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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)

- (1) MAJOR AND CONNECTED TRANSACTION RELATING
TO THE ACQUISITION OF PROPERTIES IN CAMBODIA;
(2) ISSUE OF CONSIDERATION SHARES
UNDER SPECIFIC MANDATE;
AND
(3) CONTINUING CONNECTED TRANSACTION RELATING
TO LEASE OF PROPERTIES IN CAMBODIA**

THE LONG TERM LEASE AGREEMENT AND THE MASTER LEASE AGREEMENT

The Board announces that on 28 August 2018 (after trading hours), (i) Deep Blue (an indirect wholly-owned subsidiary of the Company) has entered into the Long Term Lease Agreement with GRED, pursuant to which GRED has agreed to lease the Remaining Properties to Deep Blue; and (ii) Celestial Fame (an indirect wholly-owned subsidiary of the Company) has entered into the Master Lease Agreement with Ever Depot (a wholly-owned subsidiary of GRED), pursuant to which Celestial Fame has agreed to lease (or procure the lease of) the Building and the Block to Ever Depot.

LISTING RULES IMPLICATIONS

Since the highest of the applicable percentage ratios for the Long Term Lease Agreement, as aggregated pursuant to Rule 14.22 of the Listing Rules, exceeds 25% but is less than 100%, the transactions contemplated under the Long Term Lease Agreement constitute major transactions for the Company. Moreover, since GRED, being the sole shareholder of Ever Depot, is a connected person of the Company, the Long Term Lease Agreement constitutes a connected transaction for the Company and is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules respectively.

Since Ever Depot, being a substantial Shareholder, is a connected person of the Company, the transactions contemplated under the Master Lease Agreement constitute continuing connected transactions for the Company and are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has material interest in the Long Term Lease Agreement, the Master Lease Agreement and the transactions contemplated thereunder and is required to abstain from voting on the relevant resolutions at the Board meeting.

EGM

The EGM will be held to consider and if thought fit, to approve the Long Term Lease Agreement, the Master Lease Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares and the Annual Caps). At the EGM, GRED and its associates (including Ever Depot) will abstain from voting on the resolutions approving in the Long Term Lease Agreement, the Master Lease Agreement and the transactions contemplated thereunder. As at the date of this announcement, GRED and its associates (including Ever Depot) hold 2,086,551,000 Shares, representing approximately 19.01% of the issued share capital of the Company. To the best knowledge, information and belief of the Directors, none of the persons (excluding GRED and its associates (including Ever Depot)) who are required to abstain from voting at the EGM is holding any Shares as at the date of this announcement.

GENERAL

A circular including, among other information, (i) a letter from the Board containing further details of the Long Term Lease Agreement and the Master Lease Agreement; (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders within 20 business days (has the meaning ascribed to it under the Listing Rules) from the date of this announcement.

Each of the Long Term Lease Agreement and the Master Lease Agreement is subject to the satisfaction of the conditions precedent as described in this announcement. There is no assurance that any of such conditions precedent will be fulfilled. Therefore, the transactions contemplated under the Long Term Lease Agreement and the Master Lease Agreement may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

INTRODUCTION

References are made to the announcement of the Company dated 30 June 2017 and the circular of the Company dated 31 October 2017 in relation to, among other things, the acquisition of the entire issued share capital of a company in Cambodia, the construction of a commercial and educational building in Cambodia and the acquisition of properties in Cambodia by the Group.

The Board announces that on 28 August 2018 (after trading hours), (i) Deep Blue (an indirect wholly-owned subsidiary of the Company) has entered into the Long Term Lease Agreement with GRED, pursuant to which GRED has agreed to lease the Remaining Properties to Deep Blue; and (ii) Celestial Fame (an indirect wholly-owned subsidiary of the Company) has entered into the Master Lease Agreement with Ever Depot (a wholly-owned subsidiary of GRED), pursuant to which Celestial Fame has agreed to lease (or procure the lease of) the Building and the Block to Ever Depot.

