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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)

MAJOR TRANSACTIONS

RELATING TO

(I) THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF A COMPANY IN CAMBODIA;

(II) THE CONSTRUCTION OF A COMMERCIAL AND EDUCATIONAL BUILDING IN CAMBODIA;

AND

(III) THE ACQUISITION OF PROPERTIES IN CAMBODIA

AND

ISSUE OF CONSIDERATION SHARES

UNDER SPECIFIC MANDATE

THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF A COMPANY IN CAMBODIA

The Board announces that on 30 June 2017 (after trading hours), Orchard Gold, a wholly-owned subsidiary of the Company, entered into the Equity SPA, pursuant to which Orchard Gold has conditionally agreed to purchase and Ever Depot has conditionally agreed to sell the entire issued share capital of the Target Company at the consideration of approximately US\$9.7 million (equivalent to approximately HK\$75.5 million).

As at the date of the Equity SPA, Celestial Fame, being a wholly-owned subsidiary of the Target Company, and GRED entered into the Long Term Lease Agreement, pursuant to which GRED has agreed to lease the Land to Celestial Fame at the total rent of US\$3.0 million (equivalent to approximately HK\$23.3 million).

THE CONSTRUCTION OF A COMMERCIAL AND EDUCATIONAL BUILDING IN CAMBODIA

Upon completion of the Equity Acquisition, Celestial Fame shall enter into the Construction Contract with GRED regarding the design and construction of a building for commercial and educational use on the Land under the supervision of GRED at a total consideration of approximately US\$4.4 million (equivalent to approximately HK\$34.2 million).

THE ACQUISITION OF PROPERTIES IN CAMBODIA

The Board also announces that on 30 June 2017 (after trading hours), Deep Blue, an indirectly wholly-owned subsidiary of the Company, and GRED entered into the Properties SPA, pursuant to which Deep Blue has conditionally agreed to purchase and GRED has conditionally agreed to sell the Properties at the aggregate consideration of approximately US\$26.2 million (equivalent to approximately HK\$203.8 million).

CONSIDERATION SHARES

The Consideration Shares, being in aggregate 2,086,551,000 new Shares, will be issued at the Issue Price of HK\$0.15 per Consideration Share to satisfy the Equity Consideration, the Construction Consideration and the Properties Consideration. Based on the closing price of HK\$0.178 per Share as quoted on the Stock Exchange on the Last Trading Day, the aggregate market value of the Consideration Shares is approximately HK\$371.4 million.

LISTING RULES IMPLICATIONS

Since the highest of the applicable percentage ratios for the Equity Acquisition, the Construction Contract and the Properties Acquisition, as aggregated pursuant to Rule 14.22 of the Listing Rules, exceeds 25% but is less than 100%, the transactions contemplated under the Agreements constitute major transactions for the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

The EGM will be held to consider and if thought fit, to approve the Agreements and the transactions contemplated thereunder (including the issue and allotment of the Consideration Shares). To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has any material interest in the Agreements and is required to abstain from voting on the relevant resolution(s) to be proposed at the EGM to approve the Agreements and the transactions contemplated thereunder.

GENERAL

A circular containing, among other things, further details of the Agreements and the transactions contemplated thereunder together with the notice of EGM is expected to be despatched to the Shareholders on or before 31 July 2017.

Completion of the Acquisitions is subject to the satisfaction of the conditions precedent which are more particularly described in “The acquisition of the entire issued share capital of a company in Cambodia – Conditions precedent” and “The acquisition of properties in Cambodia – Conditions precedent” of this announcement. There is no assurance that any of the conditions precedent to the Equity SPA and Properties SPA will be fulfilled. Therefore, the Acquisitions may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

INTRODUCTION

The Board announces that on 30 June 2017 (after trading hours), Orchard Gold, a wholly-owned subsidiary of the Company, entered into the Equity SPA, pursuant to which Orchard Gold has conditionally agreed to purchase and Ever Depot has conditionally agreed to sell the entire issued share capital of the Target Company at the consideration of approximately US\$9.7 million (equivalent to approximately HK\$75.5 million).

As at the date of the Equity SPA, Celestial Fame, being a wholly-owned subsidiary of the Target Company, and GRED entered into the Long Term Lease Agreement, pursuant to which GRED has agreed to lease the Land to Celestial Fame at the total rent of US\$3.0 million (equivalent to approximately HK\$23.3 million).

