and the Subscribers may agree in writing).

EFFECT OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there being no other change in the shareholding structure of the Company, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Subscription Shares:

Name of Shareholder	As at the date of this announcement		Immediately after the allotment and issue of the Subscription Shares	
	Number of Shares	Approximate % of the total issued Shares ⁽⁴⁾	Number of Shares	Approximate % of the total issued Shares ⁽⁴⁾
<i>Substantial Shareholders</i>				
Trillion Trophy Asia Limited ⁽¹⁾	5,425,000,000	29.76%	5,425,000,000	28.12%
Ever Depot Limited ⁽²⁾	4,539,161,000	24.90%	4,539,161,000	23.53%
Dragon Villa Limited ⁽³⁾	3,294,366,000	18.07%	3,294,366,000	17.08%
<i>Public Shareholders</i>				
Global Mineral	–	–	541,000,000	2.80%
Join Surplus	–	–	521,576,000	2.70%
Other public Shareholders	4,967,895,508	27.26%	4,967,895,508	25.76%
Total:	18,226,422,508	100.00%	19,288,998,508	100.00%

Notes:

- (1) Trillion Trophy Asia Limited is a wholly-owned subsidiary of Wealthy Associates International Limited which in turn is wholly-owned by Mr. Suen Cho Hung, Paul.
- (2) Ever Depot Limited is a wholly-owned subsidiary of Graticity Real Estate Development Co., Ltd. which in turn is wholly-owned by Mr. Vong Pech.
- (3) Dragon Villa Limited is wholly-owned by Mr. Lei Sutong.
- (4) The percentage of the Shares are rounded to the nearest two decimal places, and the total number of the percentages are not equal to 100.00% due to rounding.

GENERAL MANDATE

At the AGM, the General Mandate was granted to the Directors, pursuant to which the Directors are authorised to allot and issue up to 3,645,284,501 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The Subscription Shares will be allotted and issued pursuant to the General Mandate and is not subject to further approval of the Shareholders.

Application will be made by the Company to the Stock Exchange for granting the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

INFORMATION OF THE SUBSCRIBERS

Global Mineral is an investing holding company incorporated in the BVI with limited liability and is ultimately beneficially owned as to 100% by Mr. Jia Yuchuan. Global Mineral principally invests in mining business and properties in South East Asia and the PRC.

Join Surplus is an investment holding company incorporated in the BVI with limited liability and is ultimately beneficially owned as to 100% by Mr. Wang Feng. Join Surplus principally invests in property management business in the PRC.

Pursuant to a loan agreement and a supplemental loan agreement dated 8 May 2018 and 18 November 2019, respectively, entered into between the Company as borrower and Global Mineral as lender, the Global Mineral Facility was provided to the Company. The Global Mineral Facility is unsecured, for a term up to 30 June 2021 and bears interest at the rate of 8% per annum. As at the date of this announcement, the Company owed to the Subscriber an aggregate amount, including interest, of approximately HK\$71.3 million under the Global Mineral Facility.

Pursuant to a loan agreement and two supplemental loan agreements dated 10 August 2018, 11 March 2019 and 31 December 2020 respectively, entered into between the Company as borrower and Join Surplus as lender, the Join Surplus Facility was provided to the Company. The Join Surplus Facility is unsecured, for a term up to 31 March 2021 and bears interest at the rate of 8% per annum. As at the date of this announcement, the Company owed to the Subscriber an aggregate amount, including interest, of approximately HK\$68.7 million under the Join Surplus Facility.

The Company borrowed the loans under the Facilities primarily for financing the funding requirement of the operation of the Group's business and general working capital. Such loans were borrowed for financing the Group's usual and ordinary course of business and are on normal commercial terms.

The Company and Join Surplus are also exploring opportunities of business cooperation. Such discussion is currently at a preliminary stage. The Company confirms that as at the date of this announcement, the Company has not entered into any letter of intent nor binding agreement with Join Surplus and discussion in relation to such possible cooperation may or may not proceed. The Company will make announcements as and when appropriate in accordance with the Listing Rules.

Save as aforementioned, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Subscribers and its ultimate beneficial owners is an Independent Third Party and there is no relationship, business arrangement or understanding between the Group and them.