LONG TERM LEASE AGREEMENT

Principal terms of the Long Term Lease Agreement are set forth below:

- Date : 28 August 2018
- Parties : (1) GRED as lessor; and
(2) Deep Blue as lessee.
- Subject matter : GRED has conditionally agreed to lease to Deep Blue and Deep Blue has conditionally agreed to lease from GRED the Remaining Properties.
- The Remaining Properties : The Remaining Properties, which are located within and form part of One Park, comprise (i) 22 residential apartments on four floors and all areas on three floors at Block C of One Park with total saleable area of approximately 3,468.15 sq.m.; and (ii) portion of the podium and corridor connected to the main building of the condominium with saleable area of approximately 1,791.34 sq.m.

The Remaining Properties are under construction as of the date of this announcement. GRED has undertaken to complete and deliver the Remaining Properties in compliance with the construction specifications set out in the Long Term Lease Agreement. GRED shall bear the costs of the construction of the Remaining Properties until the completion of the construction.

The Remaining Properties have not yet generated any income as at the date of this announcement as the Block is under construction.

Term : An initial term of fifty (50) years commencing from the Delivery Date (the “Initial Term”). At the sole option of Deep Blue, the Initial Term may be extended for such period(s) as determined by Deep Blue under the same terms and conditions as contained in the Long Term Lease Agreement (the “Extended Term”), provided always that save for payment of the consideration under the Long Term Lease Agreement on Completion, Deep Blue shall not be required to pay any rent for the Extended Term.

Consideration : Approximately US\$16.3 million (equivalent to approximately HK\$127.2 million) shall be satisfied as follows:

- (1) as to US\$10.1 million (equivalent to approximately HK\$78.8 million) by the allotment and issue of the Consideration Shares to GRED (or its nominee(s)) at the Issue Price on Completion; and
- (2) as to US\$6.2 million (equivalent to approximately HK\$48.4 million) by cash payable no later than seven (7) Business Days following the Delivery Date.

In the event Deep Blue does not exercise its right to extend the term of the lease after the Initial Term, there will not be any refund of the consideration paid.

The consideration was determined after arm's length negotiations between the Company and GRED taking into account, among other things, (i) the preliminary valuation conducted by the Independent Valuer regarding the fair market value of the Remaining Properties (on completion basis) of approximately US\$17.3 million (equivalent to approximately HK\$134.9 million) as at 31 July 2018; (ii) the consideration paid by the Company in the acquisition of the Properties; and (iii) the reasons for and benefits of the transactions as described in the section headed "Reasons for and benefits of the transactions" of this announcement. Given that GRED shall complete the construction of the Remaining Properties and bear the costs of the construction, the Directors consider that the preliminary valuation on completion basis is relevant in determining the consideration. The Board considers that the consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Group intends to fund the payment of the cash consideration by internally available resources.

Delivery of the Block : GRED has undertaken to complete the construction of the Block on or before 31 August 2019 or such other date as GRED and Deep Blue may agree in writing. Upon completion of the construction of the Block, GRED shall notify Deep Blue to carry out physical inspection of the Block against the construction specifications set out in the Long Term Lease Agreement. Physical inspection shall be carried out on a date (the "Delivery Date") which shall not be later than fifteen (15) Business Days after the receipt of such notification by Deep Blue or such other date which the lessor and the lessee may agree in writing. Once any defect or non-compliant items are found during inspection, GRED will take every step to ensure that such rectification requirements are met within fifteen (15) Business Days following the inspection.

The delivery date of the Properties as set forth in the Properties SPA shall be amended from 31 August 2018 to 31 August 2019 or such other date as GRED and Deep Blue may agree in writing.

- Conditions precedent : Completion shall be subject to and conditional upon:
- (1) the execution of the Master Lease Agreement by the parties thereto;
 - (2) the delivery by GRED to Deep Blue of a Cambodian legal opinion dated the Completion Date in relation to the Long Term Lease Agreement, the Master Lease Agreement and the Block in form and substance satisfactory to Deep Blue;
 - (3) the passing of the resolution(s) by Independent Shareholders in the EGM approving the Long Term Lease Agreement, the Master Lease Agreement and the transactions contemplated hereunder and thereunder;
 - (4) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares;
 - (5) there has been no material breach of or materially inconsistent with any of the terms and/or the warranties given by GRED under the Long Term Lease Agreement by GRED at any time from the date of the Long Term Lease Agreement up to and including the Completion Date; and
 - (6) all necessary consents, approvals and authorisations having been obtained from all relevant authorities in Cambodia and in any other applicable jurisdiction in connection with the transactions contemplated under the Long Term Lease Agreement, the Master Lease Agreement and the implementation of the transactions contemplated hereunder and thereunder and all other matters incidental hereto and thereto.

