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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) STATUS OF RESUMPTION PROPOSAL;**
- (2) PROPOSED CAPITAL REORGANISATION
AND CHANGE IN BOARD LOT SIZE;**
- (3) PROPOSED OPEN OFFER OF OFFER SHARES ON THE BASIS OF
ONE OFFER SHARE FOR EVERY TWO NEW SHARES HELD ON
THE OPEN OFFER RECORD DATE;**
- (4) PROPOSED SUBSCRIPTION OF SUBSCRIPTION SHARES
UNDER SPECIFIC MANDATE;**
- (5) PROPOSED SUBSCRIPTION OF CONVERTIBLE NOTES
UNDER SPECIFIC MANDATE;**
- (6) APPLICATION FOR WHITEWASH WAIVER;**
- (7) SPECIAL DEALS AND/OR CONNECTED TRANSACTIONS IN RELATION TO
THE SETTLEMENT AGREEMENTS;**

AND

- (8) CONTINUOUS SUSPENSION OF TRADING**

Financial adviser to the Company



高銀融資有限公司
GOLDIN FINANCIAL LIMITED

STATUS OF RESUMPTION PROPOSAL

On 31 May 2016, the Stock Exchange decided to allow the Company to proceed with the Resumption Proposal subject to the following resumption conditions to be fulfilled:

1. completion of the Proposed Restructuring with the public float issue addressed; and
2. publication of the revised 2014 annual results.

The Stock Exchange may modify the aforesaid resumption conditions if the Company's situation changes.

CAPITAL REORGANISATION

As part of the Resumption Proposal, the Company proposes to implement the Capital Reorganisation which comprises of (i) the Share Consolidation; (ii) the Capital Reduction; (iii) the Share Premium Cancellation; (iv) the Authorised Share Capital Cancellation; and (v) the Authorised Share Capital Increase.

CHANGE IN BOARD LOT SIZE

The existing board lot size is 2,000 Shares. Upon the Capital Reorganisation becoming effective, the New Shares will be traded in board lot size of 20,000 New Shares each.

THE OPEN OFFER

Conditional upon the Capital Reorganisation becoming effective, to enable the existing Shareholders to participate in the fund raising exercises under the Resumption Proposal, the Company proposes to conduct the Open Offer on the basis of one (1) Offer Share for every two (2) New Shares held by the Qualifying Shareholders on the Open Offer Record Date to raise approximately HK\$19,362,000 before expenses by issuing 242,027,168 Offer Shares to the Shareholders at the proposed offer price of HK\$0.08 per Offer Share. The Open Offer is conditional, among others, upon completion of the Capital Reorganisation and the Subscriptions which form parts of the Proposed Restructuring.

THE SUBSCRIPTIONS

On 6 June 2016, the Company entered into the Subscription Agreements with the Investor pursuant to which the Company will issue and the Investor will subscribe (i) the Subscription Shares, being 3,125,000,000 New Shares in the aggregate nominal value of HK\$31,250,000 at the Subscription Price of HK\$0.08 per Subscription Share at a total subscription price of HK\$250,000,000; and (ii) the New Convertible Notes in the principal amount of HK\$150,000,000, which entitle the Investor to subscribe for up to 1,875,000,000 New Conversion Shares in the aggregate nominal value of up to \$18,750,000 at the Conversion Price of HK\$0.08 per New Conversion Share (subject to adjustments).

THE SETTLEMENT AGREEMENTS

In view of the outstanding legal proceedings involving the Company, (i) on 8 March 2016, the Company and BCFC entered into the CY Settlement Agreement with Mr. Yeung and RY; (ii) on 12 April 2016, the Company entered into the UC Settlement Agreement with U-Continent; and (iii) on 4 May 2016, the Company and BCFC entered into the PP Settlement Agreement with Mr. Pannu, Asia Rays and Amazing Top. Reference is made to the announcements of the Company dated 14 March 2016, 26 April 2016 and 10 May 2016 which set out the background and principal terms of each of the Settlement Agreements which are reproduced as set out below in this announcement, save for the paragraphs in the section headed “Arrangement for the outstanding debts of the Company due to Mr. Yeung”.

IMPLICATIONS UNDER THE LISTING RULES

The Capital Reorganisation

As the completion of the Capital Reorganisation is one of the conditions precedent to completion of the Open Offer and the Subscriptions, Shareholders who are required to abstain from voting on the Proposed Restructuring and/or the Whitewash Waiver and/or the Special Deals and the transactions contemplated thereunder are also required to abstain from voting on the relevant resolution(s) to approve the Capital Reorganisation at the EGM.

The Open Offer

Pursuant to Rule 7.19(6)(a) of the Listing Rules, if a proposed open offer would increase either the number of issued shares or the market capitalisation of the issue by more than 50% , the open offer must be made conditional on approval by shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates must abstain from voting in favour. Notwithstanding the Open Offer would not increase the issued share capital or the market capitalisation of the Company by more than 50% and the Company has not announced any other open offer or rights issue within the 12-month period immediately preceding this announcement, the Open Offer will be subject to the Independent Shareholders' approval at the EGM. Further, as completion of the Subscriptions is one of the conditions precedent to completion of the Open Offer, Shareholders who are required to abstain from voting on the Proposed Restructuring and/or the Whitewash Waiver and/or the Special Deals are also required to abstain from voting on the relevant resolution(s) to approve the Open Offer and the transactions contemplated under the Underwriting Agreement.

The Subscriptions

The Investor, its associates, and parties acting in concert with any of them, and those (if any) who are involved in or interested in the Proposed Restructuring and/or the Whitewash Waiver and/or the Special Deals and the transactions contemplated thereunder, must abstain from voting on the relevant resolution(s) to approve the Subscriptions at the EGM.

Issue under specific mandate

The Subscription Shares and the New Conversion Shares upon conversion of the New Convertible Notes will be issued pursuant to a specific mandate to be obtained upon approval by the Independent Shareholders at the EGM.

The CY Settlement Agreement and the UC Settlement Agreement

By virtue of Mr. Yeung and U-Continent, both being substantial Shareholders, each of Mr. Yeung and U-Continent is a connected person of the Company within the meaning of the Listing Rules. As such, the entering into of the CY Settlement Agreement and the UC Settlement Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the requirements of the reporting, announcement and independent shareholders' approval. Mr. Yeung and U-Continent, their respective associates, and parties acting in concert with any of them, and those (if any) who are involved in or interested in the Proposed Restructuring and/or the Whitewash Waiver and/or the Special Deals and the transactions contemplated thereunder, must abstain from voting on the relevant resolution(s) to approve the CY Settlement Agreement and UC Settlement Agreement at the EGM.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER

Whitewash Waiver

As at the date of this announcement, the Concert Group does not own or control any existing Shares, convertible securities, warrants, options or derivatives in respect of the existing Shares. Upon the completion of the Proposed Restructuring, the Concert Group will, in aggregate, hold (i) approximately 81.15% of the then issued share capital of the Company as a result of the Share Subscription (before completion of the Placing Agreements); or (ii) approximately 53.36% of the then issued share capital of the Company as a result of the Share Subscription (after completion of the Placing Agreements), assuming nil subscription by the Qualifying Shareholders under the Open Offer, or approximately 50.64% of the then issued share capital of the Company as a result of the Share Subscription (after completion of the Placing Agreements), assuming full subscription by the Qualifying Shareholders under the Open Offer.

As such, the Investor would be required to make a mandatory general offer for all the issued shares of the Company (not already owned or agreed to be acquired by the Concert Group) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

The Investor will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll, in which parties of the Concert Group and those who are involved in or interested in the Proposed Restructuring and/or the Whitewash Waiver and/or the Special Deals will abstain from voting on the relevant resolution(s). If the Whitewash Waiver is granted by the Executive, the Concert Group will not be required to make a mandatory offer which would otherwise be required as a result of the subscription of the Subscription Shares. The Executive may or may not grant the Whitewash Waiver. If the Whitewash Waiver is not granted, the Subscription Agreements will lapse and consequentially the Open Offer, the CY Settlement Agreement, the Debt Undertaking, the UC Settlement Agreement will lapse and the Capital Reorganisation and the Resumption will not proceed.

Special Deals

Pursuant to the terms of the UC Settlement Agreement and the CY Settlement Agreement, it is one of the conditions precedent that the Shares shall resume trading on the Stock Exchange, which is subject to completion of the Proposed Restructuring. In addition, the entering into of each of the UC Settlement Agreement (which includes an extension of the maturity dates of the remaining unconverted UC Convertible Notes) with U-Continent (who is a Shareholder), the entering into of the CY Settlement Agreement (which includes an extension of the maturity date of the remaining unconverted CY Convertible Notes) with Mr. Yeung (who is a Shareholder), RY and BCFC and the entering into of the PP Settlement Agreement (which involves the mutually discontinuance of HCA 1355/2015 and HCA 1590/2015 thereby deriving a benefit from the PP Settlement Agreement) with Mr. Pannu (who is a Shareholder), Asia Rays, Amazing Top and BCFC, which is not extended to all the other Shareholders, constitutes a special deal under Rule 25 of the Takeovers Code. Further, the Debt Undertaking was given by the Investor in consideration of the entering into of the CY Settlement Agreement by the Company and therefore in substance forms part of the CY Settlement Agreement. The arrangement under the Debt Undertaking between the Investor and Mr. Yeung (who is a Shareholder), which is not extended to all the other Shareholders, also constitutes a special deal under Rule 25 of the Takeovers Code. The Special Deals require consent from the Executive 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 Deals are fair and reasonable. The Company will apply to the Executive for its consent to the Special Deals under Rule 25 of the Takeovers Code.