Upon completion of the Equity Acquisition, Celestial Fame shall enter into the Construction Contract with GRED regarding the design and construction of a building for commercial and educational use on the Land under the supervision of GRED at a total consideration of approximately US\$4.4 million (equivalent to approximately HK\$34.2 million).

The Board also announces that on 30 June 2017 (after trading hours), Deep Blue, an indirectly wholly-owned subsidiary of the Company, and GRED entered into the Properties SPA, pursuant to which Deep Blue has conditionally agreed to purchase and GRED has conditionally agreed to sell the Properties at the aggregate consideration of approximately US\$26.2 million (equivalent to approximately HK\$203.8 million).

THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF A COMPANY IN CAMBODIA

Principal terms of the Equity SPA are set out below:

- Date : 30 June 2017

- Parties : (1) the Company;
(2) Orchard Gold as purchaser;
(3) Ever Depot as vendor; and
(4) GRED as guarantor.

- Subject matter : Orchard Gold has conditionally agreed to purchase and Ever Depot has conditionally agreed to sell the entire issued share capital of the Target Company.

- Equity Consideration : Approximately US\$9.7 million (equivalent to approximately HK\$75.5 million), which shall be satisfied by the issue and allotment of the Equity Consideration Shares to Ever Depot (or its nominee(s)) at the Issue Price upon completion of the Equity SPA.

The Equity 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 an independent valuer engaged by the Company regarding the fair market value of the Land and the Building (on completion basis) of approximately US\$20.1 million (equivalent to approximately HK\$156.4 million); and (ii) the reasons for and benefits of the Acquisitions as described in the section headed “Reasons for and benefits of the transactions” of this announcement.

The Board considers that the Equity Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

- Conditions precedent : Completion of the Equity Acquisition shall be subject to and conditional upon:

- (a) the Company and Orchard Gold being satisfied in its absolute discretion with the results of the due diligence review of the assets, liabilities, operations and affairs of the Target Group;
- (b) there shall not have occurred any material adverse effect or any event, change, effect or development that would, individually or in the aggregate, have or reasonably be expected to have a material adverse effect on the Target Group, taken as a whole;
- (c) the passing of the resolution(s) by the Shareholders in the EGM approving, among other things, the Equity SPA, the Construction Contract and the transactions contemplated thereunder;
- (d) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Equity Consideration Shares and the Construction Consideration Shares;
- (e) 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 Equity SPA and the Construction Contract, the implementation of the transactions contemplated thereunder and all other matters incidental thereto;
- (f) there being no event existing or having occurred and no condition being in existence which would constitute a material breach of any of the terms and warranties by Ever Depot and/or GRED of the Equity SPA; and
- (g) simultaneous completion of the Equity SPA and the Properties SPA in accordance with the terms thereof.

Orchard Gold shall be entitled at its absolute discretion at any time on or before the Long Stop Date by notice in writing to Ever Depot to waive any of the above conditions precedent (save and except conditions (c) and (d), which cannot be waived) either in whole or in part.

In the event (i) any of the above conditions precedent that are not waived either in whole or in part by Orchard Gold shall not be fulfilled by 5:00 p.m. (Hong Kong time) on the Long Stop Date, or (ii) Orchard Gold informs Ever Depot in writing that it is not satisfied with the results of the due diligence, the Equity SPA 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 Equity SPA without prejudice to the rights of any such parties in respect of any antecedent breaches.

- Completion : Within three (3) Business Days immediately after fulfilment (or waiver, as the case may be) of the conditions precedent (save and except condition (g) which shall be fulfilled as at completion of the Equities SPA).
- Construction Contract : On completion of the Equity SPA, Ever Depot and GRED shall deliver or cause to be delivered to Orchard Gold the Construction Contract duly executed by GRED.
- Guarantee : GRED shall as primary obligator procure that Ever Depot shall duly observe and promptly perform all of its obligations under the Equity SPA and if and whenever Ever Depot shall be in default in the payment when due of any amount payable under the Equity SPA or of any damages for breach of the same or of any of the warranties, representations or undertakings contained therein, pay all such amounts then payable by Ever Depot as though GRED instead of Ever Depot was expressed to be the principal debtor in respect of such amounts.
- Guaranteed Return : GRED has agreed, guaranteed and undertaken that for the period of eight (8) years commencing from the date of takeover by Celestial Fame of the Construction Works, in the event the annualised return (“**Actual Return**”) from Orchard Gold’s investment in the Land and the Building is less than five percent (5%) (“**Guaranteed Return**”), GRED shall pay within thirty (30) Business Days on demand a cash amount equal to the difference between the Actual Return and the Guaranteed Return.