Deep Blue shall be entitled at its absolute discretion at any time on or before the Long Stop Date by notice in writing to GRED to waive any of the conditions (save and except the conditions precedent (3), (4) and (6) above, which cannot be waived) either in whole or in part. In the event any of the conditions that are not waived either in whole or in part by Deep Blue shall not be fulfilled by 5:00 p.m. (Hong Kong time) on the Long Stop Date, the Long Term Lease Agreement shall be null and void and of no further effect and no party shall have any further liability to the other party under or in connection with the Long Term Lease Agreement without prejudice to the rights of any party in respect of any antecedent breaches.

Completion Date : Within three (3) Business Days immediately after fulfilment (or waiver, as the case may be) of the conditions (save and except conditions precedent (1), (5) and (6) above which shall be fulfilled on the completion date).

CONSIDERATION SHARES

The Consideration Shares, being in aggregate 832,610,000 new Shares, will be issued at the Issue Price (i.e., HK\$0.0947 per Share), which was determined after arm's length negotiations between the Company and GRED with reference to the recent market prices of the Shares. Based on the closing price of HK\$0.101 per Share as quoted on the Stock Exchange on the Last Trading Day, the aggregate market value of the Consideration Shares is approximately HK\$84.1 million.

As at the date of this announcement, the Company has 10,974,071,672 Shares in issue. The Consideration Shares represent:

- (i) approximately 7.6% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 7.1% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The Issue Price represents:

- (i) a discount of approximately 6.2% to the closing price of HK\$0.101 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 7.9% to the average closing price of HK\$0.1028 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day.

The Directors consider that the Issue Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

The Consideration Shares will be allotted and issued pursuant to a specific mandate to be sought by the Company at the EGM. The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with the Shares in issue. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the change in the shareholding structure of the Company immediately after the allotment and issue of the Consideration Shares:

Name of Shareholder	As at the date of this announcement		Immediately after allotment and issue of the Consideration Shares	
	Number of Shares	Approximate percentage of issued Share	Number of Shares	Approximate percentage of issued Share
Trillion Trophy Asia Limited ^(Note 1)	3,825,000,000	34.86%	3,825,000,000	32.40%
GRED and its associates (including Ever Depot) ^(Note 2)	2,086,551,000	19.01%	2,919,161,000	24.72%
Dragon Villa Limited ^(Note 3)	2,094,366,000	19.08%	2,094,366,000	17.74%
Public Shareholders	2,968,154,672	27.05%	2,968,154,672	25.14%
	<u>10,974,071,672</u>	<u>100.00%</u>	<u>11,806,681,672</u>	<u>100.00%</u>

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) GRED is wholly-owned by Mr. Vong Pech. Ever Depot is a wholly-owned subsidiary of GRED.
- (3) Dragon Villa Limited is wholly-owned by Mr. Lei Sutong.

MASTER LEASE AGREEMENT

Principal terms of the Master Lease Agreement are set forth below:

- Date : 28 August 2018
- Parties : (1) Celestial Fame as lessor; and
(2) Ever Depot as lessee.
- Subject matter : Celestial Fame has conditionally agreed to lease, or procure the lease of, the Building and the Block to Ever Depot.
- Term : The Building: three (3) years commencing from the Business Day following the fulfilment of the conditions (or such other date as Celestial Fame and Ever Depot may agree in writing), which term may be renewed by agreement of Celestial Fame and Ever Depot.

The Block: three (3) years commencing from the Delivery Date (or such other date as Celestial Fame and Ever Depot may agree in writing), which term may be renewed by agreement of Celestial Fame and Ever Depot.
- Rent : US\$15 per sq.m. per month. Accordingly, the total rent of the Building and the Block equal to approximately US\$1.0 million (equivalent to approximately HK\$7.9 million) and approximately US\$2.6 million (equivalent to approximately HK\$20.2 million) per annum, respectively.