Shareholders including (i) the Investor, its ultimate beneficial owners, Mr. Yeung, RY, U-Continent, Mr. Pannu, Asia Rays, Amazing Top and parties acting in concert with any of them; and (ii) any Shareholders who are involved in or interested in Proposed Restructuring and/or the Whitewash Waiver and/or the Special Deals, are required to abstain from voting on the relevant resolution(s) to be proposed at the EGM.

GENERAL

The Circular containing, among other things, further information in respect of (i) the status on the Resumption; (ii) the Capital Reorganisation and the proposed change in board lot size; (iii) the Open Offer including the Underwriting Agreement; (iv) the Subscriptions; (v) the Whitewash Waiver; (vi) the Settlement Agreements; (vii) the Special Deals; (viii) a letter from the Independent Board Committee in relation to the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals; (ix) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals; and (x) a notice of the EGM will be despatched to the Shareholders as soon as practicable.

The EGM will be held for the purpose of considering and, if thought fit, approving the resolutions in respect of, inter alia, the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals. Accordingly, the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals will be subject to the approval by the Independent Shareholders by way of poll at the EGM.

Shareholders including, (i) the Investor, its ultimate beneficial owners, Mr. Yeung, RY, U-Continent, Mr. Pannu, Asia Rays, Amazing Top and parties acting in concert with any of them; and (ii) those who are interested in, or involved in, the Proposed Restructuring and/or the Whitewash Waiver and/or the Special Deals are required to abstain from voting for the resolutions in respect of the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals 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 Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals, will be established to advise the Independent Shareholders as to whether the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals 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 the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals.

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.

The publication of this announcement does not indicate any decision or conclusion from the Stock Exchange nor warrant any approval from the Stock Exchange on the resumption of trading in Shares. The transactions contemplated under the Proposed Restructuring are subject to the fulfillment of various conditions, and therefore may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

STATUS OF RESUMPTION PROPOSAL

On 8 January 2016, the Company submitted the Resumption Proposal to address the letter from the Stock Exchange received on 4 February 2015, details of which are set out in the announcement of the Company dated 18 February 2015.

On 31 May 2016, the Stock Exchange decided to allow the Company to proceed with the Resumption Proposal subject to the following resumption conditions to be fulfilled:

1. completion of the Proposed Restructuring with the public float issue addressed; and
2. publication of the revised 2014 annual results.

The Stock Exchange may modify the aforesaid resumption conditions if the Company's situation changes.

PROPOSED RESTRUCTURING

In order to implement the Resumption Proposal, (i) on 8 March 2016, the Company and BCFC entered into the CY Settlement Agreement with Mr. Yeung and RY; (ii) on 12 April 2016, the Company entered into the UC Settlement Agreement with U-Continent; (iii) on 4 May 2016, the Company and BCFC entered into the PP Settlement Agreement with Mr. Pannu, Asia Rays and Amazing Top, details of which are set out in the announcements of the Company dated 14 March 2016, 26 April 2016 and 10 May 2016, respectively; and (iv) on 6 June 2016, the Company entered into the Share Subscription Agreement and the New CN Subscription Agreement with the Investor.

As part of the Resumption Proposal, the Company proposes to implement the Capital Reorganisation which comprises of (i) the Share Consolidation; (ii) the Capital Reduction; (iii) the Share Premium Cancellation; (iv) the Authorised Share Capital Cancellation; and (v) the Authorised Share Capital Increase.

Completion of the Open Offer, the Share Subscription Agreement and the New CN Subscription Agreement are inter-conditional upon each other and each of the aforesaid completions is conditional on the completion of the Capital Reorganisation. Completion of each of the CY Settlement Agreement and the UC Settlement Agreement is conditional on the Resumption, which is subject to, among others, completion of the Capital Reorganisation, the Open Offer, the Share Subscription

Agreement and the New CN Subscription Agreement. Completion of the Subscription Agreements is subject to, among others, the Whitewash Waiver having been granted by the Executive. If the Whitewash Waiver is not granted, the Subscription Agreements will lapse and consequentially the Open Offer, the CY Settlement Agreement, the Debt Undertaking and the UC Settlement Agreement will lapse and the Capital Reorganisation and the Resumption will not proceed. Completion of the PP Settlement Agreement is subject to, among others, the Independent Shareholders passing at the EGM relevant resolution(s) approving the Special Deal and the consent from the Executive in relation to the Special Deal.

CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

The Company proposes to effect the Capital Reorganisation comprising:

- (1) the proposed Share Consolidation which involves the consolidation of every twenty (20) issued and unissued Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.20 each;
- (2) upon the Share Consolidation becoming effective, the proposed Capital Reduction which involves the reduction in the nominal value of each of the issued Consolidated Shares in the issued share capital of the Company from HK\$0.20 per Consolidated Share to HK\$0.01 per New Share by cancelling HK\$0.19 of the capital paid up on each issued Consolidated Share;
- (3) upon the Capital Reduction becoming effective:
 - (a) the proposed Share Premium Cancellation where the entire amount standing to the credit of the share premium account of the Company of approximately HK\$1,272,710,000 will be cancelled. Upon the Share Premium Cancellation becoming effective, the credits arising from the Capital Reduction and the Share Premium Cancellation will be applied to offset the accumulated losses of the Company of approximately HK\$1,608,834,000 as at 30 June 2015 with the balance, if any, to be transferred to the distributable reserve of the Company; and
 - (b) the Authorised Share Capital Cancellation where all the existing authorised but unissued Shares will be cancelled in its entirety; and
- (4) upon the Share Premium Cancellation and the Authorised Share Capital Cancellation becoming effective, the Authorised Share Capital Increase where the Company's authorised share capital will be increased from HK\$4,840,543.36 divided into 484,054,336 New Shares of HK\$0.01 each to HK\$500,000,000.00 divided into 50,000,000,000 New Shares of HK\$0.01 each.

Fractional New Shares will be disregarded and not be issued to the Shareholders but all such fractional New Shares will be aggregated and, if possible, sold and retained for the benefit of the Company.

Effects of the Capital Reorganisation

The implementation of the Capital Reorganisation is not expected to alter the underlying assets, business operation and financial position (save for the incidental costs involved) of the Company and the interests and rights of the Shareholders other than as described above.

As at the date hereof, the authorised share capital of the Company is HK\$500,000,000.00 divided into 50,000,000,000 Shares of HK\$0.01 each, of which 9,681,086,733 Shares have been issued and are fully paid or credited as fully paid. The following table sets out the effect of the Capital Reorganisation on the existing share capital of the Company (assuming there is no change in the number of Shares from the date of this announcement to immediately before the Capital Reorganisation):

	Immediately before the Share Consolidation	Immediately upon the Share Consolidation	Immediately upon the Capital Reduction, the Share Premium Cancellation and the Authorised Share Capital Cancellation	Immediately upon the Authorised Share Capital Increase
Nominal value	HK\$0.01	HK\$0.20	HK\$0.01	HK\$0.01
Authorised share capital	HK\$500,000,000.00 divided into 50,000,000,000 Shares	HK\$500,000,000.00 divided into 2,500,000,000 Consolidated Shares	HK\$4,840,543.36 divided into 484,054,336 New Shares	HK\$500,000,000.00 divided into 50,000,000,000 New Shares
Issued and paid up share capital	HK\$96,810,867.33 divided into 9,681,086,733 Shares	HK\$96,810,867.20 divided into 484,054,336 Consolidated Shares	HK\$4,840,543.36 divided into 484,054,336 New Shares	HK\$4,840,543.36 divided into 484,054,336 New Shares

Conditions of the Capital Reorganisation

The implementation of the Capital Reorganisation and the listing of the New Shares are conditional upon:

- (i) the passing of a special resolution by the Independent Shareholders by way of poll at the EGM to approve the Capital Reorganisation;
- (ii) the Grand Court granting an order approving the Capital Reduction;

- (iii) the compliance with any conditions imposed by the Grand Court;
- (iv) the registration by the Registrar of Companies in the Cayman Islands of a copy of the Grand Court order approving the Capital Reduction and the minute containing the particulars required under the Cayman Companies Laws with respect to the Capital Reduction;
- (v) the Listing Committee granting the listing of, and permission to deal in, the New Shares in issue upon the Capital Reorganisation becoming effective; and
- (vi) the High Court having granted its approval, if required, in respect of the Capital Reorganisation.

As at the date of this announcement, none of the conditions described above has been fulfilled.

Expected effective date of the Capital Reorganisation

Upon the conditions mentioned above being fulfilled, the Capital Reorganisation will become effective immediately after the registration of the Grand Court order and the minute as referred to in condition (iv) above. An application will be made to the Grand Court for the approval of the Capital Reduction as soon as practicable after the passing of the special resolution at the EGM.

Reasons for the Capital Reorganisation

The Board considers that the Capital Reorganisation will give greater flexibility to the Company to raise funds through the issue of New Shares in the future. In addition, the credits arising from the Capital Reduction and the Share Premium Cancellation will be used to offset the accumulated losses of the Company with the balance, if any, to be transferred to the distributable reserve of the Company which will be applied in such manner as and when the Board considers appropriate.

The Capital Reorganisation is subject to the approval of the Independent Shareholders at the EGM and the Capital Reorganisation becoming effective is one of the conditions precedent under the Open Offer and the Subscriptions. The total gross proceeds from the Open Offer and the Subscriptions amount to approximately HK\$419,362,000 and, after excluding the maximum amount of the consideration for the New CN Subscription to be offset against the drawn down amount of the Loans as at the completion of the New CN Subscription of HK\$150,000,000 (details of which are set out in the section headed “The Loans” below), the net proceeds from the Open Offer and the Subscriptions (after deducting the estimated expenses) will amount to approximately HK\$264,362,000 (details of which are set out in the section headed “Reasons for the Open Offer, the Subscriptions and the Loans and the use of proceeds” below). The Capital Reorganisation will provide the Company with the flexibility to accommodate issues of New Shares in the future when necessary. Accordingly, the Directors are of the view that the implementation of the Capital Reorganisation is in the best interests of the Company and the Shareholders as a whole.