The Actual Return and the Guaranteed Return shall be calculated based on the annual rental income (net of relevant taxes) from the lease of the Land and/or the Building.

LONG TERM LEASE AGREEMENT

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

- Date : 30 June 2017
- Parties : (1) GRED as lessor; and
(2) Celestial Fame as lessee.
- Subject matter : GRED has agreed to lease exclusively to Celestial Fame and Celestial Fame has agreed to lease from GRED the Land.
- Net site area : 1,200 sq.m.
- Usage : For the development of a building for commercial use including but not limited to the operation of an international school and relevant ancillary educational programmes.
- Term : An initial term of fifty (50) years commencing from the date of completion of the Equity SPA (the “**Initial Term**”).

At the sole option of Celestial Fame, the Initial Term may be extended for another fifty (50) years (the “**Extended Term**”) under the same terms and conditions as contained in the Long Term Lease Agreement.
- Rent : US\$3.0 million (equivalent to approximately HK\$23.3 million) (which covers both the Initial Term and the Extended Term), which shall be paid by Celestial Fame to GRED by fifty (50) equal instalments in cash in each year during the Initial Term.

**THE CONSTRUCTION OF A COMMERCIAL AND EDUCATIONAL BUILDING
IN CAMBODIA**

Principal terms of the Construction Contract are set out below:

- Date : 30 June 2017
- Parties : (1) Celestial Fame as employer; and
(2) GRED as contractor.
- Subject matter : GRED shall perform and supervise the Construction Works on the Land.
- Time of completion of the Construction Works : On or before 31 August 2018.
- Takeover of the Construction Works : Celestial Fame shall notify GRED when it considers that GRED has completed the Construction Works stating the date accordingly. Alternatively, Celestial Fame may notify GRED through issue of a taking-over notice that the Construction Works, although not fully complete, are ready for taking over, stating the date accordingly. Celestial Fame shall take over the Construction Works upon the issue of the said notice. GRED shall promptly complete any outstanding work and clear the site.
- Construction Consideration : Approximately US\$4.4 million (equivalent to approximately HK\$34.2 million), which shall be satisfied by the issue and allotment of the Construction Consideration Shares to GRED (or its nominee(s)) at the Issue Price upon the signing of the Construction Contract by Celestial Fame and GRED.

The Construction Consideration was determined after arm’s length negotiations between the Company and GRED taking into account, among other things, the prevailing construction costs in Cambodia and the construction cost estimate prepared by GRED.

THE ACQUISITION OF PROPERTIES IN CAMBODIA

Principal terms of the Properties SPA are set out below:

- Date : 30 June 2017
- Parties : (1) GRED as seller; and
(2) Deep Blue as buyer.
- Subject matter : Deep Blue has conditionally agreed to purchase and GRED has conditionally agreed to sell the Properties.
- The Properties : The Properties, which are located within and form part of One Park, comprise (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.
- The Properties are under construction as of the date of the Properties SPA. GRED has undertaken to complete and deliver the Properties in compliance with the construction specifications set out in the Properties SPA.
- The Properties have not yet generated any income as at the date of this announcement.
- Properties Consideration : Approximately US\$26.2 million (equivalent to approximately HK\$203.8 million), which shall be satisfied by the issue and allotment of the Properties Consideration Shares to GRED (or its nominee(s)) at the Issue Price upon completion of the Properties SPA.

The Properties 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 an independent valuer engaged by the Company regarding the fair market value of the Properties (on completion basis) of approximately US\$30.5 million (equivalent to approximately HK\$237.3 million); and (ii) the reasons for and benefits of the Acquisitions as described in the section headed "Reasons for and benefits of the transactions" of this announcement.

The Board considers that the Properties Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

- Conditions precedent : Completion of the Properties Acquisition shall be subject to and conditional upon:
- (a) Deep Blue being satisfied in its absolute discretion with the results of the due diligence review of the Properties;
 - (b) the passing of the resolution(s) by the Shareholders in the EGM approving, among other things, the Properties SPA and the transactions contemplated thereunder;
 - (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Properties Consideration Shares;
 - (d) 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 Properties SPA, the implementation of the transactions contemplated thereunder and all other matters incidental thereto;

- (e) there being no event existing or having occurred and no condition being in existence which would constitute a material breach of any of the terms and warranties by GRED under the Properties SPA; and
- (f) simultaneous completion of the Equity SPA and the Properties SPA in accordance with the terms thereof.