The overall rent for each of the Building and the Block was arrived at after arm's length negotiation between the parties under normal commercial terms in the ordinary course of business, and with reference to the market rent as determined by the Independent Valuer having regarded to the comparable transactions in the vicinity and the prevailing market condition.

- Conditions precedent : The obligations of Celestial Fame and Ever Depot to perform their respective obligations under the Master Lease Agreement shall be subject to and conditional upon:
- (1) the completion of the Long Term Lease Agreement;
 - (2) the passing of the resolution(s) by Independent Shareholders in the EGM approving the Master Lease Agreement, the Long Term Lease Agreement and the transactions contemplated hereunder and thereunder; and
 - (3) all necessary consents, approvals and authorisations having been obtained from all relevant authorities in Cambodia and in any other applicable jurisdiction in connection with the transactions contemplated under the Master Lease Agreement, the Long Term Lease Agreement and the implementation of the transactions contemplated thereunder and all other matters incidental hereto and thereto.

In the event any of the above conditions precedent shall not be fulfilled by 5:00 p.m. (Hong Kong time) on the Long Stop Date, the Master Lease Agreement shall be null and void and of no further effect and no party shall have any further liability to any other parties under or in connection with the Master Lease Agreement without prejudice to the rights of any such parties in respect of any antecedent breaches.

ANNUAL CAPS

The proposed annual caps for the continuing connected transactions under the Master Lease Agreement for each of the three years ending 30 June 2019, 2020 and 2021 are as follows:

	Year ending 30 June		
	2019	2020	2021
US\$	681,000	3,181,000	3,613,000

The Annual Caps are determined based on the rent receivable by the Group under the Master Lease Agreement and the expected commencement of the lease of the Building and the Block in or about November 2018 and September 2019, respectively.

INFORMATION ON THE PARTIES

The Company

The Company is engaged in investment holding and the principal activity of its major subsidiary is the operation of a professional football club in the United Kingdom.

Celestial Fame

Celestial Fame is a limited company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company. Celestial Fame is principally engaged in investment holding.

Deep Blue

Deep Blue is a limited company incorporated in Cambodia and an indirectly wholly-owned subsidiary of the Company. Deep Blue is principally engaged in properties investment.

Ever Depot

Ever Depot is a limited company incorporated in the British Virgin Islands and a wholly-owned subsidiary of GRED. As advised by GRED, Ever Depot is principally engaged in investment holding.

GRED

GRED is a limited company incorporated in Cambodia and is engaged in property development. GRED is the developer of One Park. GRED is wholly-owned by Mr. Vong Pech, a Cambodian citizen.

As at the date of this announcement, Ever Depot is a substantial Shareholder owning 2,086,551,000 Shares, representing approximately 19.01% of the issued share capital of the Company. Ever Depot, GRED and Mr. Vong Pech are connected persons of the Company under the Listing Rules.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Cambodia has been one of the most promising developing countries in South East Asia. According to the World Bank, Cambodia has been the sixth fastest-growing economy in the world over the past two decades, with average GDP growth rate of 7.6%. Cambodia's economy is expected to grow 6.9% in 2018, compared with a 6.8% in 2017. Cambodia is also one of the country set to benefit from the Belt and Road Initiative of the PRC with massive investment in infrastructure. These has been increasing number of Chinese developers and investors to participate in the property market of Phnom Penh, making it to have both high capital appreciation prospects and rental yields. As of the first quarter of 2018, prime gross initial yields across the predominate real estate sectors of Phnom Penh averaged 7.6%.

It has been the Group's strategy to diversify its business and to broaden the revenue streams of the Group so as to create substantial value to the Shareholders. In parallel to promoting the Group's football operation, the management had been actively seeking different business opportunities for the Group. Further investment in the One Park by virtue of the Long Term Lease Agreement and the entering into of the Master Lease Agreement represent a good opportunity to secure a stable stream of income for the Group. At the same time, the Group will benefit from the possibility of future long term appreciation in value of the Building and the Block.