Exchange of new share certificates to the Shareholders

Subject to the Capital Reorganisation becoming effective, Shareholders may submit their existing share certificate(s) to the Company's branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in exchange for new share certificates free of charge during the period from Monday, 12 September 2016 to Monday, 21 November 2016 (both days inclusive). Such exchange of share certificates thereafter will be accepted only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate issued or each existing share certificate submitted, whichever number of share certificate involved is higher. It is expected that the new share certificates will be available for collection from the Company's branch share registrar by the Shareholders within 10 Business Days after delivery of the existing share certificates to the Company's branch share registrar for exchange purpose.

As from Monday, 12 September 2016, all new share certificates will be issued in board lot of 20,000 New Shares each (except for odd lots or where the Company's branch share registrar is otherwise instructed). Existing certificates for the Shares will remain effective as documents of title but will not be accepted for delivery, trading and settlement purpose and may be exchanged for certificates for the New Shares at any time.

Status of the New Shares

The New Shares will be identical and rank *pari passu* in all respects with each other. Holders of such New Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issuance of the New Shares.

Proposed change in board lot size

The existing board lot size is 2,000 Shares. Upon the Capital Reorganisation becoming effective, the New Shares will be traded in board lot size of 20,000 New Shares each.

Upon the Capital Reorganisation becoming effective and based on the theoretical quoted price of HK\$1.34 per New Share (the quoted price of HK\$0.067 per Share has been adjusted to reflect the effects of the Capital Reorganisation as if it becomes effective) on 4 December 2014, being the last trading day before the suspension of trading in the Shares since 10:21 a.m. that day, the value of each board lot of New Shares would be HK\$2,680 if the New Shares were continued to be traded in board lots of 2,000 each. Had the proposed change in board lot size become effective, the value of each board lot of New Shares would become HK\$26,800 each.

The proposed change in board lot size and the Capital Reorganisation will not result in any changes in the relative rights of the Shareholders.

Arrangement on odd lot trading

Subject to the Capital Reorganisation becoming effective, in order to facilitate the trading of odd lots (if any) of the New Shares arising from the Capital Reorganisation and the change in board lot size, the Company will appoint a licensed securities firm to provide a matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares. Details of the odd lot arrangement will be set out in the Circular.

Matching of odd lots of the New Shares arising from the Capital Reorganisation will commence from 9:00 a.m. on Thursday, 27 October 2016 to close of business on Thursday, 17 November 2016.

Shareholders and potential investors of the Company should be aware and take note that the implementation of the Capital Reorganisation is conditional upon satisfaction of the conditions set out in the section headed “Conditions of the Capital Reorganisation” above, and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

THE OPEN OFFER

Conditional upon the Capital Reorganisation becoming effective, to enable the existing Shareholders to participate in the fund raising exercises under the Resumption Proposal, the Company proposes to conduct the Open Offer on the basis of one (1) Offer Share for every two (2) New Shares held by the Qualifying Shareholders on the Open Offer Record Date to raise approximately HK\$19,362,000 before expenses by issuing 242,027,168 Offer Shares to the Shareholders at the proposed offer price of HK\$0.08 per Offer Share.

Issue details

Basis of the Open Offer	:	One (1) Offer Share for every two (2) New Shares held by the Qualifying Shareholders on the Open Offer Record Date
Offer Price	:	HK\$0.08 per Offer Share
Number of Shares in issue as at the date of this announcement	:	9,681,086,733 Shares
Number of New Shares expected to be in issue as at the Open Offer Record Date	:	484,054,336 New Shares

Number of Offer Shares : 242,027,168 Offer Shares
expected to be issued

Underwriting arrangement : Fully underwritten by the Underwriter

As at the date of this announcement, there are Existing Convertible Notes in the aggregate principal amount of HK\$232,500,000 to subscribe for an aggregate of 7,750,000,000 Shares or 567,073,169 New Shares based on the initial adjusted conversion price of HK\$0.41 after taking into account the effects of the proposed Share Consolidation and the Open Offer (subject to final adjustment). Pursuant to the deed of each of the Existing Convertible Notes, the mandatory conversion of the Existing Convertible Notes would only be made so as to permit the holders thereof and its respective associates to hold not more than 30.00% of the enlarged issued share capital of the Company. The holders of the Existing Convertible Notes, being Mr. Yeung and U-Continent, a party allegedly acting in concert with Mr. Yeung, together hold approximately 43.38% of the issued share capital of the Company as at the date of this announcement and are therefore restricted to any further conversion of the Existing Convertible Notes before completion of the Proposed Restructuring. Upon completion of the Proposed Restructuring, the aggregate shareholding of Mr. Yeung and U-Continent will become less than 30.00% and conversion of the Existing Convertible Notes could be made with such shareholding being not more than 30.00% of the then enlarged issued share capital of the Company. Save for the Existing Convertible Notes, the Company has no other outstanding options, warrants, derivatives or convertible securities in issue which confer any rights to subscribe for, convert or exchange into Shares as at the date of this announcement. Accordingly, based on 484,054,336 New Shares expected to be in issue as at the Open Offer Record Date, 242,027,168 Offer Shares in the aggregate nominal value of HK\$2,420,271.68 will be issued upon completion of the Open Offer. The Company has not procured any other undertaking and has not received any undertaking provided by any other Shareholders to subscribe for their entitlement under the Open Offer or any arrangement that may have an effect on the Open Offer as at the date of this announcement.

Offer Price

The Offer Price represents:

- (i) a discount of approximately 94.03% to the theoretical quoted price of HK\$1.34 per New Share (the quoted price of HK\$0.067 per Share has been adjusted to reflect the effects of the Capital Reorganisation) on 4 December 2014, being the last trading day before the suspension of trading in the Shares since 10:21 a.m. that day;
- (ii) a discount of approximately 10.11% to the audited equity attributable to owners of the Company per New Share of HK\$0.089 as at 30 June 2015 (based on the audited equity attributable to owners of the Company of approximately HK\$43,274,000 as at 30 June 2015 and 484,054,336 New Shares to be in issue upon the Capital Reorganisation becoming effective); and

(iii) a discount of approximately 91.30% to the theoretical ex-rights price of HK\$0.92 calculated based on the theoretical quoted price of HK\$1.34 per New Share as derived in (i) above.

The Offer Price of HK\$0.08 per Offer Share was arrived after taking into account (i) the net current liabilities position of the Group as at 30 June 2015; (ii) the funds required for the continuing operation of the Group; and (iii) the fact that trading in the Shares on the Stock Exchange has been suspended since 4 December 2014. The Directors consider that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

To qualify for the Open Offer, each Shareholder must be registered as a member of the Company at the close of business on the Open Offer Record Date and must be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Open Offer Record Date, Shareholders must lodge any transfers of New Shares (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 15 September 2016. It is expected that the last day of dealing in the New Shares on a cum-entitlement basis is Tuesday, 13 September 2016 and the New Shares will be dealt with on an ex-entitlement basis from Wednesday, 14 September 2016.

Subject to the Open Offer being approved at the EGM and the Capital Reorganisation becoming effective, the Company will despatch the Prospectus Documents to each of the Qualifying Shareholders and, for information only, the Prospectus to each of the Excluded Shareholders (if any) on or about Monday, 26 September 2016.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of its/his/her entitlement under the Open Offer, its/his/her proportionate shareholding in the Company will be diluted.

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable or capable of renunciation and there will not be any trading in the assured entitlements on the Stock Exchange.

Rights of the Excluded Shareholders

For the Excluded Shareholders, they may not be eligible to take part in the Open Offer as documents to be issued in connection with the Open Offer will not be registered and/or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong. The Board will make enquiries as to whether the issue of the Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange pursuant to Rule 13.36(2) of the Listing Rules.

If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Offer Shares to such Overseas Shareholders, no issue of the Offer Shares will be made to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Excluded Shareholders. The Company will send copies of the Prospectus to the Excluded Shareholders for their information only and no Application Forms will be sent to them.

Overseas Shareholders should note that they may or may not be entitled to the Open Offer, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.

Closure of register of members

The register of members of the Company will be closed from Monday, 19 September 2016 to Wednesday, 21 September 2016, both dates inclusive, in order to determine the eligibility of the Shareholders to the Open Offer. No transfers of New Shares will be registered during such book closure period.

No application for excess Offer Shares

The Qualifying Shareholders will not be entitled to subscribe for any Offer Share in excess of their respective assured entitlements. All Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

Fractions of Offer Shares

The Company will not issue any fractions of Offer Shares to the Qualifying Shareholders otherwise entitled thereto. All fractions of Offer Shares will be aggregated and rounded down to the nearest whole number of Offer Shares and taken up by the Underwriter.

Certificates and refund cheques for the Offer Shares

Subject to the Open Offer becoming unconditional, certificates for all fully paid Offer Shares shall be despatched by ordinary post to those Qualifying Shareholders who have accepted and paid for their Offer Shares by Tuesday, 18 October 2016, at their own risk. Refund cheques in respect of the Offer Shares if the Open Offer is terminated shall be despatched by ordinary post to the applicants at their own risk.

Conditions precedent to the Open Offer

The Open Offer is conditional, among others, upon completion of the Capital Reorganisation and the Subscriptions which form parts of the Proposed Restructuring. Therefore, the Open Offer may or may not proceed.

