

Hong Kong Exchanges and Clearing Limited and the Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



BIRMINGHAM INTERNATIONAL HOLDINGS LIMITED **伯明翰環球控股有限公司**

(Receivers Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2309)

(1) SPECIAL DEAL IN RELATION TO A SETTLEMENT AGREEMENT **AND** **(2) CONTINUOUS SUSPENSION OF TRADING**

This announcement is made by Birmingham International Holdings Limited (Receivers Appointed) (the “**Company**”) pursuant to Rule 3.7 of Takeovers Code, Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 19 September 2012, 15 December 2014, 6 January 2015, 18 February 2015, 25 March 2015, 31 March 2015, 8 April 2015, 8 May 2015, 8 June 2015, 25 June 2015, 30 June 2015, 30 July 2015, 31 August 2015, 30 September 2015, 2 November 2015, 6 November 2015, 30 November 2015, 31 December 2015, 29 January 2016, 26 February 2016, 31 March 2016 and 29 April 2016 respectively.

SETTLEMENT AGREEMENT

On 4 May 2016, the Company, BCFC, Mr. Pannu, Asia Rays and Amazing Top have, without admission of any wrongdoing or liability and by the withdrawal of all allegations against each other, either in any on-going proceedings or elsewhere in the past, have amicably resolved and have entered into the Settlement Agreement. Upon mutual discussions and negotiations, the parties have agreed to discontinue High Court Action No. 1355 of 2015 (“**HCA 1355/2015**”) against the Company in return for the Company and BCFC to discontinue High Court Action No. 1590 of 2015 (“**HCA 1590/2015**”) against Asia Rays, Amazing Top and Mr. Pannu (if he is joined as a party, which currently he is not) pursuant and subject to the terms and conditions of the Settlement Agreement.

Background

On 8 January 2016, the Company submitted a resumption proposal (the “**Resumption Proposal**”) which sets out, among others, potential steps to be taken by the Group under a proposed restructuring of the Company (the “**Proposed Restructuring**”), of which the Settlement Agreement will form part, in order to satisfy the general obligations as required under the Listing Rules to seek approval from the Stock Exchange on the resumption of trading in the Shares which has been suspended since 4 December 2014. As at the date of this announcement, the resumption conditions imposed by the Stock Exchange in respect of the Resumption Proposal as stated in the announcement of the Company dated 18 February 2015 are yet to be fulfilled and the terms of the Proposed Restructuring are still under review.

Reference is made to the interim report of the Company dated 26 February 2016 summarising the latest status of Labour Tribunal Claim No. 1470 of 2015 (“**LBTC 1470/2015**”) now designated as HCA 1355/2015 commenced by Mr. Pannu against the Company and HCA 1590/2015 commenced by the Company and BCFC against Asia Rays and Amazing Top.

By way of a consent summons sealed by the High Court on 15 April 2016, argument for HCA 1590/2015, which has been adjourned to 13 April 2016, has been adjourned sine die and proceedings against Asia Rays and Amazing Top have been stayed pending settlement negotiations.

By way of a consent summons filed on 20 April 2016 pending consent by the Court, the parties have applied for a stay of proceedings under HCA 1355/2015 pending settlement negotiations.

As at the date of this announcement, Mr. Pannu is interested in 1,500,000 Shares, representing approximately 0.015% of the entire issued Shares. Mr. Pannu ceased to be a Director on 9 March 2015.

Principal terms

Subject to and conditional upon the fulfilment of the Conditions Precedent detailed below:

- (a) the Company and BCFC and/or their Associates agree to fully and forever release and discharge Mr. Pannu, Asia Rays and Amazing Top and/or their Associates from any actions, claims, causes of action, rights, proceedings, demands and set-offs, whether in law or in equity, of whatever nature and however arising, whether in the jurisdiction of Hong Kong or any other, whether or not known to the parties, that the Company and/or BCFC and/or their Associates have against Mr. Pannu, Asia Rays and/or Amazing Top and/or their Associates as of the date of the Settlement Agreement, including but not limited to all claims brought or intended to be brought under HCA 1590/2015 or by way of counterclaim under HCA 1355/2015 and all claims asserted in letters before action and statutory demands issued up to the date of the Settlement Agreement; and

- (b) Mr. Pannu, Asia Rays, Amazing Top and/or their Associates agree to fully and forever release and discharge the Company and/or its Associates from any actions, claims, causes of action, rights, proceedings, demands and set-offs, whether in law or in equity, of whatever nature and however arising, whether in the jurisdiction of Hong Kong or any other, whether or not known to the parties, that Mr. Pannu, Asia Rays and Amazing Top and/or their Associates have or may have against the Company and/or its Associates as at the date of the Settlement Agreement, including but not limited to all claims brought under HCA 1355/2015, LBTC 1470/2015 and all claims asserted in letters before action and statutory demands issued up to the date of the Settlement Agreement.