REASONS FOR THE SUBSCRIPTION

The Company is engaged in investment holding and the principal activities of the Group are (i) operation of a professional football club in the United Kingdom, (ii) investment in properties, (iii) provision of lottery system and online payment system service solutions and (iv) medical and healthcare services.

By entering into the Subscription Agreements, the amount owed by the Company to each of the Subscribers will be capitalised into equity capital, which will lower the gearing ratio of the Group and reduce the finance cost. Moreover, the allotment and issue of the Subscription Shares represents an opportunity for the Company to enhance its working capital, strengthen its capital base and financial position and broaden the Shareholders base. The Directors (including the Independent Non-executive Directors) are of the view that the Subscription is in the interests of the Company and the Shareholders as a whole.

There will be no proceeds arising from the Subscription as the aggregate Subscription Price payable by each Subscriber to the Company on completion of the Subscription shall be offset by an equivalent amount which is owed by the Company to each Subscriber.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 22 December 2020, the Company allotted and issued 516,400,000 new Shares at the placing price of HK\$0.135 per Share to not less than six independent places pursuant to a placing agreement dated 8 December 2020. The net proceeds from such placing were approximately HK\$68.5 million which were intended to be used for the following purposes: (i) approximately HK\$61.7 million, or 90.0% for repayment of debts to lower the gearing ratio and finance costs of the Group; and (ii) approximately HK\$6.8 million, or 10.0% for the general working capital of the Group. As at the date of the announcement, such net proceeds has been used as intended. Details of such placing are set out in the announcements of the Company dated 8 December 2020 and 22 December 2020.

Save as the foregoing, the Company has not conducted any other fund raising exercise in the past twelve months immediately preceding the date of this announcement.

Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the condition under the Subscription Agreements. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

- “AGM” the annual general meeting of the Company held on 30 December 2020
- “associate(s)” has the meaning ascribed to it under the Listing Rules
- “Board” the board of Directors
- “Business Day” a day (other than any Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout normal business hours
- “BVI” the British Virgin Islands
- “Company” Birmingham Sports Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, and the issued Shares of which are listed on the Main Board of the Stock Exchange
- “connected person(s)” has the meaning ascribed to it under the Listing Rules
- “Director(s)” director(s) of the Company
- “Facilities” the Global Mineral Facility and the Join Surplus Facility

“General Mandate”	the general mandate granted to the Directors by an ordinary resolution of the Shareholders passed at the AGM to allot, issue and deal with Shares and to make or grant offers, agreements and options which may require Shares to be allotted, issued or dealt with, which is subject to the limit of 20% of the number of issued Shares as at the date of the AGM
“Global Mineral”	Global Mineral Resources Holdings Ltd, which is more particularly described in the sections headed “The Subscription Agreements – 2. Parties” and “Information of the Subscribers” of this announcement
“Global Mineral Facility”	a standby loan facility of up to HK\$250 million granted by Global Mineral to the Company pursuant to a loan agreement and a supplemental loan agreement dated 8 May 2018 and 18 November 2019, respectively
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) which is(are) independent of and not connected with the Company and its connected persons and not otherwise a connected person(s) of the Company
“Join Surplus”	Join Surplus International Ltd., which is more particularly described in the sections headed “The Subscription Agreements – 2. Parties” and “Information of the Subscribers” of this announcement
“Join Surplus Facility”	a standby loan facility of up to HK\$250 million granted by Join Surplus to the Company pursuant to a loan agreement and two supplemental loan agreements dated 10 August 2018, 11 March 2019 and 31 December 2020, respectively
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	5 February 2021 (or such later date as may be agreed by the parties to the Subscription Agreements in writing)
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	Global Mineral and Join Surplus
“Subscription”	the subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreements”	collectively, the subscription agreements entered into by the Company and each of the Subscribers on 15 January 2021 in relation to the Subscription
“Subscription Price”	HK\$0.13175 per Subscription Share
“Subscription Shares”	the total of 1,062,576,000 new Shares to be allotted and issued by the Company to the Subscribers at completion of the Subscription
“%”	per cent.

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

Hong Kong, 15 January 2021

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 Mr. Guo Honglin as Executive Directors; Mr. Sue Ka Lok as Non-executive Director; and Mr. Pun Chi Ping and Ms. Leung Pik Har, Christine and Mr. Yeung Chi Tat as Independent Non-executive Directors.