Underwriting Agreement

The Company will appoint an Underwriter, which is an Independent Third Party and not acting in concert with the Concert Group, and together with its ultimate beneficial owners and/or parties acting in concert with it are not interested in any Shares, to fully underwrite the Offer Shares. It is expected that the Underwriting Agreement will be executed prior to the despatch of the Circular and details of the Underwriting Agreement will be set out in the Circular.

THE SUBSCRIPTIONS

Principal terms of the Subscriptions:

Date : 6 June 2016

Issuer : The Company

Subscriber : The Investor

The Investor and its ultimate beneficial owner(s) are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Independent Third Parties. As at the date of this announcement, the Investor did not hold any Shares. The Investor represents, warrants and undertakes to the Company that neither the Investor, its ultimate beneficial owner(s), nor parties acting in concert with any of them are connected with or acting in concert with any substantial Shareholder(s), Directors and/or chief executive of the Company and of its subsidiaries and their respective associates as defined in the Listing Rules and Takeovers Code.

Subscriptions : (a) the Subscription Shares, being 3,125,000,000 New Shares in the aggregate nominal value of HK\$31,250,000 at the Subscription Price of HK\$0.08 per Subscription Share at a total subscription price of HK\$250,000,000; and

- (b) the New Convertible Notes in the principal amount of HK\$150,000,000, which entitle the Investor to subscribe for up to 1,875,000,000 New Conversion Shares in the aggregate nominal value of up to \$18,750,000 at the Conversion Price of HK\$0.08 per New Conversion Share (subject to adjustments).

- Amount of the Subscriptions : HK\$400,000,000 in aggregate, of which
- (a) in respect of the Share Subscription, the total amount of the subscription price of HK\$250,000,000 (equivalent to HK\$0.08 per Subscription Share) will be paid on the date of completion of the Share Subscription; and
- (b) in respect of the New CN Subscription, an amount equal to HK\$150,000,000 will be set off against the drawn down amount of the Loans provided by the Investor to the Company as at the date of completion of the New CN Subscription.

Summary of principal terms of the New Convertible Notes

- Issuer : The Company
- Subscriber : The Investor
- Principal amount : HK\$150,000,000
- Issue price : 100% of the principal amount of the New Convertible Notes
- Maturity date : The date falling three years from the date of issue of the New Convertible Notes or, if that is not a Business Day, the first Business Day thereafter
- Interest : 2% per annum and the length of each interest period in relation to the New Convertible Notes shall be of six months. The first interest period shall commence on and include the date of issue of the New Convertible Notes and shall end on (and exclude) the date which is six months from the date of issue of the New Convertible Notes, and each subsequent interest period shall commence on and include the last day of the last preceding interest period and end on (and exclude) the date which is the next six months from the immediately preceding interest period and so on.

Denomination	:	HK\$1,000,000 or integral multiples thereof
Conversion price	:	HK\$0.08 per New Conversion Share, subject to the customary anti-dilution adjustment in certain events, including share consolidation, share subdivision, capitalisation issues, capital distribution, rights issue, open offer and issues of other securities by the Company.
Conversion period	:	The noteholder shall have the right at any time during the period commencing on and excluding the seventh day after the date of issue of the New Convertible Notes up to and including the date which is seven (7) days prior to the maturity date of the New Convertible Notes to convert the whole or any part (in authorised denominations) of the principal amount outstanding under the New Convertible Notes into New Conversion Shares at the Conversion Price as described above.
Transferability	:	The New Convertible Notes (or any part thereof) may be transferred to any person with the prior written consent of the Company. Without prejudice to the aforesaid, any assignment and/or transfer of the New Convertible Notes is subject to (i) the Listing Rules for so long as the New Conversion Shares are listed on the Stock Exchange (and the rules of any other stock exchange on which the Shares may be listed at the relevant time) and all applicable laws and regulations; and (ii) the approval of the Shareholders in a general meeting if so required and in compliance with the Listing Rules if such assignment and/or transfer is proposed to be made to a connected person of the Company.
Restriction on the exercise rights of the New Convertible Notes	:	The conversion of the New Convertible Notes shall be restricted, if such conversion of the New Convertible Notes would render the Shares held in public hands being less than the minimum public float of the Shares required under the Listing Rules.
Ranking	:	The New Convertible Notes (when issued) constitute direct, unconditional, unsubordinated, senior and unsecured obligations of the Company, and will rank <i>pari passu</i> without any preference among themselves and with all other present or future unconditional, unsecured and unsubordinated obligations of the Company other than those preferred by statute or applicable law.

The New Conversion Shares will rank *pari passu* with, and carry the same rights in all respects with all other New Shares outstanding at the date of issuance and delivery and be entitled to all dividends and distributions the record date for which falls on a date on or after the date of allotment and issuance of the New Conversion Shares.

- Redemption : The Company shall redeem the New Convertible Notes on the maturity date at the redemption amount which is 100% of the principal amount of the New Convertible Notes then outstanding plus interest in respect of the principal amount of the New Convertible Notes being redeemed from (and including) the last day of the preceding interest period up to (but excluding) the maturity date.
- Voting rights : The noteholder will not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of it being a noteholder.
- Listing : The New Convertible Notes will not be listed on any stock exchange.
- Event of default : The New Convertible Notes contain customary events of default provisions which provide that, on the occurrence of an event of default, the noteholder shall have the right to request the Company to forthwith redeem the whole or any part of the outstanding principal amount of the New Convertible Notes in accordance with the terms of the New Convertible Notes.

The Subscription Price and the Conversion Price were determined on an arm's length basis between the Company and the Investor with reference to (i) the net current liabilities position of the Group as at 30 June 2015; (ii) the funds required for the continuing operation of the Group; and (iii) the fact that trading in the Shares on the Stock Exchange has been suspended since 4 December 2014.

Each of the Subscription Price of HK\$0.08 per Subscription Share and the Conversion Price of HK\$0.08 per Conversion Share represents:

- (i) a discount of approximately 94.03% to the theoretical quoted price of HK\$1.34 per New Share (the quoted price of HK\$0.067 per Share has been adjusted to reflect the effects of the Capital Reorganisation as if it becomes effective) on 4 December 2014, being the last trading day before the suspension of trading in the Shares since 10:21 a.m. that day;
- (ii) a discount of approximately 10.11% to the audited equity attributable to owners of the Company per New Share of HK\$0.089 as at 30 June 2015 (based on the audited equity attributable to owners of the Company of approximately HK\$43,274,000 as at 30 June 2015 and 484,054,336 New Shares to be in issue upon the Capital Reorganisation becoming effective); and

- (iii) a discount of approximately 91.30% to the theoretical ex-rights price of HK\$0.92 calculated based on the theoretical quoted price of HK\$1.34 per New Share as derived in (i) above.

Taking into account (i) the trading in the Shares on the Stock Exchange has been suspended for more than a year that the quoted price of the Shares prior to the suspension of trading is not reflective of the current financial condition and valuation of the Company and hence, does not serve a fair basis for the evaluation of the Subscription Price and the Conversion Price; (ii) both the Subscription Price and the Conversion Price represent a discount of approximately 10.11% to the audited equity attributable to owners of the Company per New Share of HK\$0.089 as at 30 June 2015; and (iii) the Subscription Price and the Conversion Price are the same as the Offer Price of HK\$0.08 per Offer Share, i.e. no more favourable than that to be paid by the existing Shareholders should they wish to take up the Offer Shares under the Open Offer, the Directors are of the view that the Subscription Price and the Conversion Price are fair and reasonable.

Conditions precedent to the Subscription Agreements

Completion of the Subscription Agreements and the payments under them are conditional upon:

- (i) the passing in compliance with the Listing Rules by the Independent Shareholders at the EGM (i) authorising the performance of the transactions contemplated under the respective Subscription Agreements, including the issue of the Subscription Shares in respect of the Share Subscription Agreement and the issue of the New Convertible Notes and the New Conversion Shares which fall to be issued and allotted upon exercise of the conversion rights attached to the New Convertible Notes in respect of the New CN Subscription Agreement; (ii) authorising the performance of the transactions contemplated under the respective Settlement Agreements; and (iii) approving the Whitewash Waiver and the Special Deals;
- (ii) the Listing Committee having granted (either unconditionally, or subject only to conditions to which the Company and the Investor both acting reasonably do not object for the Share Subscription or subject only to conditions acceptable to the Investor for the New CN Subscription, as the case may be) listing of and permission to deal in the Subscription Shares and/or the New Conversion Shares;
- (iii) the warranties made by the Company under the respective Subscription Agreements being true, complete and accurate and not misleading in any material respect when made and shall be true, complete and accurate, and not misleading in any material respect as at the completion of the Share Subscription, or the New CN Subscription, as the case may be, as if made at such time;
- (iv) the Stock Exchange having indicated that trading in the Shares will be resumed subject to such conditions as may be imposed by the Stock Exchange;
- (v) completion of the Capital Reorganisation;

- (vi) the Whitewash Waiver having been granted by the Executive and the satisfaction of any conditions attached thereto, if any;
- (vii) the Executive granting its consent to the Special Deals and the satisfaction of any conditions attached thereto, if any;
- (viii) in respect of the Share Subscription Agreement, completion at or about the same time of the Underwriting Agreement and the New CN Subscription Agreement;
- (ix) in respect of the Share Subscription Agreement, if required, the High Court granting its approval of the Share Subscription Agreement;
- (x) in respect of the New CN Subscription Agreement, completion at or about the same time of the Underwriting Agreement and the Share Subscription Agreement; and
- (xi) in respect of the New CN Subscription Agreement, if required, the High Court granting its approval of the New CN Subscription Agreement.