Within 14 days following fulfilment of the Conditions Precedent detailed below:

- (a) the Company and BCFC shall discontinue HCA 1590/2015 as against, Mr. Pannu if he is joined as a party and, Asia Rays and Amazing Top as soon as practicable; and
- (b) Mr. Pannu shall discontinue HCA 1355/2015 as soon as practicable.

In the event that any of the Conditions Precedent detailed below is not met, the obligations of each party to the Settlement Agreement described above shall automatically become null and void and shall have no legal effect whatsoever and the parties to the Settlement Agreement shall be fully discharged from all and any obligations and liabilities thereunder.

Mr. Pannu shall, within 14 Business Days of the signing of the Settlement Agreement, cause and execute any documents to transfer his entire shareholding in BCLFC to BCFC in escrow for the same to be released to the Company or its nominee within 14 days of fulfilment of the Conditions Precedent detailed below.

Conditions precedent

The Settlement Agreement is conditional upon:

- (a) the approval of the Settlement Agreement by the High Court; and
- (b) (i) obtaining respective confirmation from the SFC and the Stock Exchange that Rule 25 of the Takeovers Code does not apply to the execution and performance of the Settlement Agreement and that Mr. Pannu is not a connected person of the Company under the Listing Rules; or (ii) the Independent Shareholders passing at the EGM resolutions approving any special deal in accordance with Rule 25 of the Takeovers Code (if any) and/or connected transaction (if applicable) under Chapter 14A of the Listing Rules arising from or as a result of the entering into of the Settlement Agreement and consent from the Executive in relation to the Special Deal, if applicable,

(collectively, the “**Conditions Precedent**”).

Reasons for the entering into of the Settlement Agreement

On 8 January 2016, the Company submitted the Resumption Proposal which sets out, among others, potential steps to be taken by the Group under the Proposed Restructuring, of which the Settlement Agreement will form part, in order to satisfy the general obligations as required under the Listing Rules to seek approval from the Stock Exchange on the resumption of trading in the Shares, which has been suspended since 4 December 2014. Subject to the approval by the Stock Exchange on the Resumption Proposal and prior compliance with the resumption conditions to be imposed by the Stock Exchange, the Company will proceed with the Proposed Restructuring.

In view of the outstanding legal proceedings involving the Company, the entering into of the Settlement Agreement as part of the Proposed Restructuring could facilitate the resumption of trading of the Shares. The Board considers that it will take a prolonged period of time before the legal proceedings involving the Company can be settled. After mutual arm's length negotiations, the Company, BCFC, Mr. Pannu, Asia Rays and Amazing Top agree to reach the terms and conditions of the Settlement Agreement. The Directors (other than the independent non-executive Directors whose recommendation will be set out in the circular to be despatched to Shareholders) are of the view that the terms of the Settlement Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The Settlement Agreement

Taking into account of the interests of the Company and the Shareholders as a whole and noting that the Company's minority Shareholders could be potentially disadvantaged if they do not have the right to consider and vote on the Settlement Agreement which will form part of the Proposed Restructuring in order to satisfy conditions imposed by the Stock Exchange for Shares to resume trading, the Settlement Agreement will be subject to the requirements of reporting, announcement and Independent Shareholders' approval. On such basis, Mr. Pannu, Asia Rays, Amazing Top and parties acting in concert with any of them will be required to abstain from voting in relation to the resolutions to approve the Settlement Agreement and the transactions contemplated thereunder at the EGM.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Special Deal

The Settlement Agreement is part of the Proposed Restructuring. Pursuant to the Settlement Agreement, the Company and Mr. Pannu will be mutually discontinuing HCA 1355/2015 and HCA 1590/2015. As such, Mr. Pannu being a shareholder will be deriving a benefit from the Settlement Agreement, which will not be extended to all other shareholders of the Company. Accordingly, the Settlement Agreement constitutes a special deal pursuant to Rule 25 of the Takeovers Code.

The Company will apply to the Executive for its consent to the Special Deal under Rule 25 of the Takeovers Code, and such consent, if granted, shall be conditional upon the approval of the Independent Shareholders by way of a poll at the EGM and the independent financial adviser to the Independent Board Committee publicly stating in its opinion that the terms of the Special Deal is fair and reasonable.

Shareholders including (i) Mr. Pannu, Asia Rays, Amazing Top and parties acting in concert with any of them; and (ii) any Shareholders who are interested in or involved in the Settlement Agreement, the Special Deal and/or the Proposed Restructuring will be required to abstain from voting for the resolutions in respect of the Settlement Agreement, the Special Deal and the Proposed Restructuring at the EGM.

GENERAL

Circular

A circular containing, among other things, information in respect of (i) the Settlement Agreement; (ii) the Special Deal; (iii) the Proposed Restructuring; (iv) a letter from the Independent Board Committee in relation to, among other things, the Settlement Agreement, the Special Deal and the Proposed Restructuring; (v) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to, among other things, the Settlement Agreement, the Special Deal and the Proposed Restructuring; and (vi) a notice of the EGM will be despatched to the Shareholders as soon as practicable and upon the approval by the Stock Exchange on the Resumption Proposal.