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 above conditions precedent (save and except the conditions (b) and (c), which cannot be waived) either in whole or in part.

In the event (i) any of the above conditions precedent 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, or (ii) Deep Blue informs GRED in writing that it is not satisfied with the results of the due diligence, the Properties SPA 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 Properties SPA without prejudice to the rights of any such parties in respect of any antecedent breaches.

Completion : Within three (3) Business Days immediately after fulfilment (or waiver, as the case may be) of the conditions precedent (save and except condition (f) which shall be fulfilled as at completion of the Properties SPA).

Delivery of the Properties : GRED has undertaken to complete the construction of the Properties on or before 31 August 2018 (the “**Scheduled Delivery Date**”). Upon completion of the construction of the Properties, GRED shall notify Deep Blue to carry out physical inspection of the Properties against the construction specifications set out in the Properties SPA. Physical inspection shall be carried out within fifteen (15) Business Days after the Scheduled Delivery Date.

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.

GREED shall as soon as practically possible upon completion of the construction of the Properties obtain the Unit Titles for the Properties at the costs and expenses of GREED and, at the cost of Deep Blue, arrange for the transfer of such Unit Titles of the Properties to Deep Blue or persons designated by Deep Blue.

Guaranteed Return : GREED has agreed and undertaken to procure lessee(s) and/or licensee(s) for the Properties, failing which GREED shall enter into a lease and/or license agreement for the Properties for the period of eight (8) years commencing from the delivery of the Properties and at an annualised return of not less than five percent (5%) based on the Properties Consideration.

The annualised return shall be calculated based on the annual rental income (net of relevant taxes) from the lease and/or license of the Properties.

CONSIDERATION SHARES

The Consideration Shares, being in aggregate 2,086,551,000 new Shares, will be issued at the Issue Price (i.e., HK\$0.15), which was determined after arm's length negotiations between the Company and GREED with reference to the recent market prices of the Shares. Based on the closing price of HK\$0.178 per Share as quoted on the Stock Exchange on the Last Trading Day, the aggregate market value of the Consideration Shares is approximately HK\$371.4 million.

As at the date of this announcement, the Company has 6,293,154,672 Shares in issue. The Consideration Shares represent:

- (i) approximately 33.2% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 24.9% 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 15.7% to the closing price of HK\$0.178 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 18.5% to the average closing price of HK\$0.184 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day; and
- (iii) a discount of approximately 18.9% to the average closing price of HK\$0.185 per Share as quoted on the Stock Exchange for the ten 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 issued and allotted pursuant to a specific mandate to be sought by the Company at the EGM. The Consideration Shares, when issued and allotted, 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 issue and allotment of the Consideration Shares:

Name of shareholders	As at the date of this announcement		Immediately after issue and allotment of the Consideration Shares	
	Number of Shares	Approximate percentage of issued Share	Number of Shares	Approximate percentage of issued Share
Trillion Trophy Asia Limited (<i>Note</i>)	3,825,000,000	60.78%	3,825,000,000	45.65%
GRED and its associates	–	–	2,086,551,000	24.90%
Public Shareholders	2,468,154,672	39.22%	2,468,154,672	29.45%
	<u>6,293,154,672</u>	<u>100.00%</u>	<u>8,379,705,672</u>	<u>100.00%</u>

Note: 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.

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.

Orchard Gold

Orchard Gold is a limited company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company. Orchard Gold 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 investment holding.

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 and owner of One Park.

Located at north of central Phnom Penh, Cambodia and in close proximity to many key amenities, One Park is a mixed-use development comprised of shop-houses, multiple mid-rise condominium buildings, residential buildings and a commercial and educational building erected on a parcel of land with a total site area of 79,000 sq.m. As advised by GRED, One Park is scheduled to be completed by phases from late 2017 to mid 2018.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of Ever Depot, GRED and their ultimate beneficial owners are Independent Third Parties.

INFORMATION ON THE TARGET GROUP

The Target Company

The Target Company is a limited company incorporated in the British Virgin Islands. As at the date of this announcement, the Target Company is wholly-owned by Ever Depot and, save for holding the entire issued share capital of Celestial Fame, has not carried on any business and has no other assets since its incorporation.