Condition (iii) above could be waived by the Investor at its discretion. If any of the conditions above have not been fulfilled or waived on or before 31 December 2016 (or such later date as may be agreed by the parties to the respective Subscription Agreements in writing), such Subscription Agreement(s), save for the corresponding clauses in relation to the delivery of notices, costs and expenses associated with, general provisions, counterparts and the governing law and jurisdiction as specified in the respective Subscription Agreements, shall lapse immediately thereafter and be of no further effect and neither party to such Subscription Agreement(s) shall have any claim against or liability or obligation to the other party under such Subscription Agreement(s).

Completion of the Subscription Agreements

Subject to the fulfilment or waiver of the conditions precedent to the respective Subscription Agreements, completion of each of the Share Subscription and the New CN Subscription shall take place on the Share Completion Date and the New CN Completion Date respectively at such place and time to be agreed between the Company and the Investor in writing.

The Loans

On 26 June 2015, the Company entered into the Loan Facility Agreement with the Investor to provide a term loan facility of up to HK\$162,813,600 to the Company, of which HK\$9,813,600 would be used as the security for the loan or bank facilities granted by HSBC Bank Plc. in the United Kingdom to BCFC, and the remaining amount of up to HK\$153,000,000 would be used for funding the Company's operation and the operation of BCP and BCFC.

The Loans bear interest at a rate of 8% per annum and are secured by (i) a first fixed legal charge over the property owned by BCFC with a carrying value of approximately GBP19,600,000, which is equivalent to approximately HK\$239,000,000 based on the approximate exchange rate of GBP1.00 to HK\$12.19 as at 26 June 2015; (ii) a first floating charge over all the assets, goodwill, undertaking and uncalled capital, both present and future granted or to be granted by BCFC; and (iii) a first fixed charge over all book and other debts, both present and future granted or to be granted by BCFC. As at the date of this announcement, the drawn down amount of the Loans was approximately HK\$129,813,600.

In consideration of the entering into of the New CN Subscription Agreement, the Company and the Investor mutually agreed to partially set-off their mutual debts and liabilities against each other under the New CN Subscription Agreement and the Loan Facility Agreement respectively. In order to facilitate the aforesaid, on 31 May 2016, the Company, BCFC and the Investor entered into the Amendment Letter to amend certain terms of the Loan Facility Agreement including, among others, the amendment to the drawdown period of the terms of the Loans of being the earlier of (a) 31 May 2016, and (b) the date on which the facility is fully utilised, cancelled or terminated under the Loan Facility Agreement with the earlier of (a) 31 May 2017, and (b) the date on which the facility is fully utilised, cancelled or terminated under the Loan Facility Agreement, and an increment in the facility amount of HK\$50,000,000. Pursuant to the Amendment Letter, at the completion of the New CN Subscription, the consideration for the New CN Subscription that shall be paid by the Investor to the Company in the amount of HK\$150,000,000 shall be settled by way of settling off an equivalent amount against the principal amount of the Loans owing by the Company to the Investor at such time.

Reasons for the Open Offer, the Subscriptions and the Loans and the use of proceeds

The Company is an investment holding company, together with its subsidiaries, are principally engaged in the operation of football club(s) in the United Kingdom. The Open Offer and the Subscriptions form part of the Resumption Proposal seeking the resumption of trading in the Shares, which has been suspended since 4 December 2014. The total gross proceeds from the Open Offer and the Subscriptions will amount to approximately HK\$419,362,000 and the price (net of the estimated expense of approximately HK\$5,000,000) is approximately HK\$0.079 per Offer Share, Subscription Share or New Conversion Share, after excluding the maximum amount of the consideration for the New CN Subscription to be offset against the drawn down amount of the Loans as at the completion of the New CN Subscription of HK\$150,000,000, the net proceeds from the Open Offer and the Subscriptions (after deducting the estimated expenses) will amount to approximately HK\$264,362,000. It is intended that as to approximately HK\$120 million will be used to satisfy the annual working capital requirement of BCFC for part of season 2016/2017 and the entire season 2017/2018, as to approximately HK\$24 million will be used to finance the expenses incurred from the operations in Hong Kong and as to approximately HK\$120 million will be used to, when considered appropriate, acquire additional talented players who are expected to make contribution to and help enhance the competitiveness of the team significantly so as to assist the team to reach the goal of being promoted to the Premier League in the future. It is expected that upon completion of the Proposed Restructuring, the Company would be able to meet the English Football League's

funding requirement as well as having sufficient capital for boosting the performance of BCFC with the aim to get promoted to the Premier League. In view of the net current liabilities position of the Group as at 30 June 2015 and the funds required for the continuing operation of the Group, it is considered that the net proceeds from the Open Offer and the Subscriptions will substantially improve the capital base and the financial and liquidity position of the Group. The Directors (other than the independent non-executive Directors whose recommendation will be set out in the Circular to be despatched to the Shareholders) are of the view that the terms of the Open Offer including the Underwriting Agreement, and the Subscriptions, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Information on the Investor

The Investor is a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Wealthy Associates International Limited, a company incorporated in the British Virgin Islands with limited liability, which in turn is wholly owned by Mr. Suen.

Mr. Suen, aged 55, holds a Master of Business Administration degree from the University of South Australia. Mr. Suen has extensive experience in strategic planning and corporate management of business enterprises in Hong Kong and the People's Republic of China. Mr. Suen is an executive director and the chairman of, and a controlling shareholder indirectly holding approximately 31.30% of the issued share capital in Enviro Energy. Mr. Suen is also indirectly holding approximately 9.89% of the issued share capital in China Strategic. The shares of both Enviro Energy and China Strategic are listed on the Main Board of the Stock Exchange. Mr. Suen is also indirectly holding approximately 22.89% of the issued share capital of Courage Marine Group Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code:1145) and the Singapore Exchange Securities Trading Limited (Singapore stock code: ATL.SI).

Intention of the Investor regarding the Group

The Investor intends to continue with the existing business of the Group upon completion of the Proposed Restructuring and will assist the Group to identify suitable business opportunities to broaden its income streams.

Upon completion of the Subscriptions, the Investor will conduct a detailed review on the business operations and financial position of the Group for the purpose of formulating appropriate business plans and strategies which may include asset acquisitions, business diversification, business rationalisation, business divestment and/or asset disposals in order to enhance the long-term growth potential of the Group. As at the date of this announcement, the Investor has no discussion, negotiation and/or arrangement in relation to the aforesaid asset acquisitions. Subject to completion of a detailed review of the existing business operations of the Group and formulation of an appropriate business plan for the Group, it is the intention of the Investor to further improve the existing business operation of the Group by taking advantage of the business experience and network of the Investor. The Investor does not have any plan to dispose of the Group's controlling interests in BCFC within 24 months after the Resumption.

The Investor undertook to the Company that the Investor will provide the necessary financial support to the Company in order to ensure that the Company has sufficient working capital for its operation in the next 18 months after the Resumption and in the event that the Company does not have sufficient working capital, the Investor will not request repayment or require redemption from the Company in respect of the New Convertible Notes.

It is the intention of the Investor to maintain the listing status of the Company on the Stock Exchange after completion of the Proposed Restructuring. Each of the Investor and the Directors will take appropriate steps as soon as possible following the completion of the Proposed Restructuring to ensure that not less than 25% of the total number of New Shares will be held by the public (details of which are set out in the section headed “Placing down to restore public float” below).

Fund raising activities involving the issue of securities in the past twelve months

The Company has not conducted any equity fund raising activities in the past 12 months before the date of this announcement.

THE SETTLEMENT AGREEMENTS

In view of the outstanding legal proceedings involving the Company, (i) on 8 March 2016, the Company and BCFC entered into the CY Settlement Agreement with Mr. Yeung and RY; (ii) on 12 April 2016, the Company entered into the UC Settlement Agreement with U-Continent; and (iii) on 4 May 2016, the Company and BCFC entered into the PP Settlement Agreement with Mr. Pannu, Asia Rays and Amazing Top. Reference is made to the announcements of the Company dated 14 March 2016, 26 April 2016 and 10 May 2016 which set out the background and principal terms of each of the Settlement Agreements which are reproduced as set out below in this announcement, save for the paragraphs in the section headed “Arrangement for the outstanding debts of the Company due to Mr. Yeung”.

Background of the CY Settlement Agreement

On or about 20 December 2013, the Company and Mr. Yeung entered into the Debt Capitalisation Agreement and the Yeung Agreement pursuant to which the Company agreed to capitalise a debt of HK\$193,500,000 owed by the Company to Mr. Yeung by issuing to Mr. Yeung the CY Convertible Notes in the principal amount of HK\$193,500,000. As at the date of the CY Settlement Agreement, Mr. Yeung had converted HK\$81,000,000 in principal of the CY Convertible Notes into 2,700,000,000 Shares. The maturity date of the remaining unconverted CY Convertible Notes in the aggregate principal amount of HK\$112,500,000 was 4 February 2016.

By a writ of summons dated 13 July 2015, the Company and BCFC commenced legal proceedings against Mr. Yeung under HCA 1590/2015 claiming a total of more than HK\$100,000,000 from Mr. Yeung for various breaches of duties whilst he was a director of the Company and BCFC.

