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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)**

### **CHANGE IN USE OF PROCEEDS**

References are made to the circular of Birmingham Sports Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) dated 17 November 2020 (the “Circular”) in relation to the disposal of interests in subsidiaries (the “Disposal”) and the interim report of the Company for the six months ended 31 December 2020 (the “Interim Report”). Unless otherwise defined herein, terms in this announcement shall have the same meaning as defined in the Circular and the Interim Report.

#### **CHANGE IN USE OF PROCEEDS**

The utilisation of the net proceeds and the proposed change in use of proceeds from the Disposal are summarised as follows:

<b>Purposes</b>	<b>Planned use of proceeds HK\$'million</b>	<b>Unutilised amount as at 31 December 2020 HK\$'million</b>	<b>Reallocation in use of unutilised amount of net proceeds HK\$'million</b>	<b>New allocation for unutilised amount of net proceeds HK\$'million</b>	<b>Expected timeline</b>
					<b>for fully utilising the remaining proceeds (taking into account of the new allocation)</b>
Repayment of debts	31.7	–	10.5	10.5	By 31 May 2021
General working capital	10.5	–	–	–	
Future investment	10.5	10.5	(10.5)	–	
<b>Total</b>	<b>52.7</b>	<b>10.5</b>	<b>–</b>	<b>10.5</b>	

## **REASONS FOR CHANGE IN USE OF PROCEEDS**

As mentioned in the Circular under the heading “Reasons for and Benefits of the Disposal and Use of Proceeds”, the portion of the net proceeds originally intended for future investment will be used to repay the debts of the Group if no suitable investment opportunities can be identified. Due to the COVID-19 pandemic around the world, the management believes that it is difficult to assess how long the COVID-19 pandemic will last. Many countries or regions have either retained, reimposed or extended the quarantine measures, travel restriction and safe distancing measures to contain the COVID-19 pandemic, casting uncertainties on the investment environment. In view of this, the management intends to reallocate the Group’s original plan on the use of the net proceeds for future investment to repayment of debts so as to lower the finance costs of the Group and to enhance the financial condition of the Group.

The Board considers that the aforesaid change in the use of net proceeds allows the Company to deploy its financial resources more effectively and is fair and reasonable and in the best interest of the Company and Shareholders as a whole, and will not have any material adverse effect on the existing business and operations of the Group.

Save as disclosed in this announcement, there are no other changes on the use of net proceeds of the Disposal.

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

Hong Kong, 12 May 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 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.*