Celestial Fame

Celestial Fame is a limited company incorporated in Cambodia. Since its incorporation and as at the date of this announcement, save for the entering into of the Long Term Lease Agreement, Celestial Fame has not carried on any business and has no assets.

Financial information

Based on the unaudited consolidated management financial statements of the Target Group for the period from the date of the incorporation of the Target Company on 31 May 2017 to 30 June 2017 provided by GRED, the Target Group recorded consolidated loss (before and after taxation and extraordinary items) of approximately HK\$16,000 and the consolidated capital deficiency of the Target Group was approximately HK\$16,000 as at 30 June 2017. The consolidated loss is associated with expenses incurred in connection with its incorporation and the incorporation of Celestial Fame.

FINANCIAL EFFECT OF THE ACQUISITIONS

Upon completion of the Equity Acquisition, the Target Group will become wholly-owned subsidiaries of the Company and the results, assets and liabilities of the Target Group will be consolidated into the accounts of the Group.

It is intended that after delivery, the Land, the Building and the Properties will be held for leasing to generate stable income and for capital gain in the future. The Equity Acquisition and the Properties Acquisition are expected to generate positive effects on the Group's earnings in future years.

It is expected that as a result of the Equity Acquisition, the entering into of the Construction Contract and the Properties Acquisition, the issued share capital of the Company will increase by approximately HK\$20.9 million, and the non-current assets will increase by approximately HK\$313.3 million in the consolidated statement of financial position of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Cambodia is a member of the Association of Southeast Asian Nations (“ASEAN”) and is one of the most promising developing countries in the region. The country continuously recorded over 7% growth in its gross domestic product since 2011 and is ranked at the top places among the ASEAN countries in terms of economic growth. Cambodia has long friendly relationship with China and has given strongest support to China in the ASEAN. The Company is mindful that the “One Belt One Road” development strategy of the PRC government has been attracting significant investment from PRC enterprises to and creating great potential for business development in Cambodia. The Company is optimistic that the property market in Cambodia will continue to benefit from the “One Belt One Road” development strategy of the PRC government.

One Park is located at Phnom Penh City Center, a newly strategic development area located at the centre of Phnom Penh. The development was conceptualised to transform the area into a modern, sustainable, commercial and leisure hub with world class facilities purpose for both local and overseas businesses and investors. Through the creation of a central business district, mixed-used facilities and spaces and residential zone, Phnom Penh City Center will bring in the growth of commerce, culture, arts and sports in the area. Phnom Penh City Center is expected to be the prime commercial and living area in the city of Phnom Penh.

The Company has been actively seeking business opportunities from time to time, including investments in new markets, in order to enhance the long-term growth potential of the Company and Shareholders’ value. The Company believes that the Acquisitions, in particular the guaranteed return from the Building and the Properties under the Equity SPA and Properties SPA, respectively, represent a good opportunity for the Group to secure a stable stream of income and thereby enhancing value to the Shareholders. At the same time, the Group will benefit from the possibility of future long term appreciation in value of the Building and the Properties.

Having considered the above, the Directors (including the Independent Non-executive Directors) are of the view that the terms and conditions of the Equity SPA, the Construction Contract, the Properties SPA and the transactions contemplated thereunder are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since the highest of the applicable percentage ratios for the Equity Acquisition, the Construction Contract and the Properties Acquisition, as aggregated pursuant to Rule 14.22 of the Listing Rules, exceeds 25% but is less than 100%, the transactions contemplated under the Agreements constitute major transactions for the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

EGM

The EGM will be held to consider and if thought fit, to approve the Agreements and the transactions contemplated thereunder (including the issue and allotment of the Consideration Shares). To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has any material interest in the Agreements and the transactions contemplated thereunder and is required to abstain from voting on the relevant resolution(s) to be proposed at the EGM to approve the Agreements and the transactions contemplated thereunder.

GENERAL

A circular containing, among other things, further details of the Agreements and the transactions contemplated thereunder together with the notice of EGM is expected to be despatched to the Shareholders on or before 31 July 2017.