Principal terms of the CY Settlement Agreement

On 8 March 2016, the Company, together with BCFC, entered into the CY Settlement Agreement with Mr. Yeung and RY such that:

- (i) subject to and conditional upon the fulfilment of the conditions precedent thereto as set out in the paragraph headed “Conditions precedent to the CY Settlement Agreement” below, the Company agreed to extend the CYCN Maturity Date Extension;
- (ii) Mr. Yeung irrevocably and unconditionally undertakes to the Company that he shall not sell or transfer or otherwise dispose of any of his legal or beneficial interest or any other right, title, benefit or interest of whatsoever nature therein or thereto in respect of the remaining unconverted CY Convertible Notes in whole or in parts, or enter into any agreement or commitment to give or create any of the foregoing at any time before the Shares resume trading; and
- (iii) Mr. Yeung irrevocably and unconditionally undertakes to the Company that he shall not exercise any conversion rights under the remaining unconverted CY Convertible Notes at any time before the Shares resume trading.

Within 7 Business Days from the date of fulfilling the conditions precedent (i), (ii) and (v) as set out in the section headed “Conditions precedent to the CY Settlement Agreement” below whichever is later, all parties concerned shall sign a consent summons for Mr. Yeung to withdraw: (a) his pending appeal of the Receivership Order in the High Court; and (b) his objection to the Company’s application in the Grand Court for recognition of the Receivership Order, in order for the Company to obtain the sanctioning by the Grand Court of the Proposed Restructuring and for trading in the Shares on the Stock Exchange to resume.

Subsequent to the signing of the CY Settlement Agreement, the parties thereto have jointly signed and filed, and have done all other necessary acts to cause or procure all parties named in the following proceedings to sign and file consent summonses at the High Court and/or the Grand Court within 7 Business Days to apply for an interim stay of the following proceedings:

- (i) HCA 1590/2015;
- (ii) the Company’s pending application in the Grand Court for recognition of the Receivership Order under FSD 139/2015; and
- (iii) Mr. Yeung’s pending appeal of the Receivership Order in the High Court and objection to the Company’s application in the Grand Court for recognition of the Receivership Order under High Court Action No. 395 of 2015.

Within 7 Business Days from the date of fulfilling the conditions precedent (i), (ii) and (v) as set out in the section headed “Conditions precedent to the CY Settlement Agreement” below whichever is later:

- (i) all parties concerned shall sign a consent summons for the Company to withdraw its pending application in the Grand Court for recognition of the Receivership Order;
- (ii) the Company and BCFC agree to irrevocably fully and forever release and discharge Mr. Yeung and RY 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 have or may have against Mr. Yeung and/or RY as of the date of the CY Settlement Agreement; and
- (iii) the Company and BCFC shall take steps to discontinue HCA 1590/2015 as against Mr. Yeung and any action against RY (if any).

Conditions precedent to the CY Settlement Agreement

The CY Settlement Agreement is conditional upon:

- (i) the approval of the CY Settlement Agreement and any other transactions contemplated in respect of the CYCN Maturity Date Extension by the Independent Shareholders and authorising any one Director to execute documentation for such extensions;
- (ii) the approval of the CY Settlement Agreement by the High Court;
- (iii) the sanctioning by the Grand Court of the Capital Reduction;
- (iv) the Shares resume trading on the Stock Exchange; and
- (v) the Independent Shareholders passing at the EGM resolutions approving any special deal in accordance with Rule 25 of the Takeovers Code (if any) arising or as a result of the entering into the CY Settlement Agreement and consent from the Executive in relation to the Special Deal, if applicable.

In the event that any of the above conditions precedent set out in this section headed “Conditions precedent to the CY Settlement Agreement”, where applicable, is not met, the CYCN Maturity Date Extension shall automatically become null and void and shall have no legal effect whatsoever and the parties to such agreement(s) shall be fully discharged from all and any obligations and liabilities thereunder.

Arrangement for the outstanding debts of the Company due to Mr. Yeung

Prior to the entering into of the CY Settlement Agreement, (i) the Company was indebted to Mr. Yeung the Debt in the aggregate amount of HK\$9,028,399.06, comprising accrued directors' fees in the amount of HK\$3,457,142.86 and other amounts due to Mr. Yeung in the amount of HK\$5,571,256.20, which were both currently due for repayment; and (ii) the Company commenced the legal proceedings against Mr. Yeung through HCA 1590/2015 claiming a total of more than HK\$100,000,000.

Pursuant to the terms of the CY Settlement Agreement, the Company and BCFC shall take steps to discontinue HCA 1590/2015 against Mr. Yeung and any action against RY and on the other hand, Mr. Yeung agreed that he shall not exercise any conversion rights under the remaining unconverted CY Convertible Notes at any time before the Shares resume trading and withdraw his pending appeal of the Receivership Order in the High Court and his objection to the Company's application in the Grand Court for recognition of the Receivership Order. Since any action which would result in the diminishment of the asset owed by Mr. Yeung would require the application for variation of the restraint order and the amended restraint order made by Mrs. Justice V Bokhary on 6 July 2011 and 29 July 2011, respectively, in High Court Action No. 1254 of 2011, the CY Settlement Agreement currently makes no provision for the discharge of the Debt. In order to avoid any potential delay in the implementation of the Resumption Proposal arising from any discharge of the Debt and in consideration of the entering into of the CY Settlement Agreement without provision for the discharge of the Debt by the Company, the Investor undertook to the Company that the Investor will pay the Debt for the Company in full (subject to the CY Settlement Agreement being effective) so that the Company would not be liable to pay out of its own pocket if the repayment of the Debt is demanded and no cash outflow by the Company will be involved.

Background of the UC Settlement Agreement

Pursuant to the U-Continent First Agreement and the U-Continent Second Agreement entered into between the Company and U-Continent dated 12 November 2013 and 19 November 2013 respectively, the Company agreed to issue to U-Continent zero interest unsecured UC First Convertible Notes in the principal amount of HK\$50,000,000 and UC Second Convertible Notes in the principal amount of HK\$125,000,000, respectively. The U-Continent First Agreement and the first tranche of the U-Continent Second Agreement in the total principal amount of HK\$155,000,000 were completed on 5 February 2014. The second tranche of the U-Continent Second Agreement in the principal amount of HK\$20,000,000 was completed on 14 April 2014.

U-Continent has converted HK\$10,000,000 in principal of the UC First Convertible Notes and HK\$45,000,000 in principal of the UC Second Convertible Notes into 333,333,333 Shares and 1,500,000,000 Shares in the Company respectively, in aggregate representing approximately 18.94% of the issued share capital of the Company as at the date of this announcement. The maturity dates of the remaining unconverted UC First Convertible Notes in the balance amount of HK\$40,000,000 in principal, the first tranche of the UC Second Convertible Notes remaining unconverted in the

balance amount of HK\$60,000,000 in principal and the second tranche of the UC Second Convertible Notes in the amount of HK\$20,000,000 in principal were 4 February 2016, 4 February 2016 and 13 April 2016 respectively.

Reference is made to the announcement of the Company dated 21 July 2015 in respect of a writ of summons against U-Continent. As announced therein, U-Continent represented that at the time of entering into the U-Continent Agreements and up until the time of completion of the U-Continent Agreements, U-Continent was independent from and not acting in concert with any of the directors or substantial shareholders of the Company. The Company contends that at the time of entering into and/or completion of the U-Continent Agreements, U-Continent knew that it was acting in concert with Mr. Yeung and that Mr. Yeung was the Company's substantial shareholder and executive director. By way of a letter dated 20 July 2015, the Company has rescinded the U-Continent Agreements and on 21 July 2015 issued a writ against U-Continent under High Court Action No. 1648 of 2015 seeking, among other things, a declaration that it had validly rescinded the U-Continent Agreements and an order compelling U-Continent to return the converted Shares to the Company.

Principal terms of the UC Settlement Agreement

On 12 April 2016, the Company entered into the UC Settlement Agreement with U-Continent such that:

- (i) subject to and conditional upon the fulfilment of all the conditions precedent as set out in the section headed "Conditions precedent to the UC Settlement Agreement" below, the Company agrees to the UCCN Maturity Date Extension;
- (ii) U-Continent irrevocably and unconditionally undertakes to the Company that it shall not sell or transfer or otherwise dispose of any of its legal or beneficial interest or any other right, title, benefit or interest of whatsoever nature therein or thereto in respect of the unconverted UC Convertible Notes in whole or in parts, or enter into any agreement or commitment to give or create any of the foregoing at any time before the Shares resume trading; and
- (iii) U-Continent irrevocably and unconditionally undertakes to the Company that it shall not exercise any conversion rights under the UC Convertible Notes at any time before the Shares resume trading.

Subsequent to the signing of the UC Settlement Agreement, the Company and U-Continent have jointly signed and filed, and have done all other necessary acts to cause or procure all parties named in the High Court Action No. 1648 of 2015 to sign and file consent summons at the High Court within 7 Business Days to apply for an interim stay of the High Court Action No. 1648 of 2015 with liberty for both and/or either of the parties to restore.

Within 7 Business Days from the date of fulfilling the conditions precedent (i), (ii) and (v) as set out in the section headed “Conditions precedent to the UC Settlement Agreement” below whichever is later:

- (i) the Company shall waive, and fully and forever release and discharge U-Continent and its associates from, all actions, claims, causes of action, rights, demands, costs and liabilities of whatever nature, whether in the jurisdiction of Hong Kong or any other, whether actual or contingent, contained in the High Court Action No. 1648 of 2015 and/or in connection with or arising out of the subject matters of the High Court Action No. 1648 of 2015;
- (ii) the Company shall file and serve a notice of discontinuance under the High Court Action No. 1648 of 2015, with each party shall bear its own legal costs notwithstanding any previous costs order or the applicable Rules of Court to the contrary; and
- (iii) U-Continent agrees to irrevocably fully and forever release and discharge the Company and 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, that U-Continent and/or its associates have ever had or may have against the Company and/or its associates in respect of the Company’s rescission of the U-Continent Agreements.