Independent Shareholders are advised to read (i) the letter of advice from the Independent Board Committee; and (ii) the letter of advice from the independent financial adviser as contained in the circular before making their voting decisions in respect of, among other things, the Settlement Agreement, the Special Deal and the Proposed Restructuring.

THE EGM

The EGM will be held for the purpose of considering and, if thought fit, approving the resolutions in respect of, among other things, the Settlement Agreement, the Special Deal and the Proposed Restructuring. Accordingly, the Settlement Agreement, the Special Deal and the Proposed Restructuring will be subject to the approval by the Independent Shareholders by way of poll at the EGM.

Shareholders who are interested in, or involved in, the Settlement Agreement, the Special Deal and/or the Proposed Restructuring are required to abstain from voting for the resolutions in respect of the Settlement Agreement, the Special Deal and the Proposed Restructuring at the EGM.

FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, who have no direct or indirect interest in the Settlement Agreement, the Special Deal and the Proposed Restructuring has been established to advise the Independent Shareholders as to whether, among others, the Settlement Agreement, the Special Deal and the Proposed Restructuring are fair and reasonable and in the interests of the Company and the Independent Shareholders taken as a whole and to advise the Independent Shareholders on how to vote after taking into account the advice from the independent financial adviser.

An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to, among other things, the Settlement Agreement, the Special Deal and the Proposed Restructuring.

CONTINUOUS SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 10:21 a.m. on 4 December 2014. Trading in the Shares will remain suspended until further notice. The Company will make further announcements on the latest development of the Group as and when appropriate pursuant to the requirements of the Listing Rules.

Shareholders and potential investors of the Company should be aware that the discussions in respect of the Proposed Restructuring are still ongoing. There is no assurance that any discussions mentioned in this announcement will either be materialised or eventually be consummated. As such, the discussions may or may not lead to the making of a general offer for the shares of the Company under the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Amazing Top”	Amazing Top International Enterprise Limited, a company registered in the British Virgin Islands and wholly owned by Mr. Pannu
“Asia Rays”	Asia Rays Limited, a company registered in Hong Kong and wholly owned by Mr. Pannu
“associates”	has the meaning ascribed to it in the Listing Rules, the subsidiaries, affiliates, officers, directors, employees, agents and advisers in relation to the parties to the Settlement Agreement

“BCFC”	Birmingham City Football Club Plc., a public company limited by shares incorporated in England and Wales and an indirect subsidiary of the Company
“BCLFC”	Birmingham City Ladies Football Club Limited, a company registered in the United Kingdom and wholly owned by Mr. Pannu
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Birmingham International Holdings Limited (Receivers Appointed), a company incorporated in the Cayman Islands with limited liability and the 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)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purposes of considering, if thought fit, approving the resolutions in respect of, among other things, the Settlement Agreement, the Special Deal and the Proposed Restructuring
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time or any of his delegates
“Group”	the Company and its subsidiaries
“High Court”	the High Court of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors as at the date of this announcement, namely Mr. Cheung Yuk Ming, Mr. Law Pui Cheung and Mr. Lai Hin Wing Henry Stephen

“Independent Shareholder(s)”	Shareholder(s) other than Mr. Pannu, Asia Rays, Amazing Top and parties acting in concert with any of them and those Shareholders who are interested in or involved in the Settlement Agreement, the Special Deal and/or the Proposed Restructuring
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Pannu”	Mr. Peter Pannu, a former executive director of the Company and BCFC, the sole registered shareholder of Asia Rays, Amazing Top and BCLFC and the Shareholder holding approximately 0.015% of the issued share capital of the Company as at the date of this announcement
“Receivers”	Messrs. Liu Yiu Keung Stephen, Yen Ching Wai David and Koo Chi Sum all of Ernst & Young Transactions Limited of 62nd Floor, One Island East, 18 Westlands Road, Island East, Hong Kong appointed pursuant to an order of the Hong Kong Court dated 16 February 2015
“Settlement Agreement”	the deed of settlement dated 4 May 2016 entered into between the Company, BCFC, Mr. Pannu, Asia Rays and Amazing Top
“SFC”	the Securities and Futures Commission
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Special Deal”	the entering into of the Settlement Agreement between the Company, BCFC, Mr. Pannu, Asia Rays and Amazing Top which constitutes a special deal under Rule 25 of the Takeovers Code, subject to the Proposed Restructuring
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs

For and on behalf of
Birmingham International Holdings Limited
(Receivers Appointed)
Liu Yiu Keung Stephen, Yen Ching Wai David and Koo Chi Sum
Joint and Several Receivers

Hong Kong, 10 May 2016

As at the date of this announcement, the Board comprises of 6 Directors, namely Mr. Liu Yiu Keung Stephen, Mr. Yen Ching Wai David and Ms. Koo Chi Sum as executive Directors; and Mr. Cheung Yuk Ming, Mr. Law Pui Cheung and Mr. Lai Hin Wing Henry Stephen as independent non-executive Directors.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.