Completion of the Acquisitions is subject to the satisfaction of the conditions precedent which are more particularly described in “The acquisition of the entire issued share capital of a company in Cambodia – Conditions precedent” and “The acquisition of properties in Cambodia – Conditions precedent” of this announcement. There is no assurance that any of the conditions precedent to the Equity SPA and Properties SPA will be fulfilled. Therefore, the Acquisitions 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:

“Acquisitions”	collectively, the Equity Acquisition and the Properties Acquisition
“Agreements”	collectively, the Equity SPA, the Construction Contract and the Properties SPA
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Building”	the commercial and educational building to be constructed pursuant to the Construction Contract
“Business Day(s)”	a day (other than Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for banking business throughout their normal business hours

“Cambodia”	the Kingdom of Cambodia
“Celestial Fame”	Celestial Fame Investment (Cambodia) Co., Ltd., whose information is set out in the section headed “Information on the Target Group – 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
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration Share(s)”	collectively, the Equity Consideration Shares, the Construction Consideration Shares and the Properties Consideration Shares
“Construction Consideration”	approximately US\$4.4 million (equivalent to approximately HK\$34.2 million), being the consideration payable by Celestial Fame under the Construction Contract
“Construction Consideration Shares”	226,486,000 new Shares to be allotted and issued by the Company at the Issue Price to satisfy the Construction Consideration
“Construction Contract”	the Design and Construction Contract to be entered into between Celestial Fame and GRED as more particularly described in the section headed “The construction of a commercial and educational building in Cambodia” of this announcement
“Construction Works”	construction and design work to be performed or procured by GRED including temporary work and any change(s) to the specification(s) and/or designs set out in the Construction Contract
“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
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for considering and if thought fit, approving, among others, the Agreements and the transactions contemplated thereunder

“Equity Acquisition”	the acquisition of the entire issued share capital of Target Company by Orchard Gold from Ever Depot pursuant to the Equity SPA
“Equity Consideration”	approximately US\$9.7 million (equivalent to approximately HK\$75.5 million), being the consideration payable by Orchard Gold under the Equity SPA
“Equity Consideration Shares”	500,665,000 new Shares to be allotted and issued by the Company at the Issue Price to satisfy the Equity Consideration
“Equity SPA”	the Sale and Purchase Agreement relating to the entire issued share capital of the Target Company dated 30 June 2017 entered into among the Company, Orchard Gold, Ever Depot and GRED as more particularly described in the section headed “The acquisition of the entire issued share capital of a company in Cambodia” of this announcement
“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
“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 Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and not otherwise a connected person of the Company
“Issue Price”	the issue price of HK\$0.15 per Consideration Share
“Land”	a parcel of land of One Park with a net area of approximately 1,200 sq.m.
“Last Trading Day”	30 June 2017, being the last trading day of the Shares on the Stock Exchange prior to the publication of this announcement

“Long Stop Date”	30 September 2017 (or such other date as the relevant parties may agree)
“Long Term Lease Agreement”	the Long Term Lease Agreement dated 30 June 2017 entered into between Celestial Fame and GRED as more particularly described in the section headed “Long Term Lease Agreement” of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“One Park”	a property development project developed and owned by GRED as more particularly described in the section headed “Information on the parties – GRED” of this announcement
“Orchard Gold”	Orchard Gold Limited, whose information is set out in the section headed “Information on the parties – Orchard Gold” of this announcement
“PRC” or “China”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“Properties”	the properties to be acquired by Deep Blue pursuant to the Properties SPA, which are located within and form part of One Park and comprise (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 Acquisition”	the acquisition of the Properties by Deep Blue from GRED pursuant to the Properties SPA
“Properties Consideration”	approximately US\$26.2 million (equivalent to approximately HK\$203.8 million), being the consideration payable by Deep Blue under the Properties SPA
“Properties Consideration Shares”	1,359,400,000 new Shares to be allotted and issued by the Company at the Issue Price to satisfy the Properties Consideration

“Properties SPA”	the Property Sale and Purchase Agreement dated 30 June 2017 entered into between Deep Blue and GRED in relation to the Properties Acquisition as more particularly described in the section headed “The acquisition of properties in Cambodia” of this announcement
“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
“Target Company”	Celestial Fame Investments Limited (天譽投資有限公司), whose information is set out in the section headed “Information on the Target Group – the Target Company” of this announcement
“Target Group”	collectively, the Target Company and Celestial Fame
“Unit Title(s)”	the Certificate Acknowledging the Private Unit Owner as issued by the relevant authorities of Cambodia in relation to a lot in a co-owned building
“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, 30 June 2017

For illustration purposes, amounts in US\$ in this announcement have been translated into HK\$ at the rate of US\$ 1.00 = HK\$7.78.

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.