Conditions precedent to the UC Settlement Agreement

The UC Settlement Agreement is conditional upon:

- (i) the approval of the UC Settlement Agreement in respect of the UCCN Maturity Date Extension by the Independent Shareholders and authorising any one Director to execute documentation for such extensions;
- (ii) the approval of the UC Settlement Agreement by the High Court;
- (iii) the sanctioning by the Grand Court of the Capital Reduction;
- (iv) the Shares resume trading on the Stock Exchange; and
- (v) the Independent Shareholders passing at the EGM resolutions approving any special deal in accordance with Rule 25 of the Takeovers Code (if any) arising or as a result of the entering into the UC Settlement Agreement and consent from the Executive in relation to the Special Deal, if applicable.

In the event that any of the above conditions precedent set out in this section headed “Conditions precedent to the UC Settlement Agreement”, where applicable, is not met by 31 October 2016 or such other date as the Company and U-Continent may agree in writing, the UCCN Maturity Date Extension shall automatically become null and void and shall have no legal effect whatsoever and the Company and U-Continent shall be fully discharged from all and any obligations and liabilities under the UC Settlement Agreement.

Background of the PP Settlement Agreement

Reference is made to the interim report of the Company dated 26 February 2016 summarising the latest status of 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.

Mr. Pannu is a former executive director of the Company and BCFC and is the sole registered shareholder of Asia Rays, Amazing Top and BCLFC. As at the date of the PP Settlement Agreement, Mr. Pannu was interested in 1,500,000 Shares.

On 11 May 2015, Mr. Pannu commenced an action against the Company in the Labour Tribunal of Hong Kong under LBTC 1470/2015 claiming approximately HK\$3.6 million (plus interest) from the Company for alleged wrongful dismissal as a director of the Company. The action was subsequently transferred to the High Court and designated as HCA 1355/2015, whereupon Mr. Pannu added further claims of unspecified quantum against the Company for alleged libel. By way of a consent summons filed on 20 April 2016 pending consent by the High Court, the parties have applied for a stay of proceedings under HCA 1355/2015 pending settlement negotiations. The summons was sealed by the High Court on 12 May 2016.

By writ of summons dated 13 July 2015, the Company and BCFC commenced legal proceedings against Asia Rays and Amazing Top under HCA 1590/2015 claiming approximately HK\$3.7 million and GBP1.5 million from Asia Rays and GBP180,000 from Amazing Top for monies alleged wrongfully received from the Company and BCFC. By way of summons dated 25 September 2015, the Company and BCFC applied for leave to add Mr. Pannu as a defendant to HCA 1590/2015, claiming approximately HK\$11 million and GBP4.5 million from Mr. Pannu for various alleged breaches of duties whilst he was a director of the Company and BCFC. By way of summons dated 15 October 2015, the Company and BCFC applied to file an amended writ of summons and amended statement of claims related to HCA 1590/2015. 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.

Principal terms of the PP Settlement Agreement

Subject to and conditional upon the fulfilment of the conditions precedent as set out in the section headed “Conditions precedent to the PP Settlement Agreement” below:

- (i) 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 PP 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 PP Settlement Agreement; and
- (ii) 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 PP Settlement Agreement.

Within 14 days following fulfilment of the conditions precedent as set out in the section headed “Conditions precedent to the PP Settlement Agreement” 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 as set out in the section headed “Conditions precedent to the PP Settlement Agreement” below is not met, the obligations of each party to the PP Settlement Agreement described above shall automatically become null and void and shall have no legal effect whatsoever and the parties to the PP Settlement Agreement shall be fully discharged from all and any obligations and liabilities thereunder.

Mr. Pannu has, within 14 Business Days of the signing of the PP Settlement Agreement, caused and executed 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 fulfillment of the conditions precedent as set out in the section headed “Conditions precedent to the PP Settlement Agreement”.

Conditions precedent to the PP Settlement Agreement

The PP Settlement Agreement is conditional upon:

- (i) the approval of the PP Settlement Agreement by the High Court; and
- (ii) the Independent Shareholders passing at the EGM resolutions approving any special deal in accordance with Rule 25 of the Takeovers Code and consent from the Executive in relation to the Special Deal as the PP Settlement Agreement constitutes a special deal under Rule 25 of the Takeovers Code.

Reasons for the entering into of the Settlement Agreements

The terms of the Settlement Agreements were agreed following arm’s length negotiations between the Company, BCFC (if applicable) and respective parties to each of the Settlement Agreements. In view of the outstanding legal proceedings in respect of the claims against the Company, the entering into of the Settlement Agreements could facilitate the discontinuation of certain actions against the Group and the settlement of certain claims and/or debts from each of U-Continent, Mr. Yeung and Mr. Pannu and could facilitate the resumption of trading of the Shares. Further, in order to minimise any substantial change in the shareholding of the Company except the effect of the Proposed Restructuring prior to the Resumption for smooth execution of the Resumption Proposal, it is agreed that both Mr. Yeung and U-Continent will not transfer to any person or convert the whole or any part of the outstanding CY Convertible Notes and the outstanding UC Convertible Notes prior to the Resumption respectively. In consideration of the entering into of the Settlement Agreements, the parties to the CY Settlement Agreement and the UC Settlement Agreement further agreed to extend the maturity dates of the outstanding CY Convertible Notes and the outstanding UC Convertible Notes to 31 December 2016 (or such other date as the parties may agree in writing). The Directors (other than the independent non-executive Directors of the Company whose recommendation will be set out in the Circular to be despatched to the Shareholders) are of the view that the terms of the Settlement Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE OFFER SHARES, THE SUBSCRIPTION SHARES, THE NEW CONVERSION SHARES AND THE EXISTING CONVERSION SHARES

Number of the Offer Shares

The 242,027,168 Offer Shares to be allotted and issued under the Open Offer at the Offer Price of HK\$0.08 per Offer Share represent:

- (i) approximately 50.00% of the issued share capital of the Company upon completion of the Capital Reorganisation;
- (ii) approximately 33.33% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue and allotment of the Offer Shares;
- (iii) approximately 6.28% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue and allotment of the Offer Shares and the Subscription Shares; and
- (iv) approximately 3.85% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue and allotment of the Offer Shares, the Subscription Shares, the New Conversion Shares upon full conversion of the New Convertible Notes and the Existing Conversion Shares upon full conversion of the Existing Convertible Notes after completion of the Proposed Restructuring.

Number of the Subscription Shares

The 3,125,000,000 Subscription Shares to be allotted and issued at the Subscription Price of HK\$0.08 per Subscription Share under the Share Subscription represent:

- (i) approximately 645.59% of the issued share capital of the Company upon completion of the Capital Reorganisation;
- (ii) approximately 430.39% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue and allotment of the Offer Shares;
- (iii) approximately 81.15% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue and allotment of the Offer Shares and the Subscription Shares; and
- (iv) approximately 49.66% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue and allotment of the Offer Shares, the Subscription Shares, the New Conversion Shares upon full conversion of the New Convertible Notes and the Existing Conversion Shares upon full conversion of the Existing Convertible Notes after completion of the Proposed Restructuring.

Number of the New Conversion Shares

The 1,875,000,000 New Conversion Shares to be allotted and issued under the New CN Subscription upon full conversion of the New Convertible Notes at the Conversion Price of HK\$0.08 per New Conversion Share, subject to adjustments, represent:

- (i) approximately 387.35% of the issued share capital of the Company upon completion of the Capital Reorganisation;
- (ii) approximately 258.24% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue and allotment of the Offer Shares;
- (iii) approximately 48.69% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue and allotment of the Offer Shares and the Subscription Shares; and
- (iv) approximately 29.79% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue and allotment of the Offer Shares, the Subscription Shares, the New Conversion Shares upon full conversion of the New Convertible Notes and the Existing Conversion Shares upon full conversion of the Existing Convertible Notes after completion of the Proposed Restructuring.

Number of the Existing Conversion Shares

As at the date of this announcement, the outstanding UC Convertible Notes and the outstanding CY Convertible Notes amounted to HK\$120,000,000 and HK\$112,500,000, respectively, as such, the outstanding Existing Convertible Notes amounted to HK\$232,500,000 in aggregate. The 567,073,169 Existing Conversion Shares to be allotted and issued upon full conversion of the Existing Convertible Notes at the adjusted conversion price of HK\$0.41 assuming completion of the Proposed Restructuring represent:

- (i) approximately 117.15% of the issued share capital of the Company upon completion of the Capital Reorganisation;
- (ii) approximately 78.10% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue and allotment of the Offer Shares;
- (iii) approximately 14.73% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue and allotment of the Offer Shares and the Subscription Shares; and
- (iv) approximately 9.01% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue and allotment of the Offer Shares, the Subscription Shares, the New Conversion Shares upon full conversion of the New Convertible Notes and the Existing Conversion Shares upon full conversion of the Existing Convertible Notes after completion of the Proposed Restructuring.

Status of the Offer Shares, the Subscription Shares, the New Conversion Shares and the Existing Conversion Shares

When allotted, issued and fully paid, the Offer Shares, the Subscription Shares, the New Conversion Shares and the Existing Conversion Shares will rank *pari passu* in all respects with the then New Shares in issue on the date of allotment and issuance of the Offer Shares, the Subscription Shares, the New Conversion Shares and the Existing Conversion Shares respectively. Holders of the Offer Shares, the Subscription Shares, the New Conversion Shares and the Existing Conversion Shares will be entitled to receive all future dividends and distributions which are declared, made and paid after the date of allotment and issuance of the Offer Shares, the Subscription Shares, the New Conversion Shares and the Existing Conversion Shares respectively.