Upon completion of the Long Term Lease Agreement, the Group in effect will own the entire interest of the Block. By leasing the Building and the Block to GRED, being the developer of One Park, pursuant to the Master Lease Agreement, the Group would be able to save the costs in managing the Building and the Block and at the same time secure a fixed return for its investment.

The Group has appointed the Independent Valuer to conduct the valuation in respect of the Remaining Properties. Based on the preliminary valuation of the Independent Valuer, the fair market of the Remaining Properties (on completion basis) was approximately US\$17.3 million (equivalent to approximately HK\$134.9 million) as at 31 July 2018. The consideration of approximately US\$16.3 million (equivalent to approximately HK\$127.2 million) payable by the Group under the Long Term Lease Agreement represents a discount of approximately 5.8% against such preliminary valuation of the Remaining Properties.

As at 31 December 2017, the Group's current ratio (as defined by current assets divided by current liabilities) was 53% and the gearing ratio (as defined by total borrowings divided by equity plus total borrowings) was 8%. The ratio of total liabilities to total assets of the Group was 32%. As at 31 December 2017, the Group has bank balances and cash of approximately HK\$49.8 million and short-term borrowings of approximately HK\$52.2 million, all of which were repayable within one year. Cash requirement by the Group's football club business remains significant. The settlement of part of the Consideration by way of the allotment and issue of the Consideration Shares would reduce cash outflows on the part of the Company while the equity capital base of the Company would be enlarged and therefore, the current and future liquidity position of the Group can be maintained.

Having considered the above, the Directors (excluding the independent non-executive Directors who will form their views after considering the advices of the Independent Financial Adviser) consider that:

1. the terms and conditions of the Long Term Lease Agreement and the Master Lease Agreement have been negotiated among the parties on an arm's length basis and are on normal commercial terms that are fair and reasonable;
2. the Annual Caps are fair and reasonable; and
3. the transactions contemplated under the Long Term Lease Agreement and the Master Lease Agreement are in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since the highest of the applicable percentage ratios for the Long Term Lease Agreement, as aggregated pursuant to Rule 14.22 of the Listing Rules, exceeds 25% but is less than 100%, the transactions contemplated under the Long Term Lease Agreement constitute major transactions for the Company. Moreover, since GRED, being the sole shareholder of Ever Depot, is a connected person of the Company, the Long Term Lease Agreement constitutes a connected transaction for the Company and is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules respectively.

Since Ever Depot, being a substantial Shareholder, is a connected person of the Company, the transactions contemplated under the Master Lease Agreement constitute continuing connected transactions for the Company and are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has material interest in the Long Term Lease Agreement, the Master Lease Agreement and the transactions contemplated thereunder and is required to abstain from voting on the relevant resolutions at the Board meeting.

EGM

The EGM will be held to consider and if thought fit, to approve the Long Term Lease Agreement, the Master Lease Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares and the Annual Caps). At the EGM, GRED and its associates (including Ever Depot) will abstain from voting on the resolutions approving in the Long Term Lease Agreement, the Master Lease Agreement and the transactions contemplated thereunder. As at the date of this announcement, GRED and its associates (including Ever Depot) hold 2,086,551,000 Shares, representing approximately 19.01% of the issued share capital of the Company. To the best knowledge, information and belief of the Directors, none of the persons (excluding GRED and its associates (including Ever Depot)) who are required to abstain from voting at the EGM is holding any Shares as at the date of this announcement.

GENERAL

A circular including, among other information, (i) a letter from the Board containing further details of the Long Term Lease Agreement and the Master Lease Agreement; (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders within 20 business days (has the meaning ascribed to it under the Listing Rules) from the date of this announcement.

Each of the Long Term Lease Agreement and the Master Lease Agreement is subject to the satisfaction of the conditions precedent as described in this announcement. There is no assurance that any of such conditions precedent will be fulfilled. Therefore, the transactions contemplated under the Long Term Lease Agreement and the Master Lease Agreement may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the meaning set out below:

“Annual Caps”	the proposed annual caps for transactions contemplated under the Master Lease Agreement for the three years ending 30 June 2019, 2020 and 2021
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Block”	collectively, the Properties and the Remaining Properties
“Board”	the board of Directors
“Building”	the building with gross floor area of approximately 5,674.59 sq.m. for commercial and educational use in One Park owned by the Group
“Business Day(s)”	a day other than Saturday, Sunday and public holidays in Cambodia
“Cambodia”	the Kingdom of Cambodia
“Celestial Fame”	Celestial Fame Investments Limited (天譽投資有限公司), whose information is set out in the section headed “Information on the parties – Celestial Fame” of this announcement
“Company”	Birmingham Sports Holdings Limited (伯明翰體育控股有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Long Term Lease Agreement in accordance with the terms thereof
“Completion Date”	the date on which Completion takes place
“connected person(s)”	has the meaning ascribed to it in the Listing Rules

“Consideration”	approximately US\$16.3 million (equivalent to approximately HK\$127.2 million), being the consideration payable by Deep Blue under the Long Term Lease Agreement
“Consideration Shares”	832,610,000 new Shares to be allotted and issued by the Company at the Issue Price to satisfy the Consideration
“Deep Blue”	Deep Blue Trade (Cambodia) Co., Ltd., whose information is set out in the section headed “Information on the parties – Deep Blue” of this announcement
“Delivery Date”	has the meaning as described in the section headed “Long Term Lease Agreement – Delivery of the Block” of this announcement
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for considering and approving, among others, the Long Term Lease Agreement, the Master Lease Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares and the Annual Caps)
“Ever Depot”	Ever Depot Limited (永聚有限公司), whose information is set out in the section headed “Information on the parties – Ever Depot” of this announcement
“Extended Term”	has the meaning as described in the section headed “Long Term Lease Agreement – Term” of this announcement
“GRED”	Graticity Real Estate Development Co., Ltd., whose information is set out in the section headed “Information on the parties – GRED” of this announcement
“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 Board Committee”	the independent committee of the Board comprising all independent non-executive Directors formed to advise the Independent Shareholders as to the Long Term Lease Agreement, the Master Lease Agreement and the transactions contemplated thereunder (including the Annual Caps)

“Independent Financial Adviser”	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders with respect to the Long Term Lease Agreement, the Master Lease Agreement and the transactions contemplated thereunder (including the Annual Caps)
“Independent Valuer”	JP Assets Consultancy Limited, an independent valuer appointed by the Group
“Independent Shareholders”	Shareholders other than GRED and its associates (including Ever Depot)
“Independent Third Party(ies)”	a third party(ies) which is (are) independent of and not connected with the Company and its connected persons and not otherwise a connected person of the Company
“Initial Term”	has the meaning as described in the section headed “Long Term Lease Agreement – Term” of this announcement
“Issue Price”	the issue price of HK\$0.0947 per Consideration Share
“Last Trading Day”	28 August 2018, being the last trading day of the Shares on the Stock Exchange prior to the publication of this announcement
“Long Term Lease Agreement”	the Long Term Lease Agreement dated 28 August 2018 entered into between GRED and Deep Blue
“Long Stop Date”	30 November 2018 (or such other date as the relevant parties may agree)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Lease Agreement”	the Master Lease Agreement dated 28 August 2018 entered into between Celestial Fame and Ever Depot
“One Park”	a property development project in Cambodia developed by GRED, details of which are disclosed in the circular of the Company dated 31 October 2017
“PRC” or “China”	the People’s Republic of China

“Properties”	the properties acquired by Deep Blue from GRED pursuant to the Properties SPA, which are located within and form part of One Park and comprised of (i) portion of the 2-storey commercial podium adjacent to the main building of the condominium with saleable area of approximately 4,456 sq.m.; and (ii) 48 residential apartments at Block C of One Park with total saleable area of approximately 4,680.64 sq.m.
“Properties SPA”	the Property Sale and Purchase Agreement dated 30 June 2017 entered into between Deep Blue and GRED in relation to the acquisition of the Properties by Deep Blue from GRED
“Remaining Properties”	the properties which are more particularly described in the section headed “Long Term Lease Agreement – the Remaining Properties” of this announcement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent
“sq.m.”	square meter

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

Hong Kong, 28 August 2018

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