CHANGES IN SHAREHOLDING STRUCTURE

Set out below are the shareholding structures of the Company under:

- (i) scenario (i) as at the date of this announcement;
- (ii) scenario (ii) upon completion of the Capital Reorganisation but before completion of the Open Offer, the Share Subscription Agreement, the New CN Subscription Agreement, the CY Settlement Agreement and the UC Settlement Agreement and assuming no conversion of the Existing Convertible Notes;
- (iii) scenario (iii) upon completion of the Capital Reorganisation and the Open Offer but before completion of the Share Subscription Agreement, the New CN Subscription Agreement, the CY Settlement Agreement and the UC Settlement Agreement and assuming no conversion of the Existing Convertible Notes;
- (iv) scenario (iv) upon completion of the Proposed Restructuring but before completion of the Placing Agreement(s) and assuming (a) no conversion of the Existing Convertible Notes, and (b) no conversion of the New Convertible Notes;
- (v) scenario (v) upon completion of the Proposed Restructuring and completion of the Placing Agreement(s) and assuming (a) no conversion of the Existing Convertible Notes, and (b) no conversion of the New Convertible Notes; and
- (vi) scenario (vi) upon completion of the Proposed Restructuring and completion of the Placing Agreement(s) and assuming (a) full conversion of the Existing Convertible Notes, and (b) full conversion of the New Convertible Notes,

after the Company having made reasonable enquiries and assuming that there are no other changes in the shareholding structure of the Company since the date of this announcement.

Assuming nil subscription by the Qualifying Shareholders under the Open Offer

Scenarios	(i)	(ii)	(iii)	(iv)	(v)	(vi)
		Upon completion of the Capital Reorganisation and the Open Offer but before completion of the Share Subscription Agreement, the New CN Subscription Agreement, the CY Settlement Agreement and the UC Settlement Agreement and assuming no conversion of the Existing Convertible Notes	Upon completion of the Capital Reorganisation and the Open Offer but before completion of the Share Subscription Agreement, the New CN Subscription Agreement, the CY Settlement Agreement and the UC Settlement Agreement and assuming no conversion of the Existing Convertible Notes	Upon completion of the Proposed Restructuring but before completion of the Placing Agreement(s) and assuming (a) no conversion of the Existing Convertible Notes; and (b) no conversion of the New Convertible Notes	Upon completion of the Proposed Restructuring and completion of the Placing Agreement(s) and assuming (a) no conversion of the Existing Convertible Notes; and (b) no conversion of the New Convertible Notes	Upon completion of the Proposed Restructuring and completion of the Placing Agreement(s) and assuming (a) full conversion of the Existing Convertible Notes; and (b) full conversion of the New Convertible Notes
Shareholders	As at the date of this announcement	no conversion of the Existing Convertible Notes	(Note 2)	Existing Convertible Notes	New Convertible Notes	New Convertible Notes
	<i>No. of Approximate Shares</i>	<i>No. of Approximate Shares</i>	<i>No. of Approximate Shares</i>	<i>No. of Approximate Shares</i>	<i>No. of Approximate Shares</i>	<i>No. of Approximate Shares</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Mr. Yeung and his concert parties	2,700,000,000	135,000,000	135,000,000	135,000,000	135,000,000	409,390,243
U-Continent and its concert parties	1,500,000,000	75,000,000	75,000,000	75,000,000	75,000,000	367,682,926
Investor and its concert parties	—	—	—	3,125,000,000	2,055,000,000	3,930,000,000
Public Shareholders						
Underwriter (Note 1)	—	—	242,027,168	242,027,168	242,027,168	242,027,168
Independent placees	—	—	—	—	1,070,000,000	1,070,000,000
Other public Shareholders	5,481,086,733	274,054,336	274,054,336	274,054,336	274,054,336	274,054,336
Total	9,681,086,733	484,054,336	726,081,504	3,851,081,054	3,851,081,504	6,293,154,673
	100.00	100.00	100.00	100.00	100.00	100.00
	56.62	56.62	37.75	7.11	7.11	4.35
	—	—	—	—	27.79	17.00
	—	—	33.33	6.28	6.28	3.85
	—	—	—	81.15	53.36	62.45
	27.89	27.89	18.59	3.51	3.51	6.51
	15.49	15.49	10.33	1.95	1.95	5.84

Assuming full subscription by the Qualifying Shareholders under the Open Offer

Scenarios	(i) Upon completion of the Capital Reorganisation but before completion of the Open Offer, the Share Subscription Agreement, the New CN Subscription Agreement, the CY Settlement Agreement and the UC Settlement Agreement and assuming no conversion of the Existing Convertible Notes	(ii) Upon completion of the Capital Reorganisation and the Open Offer but before completion of the Share Subscription Agreement, the New CN Subscription Agreement, the CY Settlement Agreement and the UC Settlement Agreement and assuming no conversion of the Existing Convertible Notes	(iii) Upon completion of the Open Offer but before completion of the Share Subscription Agreement, the New CN Subscription Agreement, the CY Settlement Agreement and the UC Settlement Agreement and assuming no conversion of the Existing Convertible Notes	(iv) Upon completion of the Proposed Restructuring but before completion of the Placing Agreement(s) and assuming no conversion of the Existing Convertible Notes; and (b) no conversion of the New Convertible Notes	(v) Upon completion of the Proposed Restructuring and completion of the Placing Agreement(s) and assuming no conversion of the Existing Convertible Notes; and (b) no conversion of the New Convertible Notes	(vi) Upon completion of the Proposed Restructuring and completion of the Placing Agreement(s) and assuming no conversion of the Existing Convertible Notes; and (b) full conversion of the New Convertible Notes
	As at the date of this announcement	Existing Convertible Notes	Existing Convertible Notes	Existing Convertible Notes	Existing Convertible Notes	Existing Convertible Notes
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
	%	%	%	%	%	%
Shareholders						
Mr. Yeung and his concert parties	2,700,000,000	27.89	202,500,000	202,500,000	202,500,000	476,890,243
U-Continent and its concert parties	1,500,000,000	15.49	112,500,000	112,500,000	112,500,000	405,182,926
Investor and its concert parties	—	—	—	3,125,000,000	1,950,000,000	3,825,000,000
Public Shareholders						
Underwriter	—	—	—	—	—	—
Independent placees	—	—	—	—	1,175,000,000	1,175,000,000
Other public Shareholders	5,481,086,733	56.62	411,081,504	411,081,504	411,081,504	411,081,504
Total	9,681,086,733	100.00	484,054,336	3,851,081,054	3,851,081,504	6,293,154,673
			100.00	100.00	100.00	100.00
			56.62	10.67	10.67	6.53
			27.89	5.26	5.26	7.58
			15.49	2.92	2.92	6.44
			—	81.15	50.64	60.78
			—	—	—	—
			—	—	30.51	18.67
			56.62	10.67	10.67	6.53
			100.00	100.00	100.00	100.00

Notes:

- (1) The Underwriter will undertake to ensure that (i) such subscribers and/or sub-underwriters are third parties independent of and not acting in concert with the Directors, chief executive or substantial Shareholders of the Company or any of its subsidiaries or any of their respective associates; (ii) no such subscriber of the Offer Shares shall be procured by the Underwriter or by the sub-underwriters if allotment and issue of any Offer Shares to the subscriber would result in it and its associates and concert parties, when aggregated with the New Shares (if any) already held by them holding 30% or more of the enlarged issued share capital of the Company immediately after completion of the Proposed Restructuring; and (iii) in performing its underwriting obligations under the Underwriting Agreement, no such subscribers of the Offer Shares will become a substantial Shareholder immediately after completion of the Proposed Restructuring. The subscribers to be procured by the Underwriter or by the sub-underwriters (if any) will be independent and not acting in concert with the Concert Group.
- (2) Scenario (iii) illustrates the effect of the Open Offer upon completion of the Capital Reorganisation as enlarged by the issue and allotment of the Offer Shares, which is for illustrative purpose only as completion of the Open Offer will take place simultaneously with completion of the Subscriptions. Upon completion of the Proposed Restructuring, assuming nil subscription by the Shareholders under the Open Offer, the shareholding of the Underwriter in the Company will become approximately 6.28% and therefore no general offer obligation under the Takeovers Codes will be triggered.
- (3) Pursuant to the terms of each of the Existing Convertible Notes and the New Convertible Notes, holders thereof shall not exercise the conversion rights if such conversion would result in the Company being unable to meet the public float requirement under the Listing Rules or in breach of the Listing Rules.

PLACING DOWN TO RESTORE PUBLIC FLOAT

In order to restore the public float of the New Shares as soon as practicable following completion of the Proposed Restructuring, the Investor undertakes to the Stock Exchange that it will enter into Placing Agreement(s) with independent placing agent(s) pursuant to which the placing agent(s) will procure independent placees, who shall not become substantial Shareholders (as defined in the Listing Rules) upon completion of the Proposed Restructuring, to place down not less than 1,070,000,000 New Shares and not more than 1,175,000,000 New Shares as set out in the various scenarios above and the completion of which shall take place before Resumption such that the then public float of the New Shares will be restored to no less than 25% as required under the Listing Rules upon the Resumption. It is expected that the Placing Agreement(s) will be executed prior to the despatch of the Circular and details of the Placing Agreement(s) will be set out in the Circular.

Assuming all Qualifying Shareholders take up their entitlement under the Open Offer, there will be 411,081,504 New Shares held by the public Shareholders, representing approximately 10.67% of the issued share capital of the Company upon completion of the Open Offer and the Share Subscription, or approximately 6.53% of the issued share capital of the Company upon completion of the Open Offer and the Share Subscription and full conversion of the Existing Convertible Notes and the New Convertible Notes. After completion of the Open Offer and the Share Subscription, the Investor will place down an aggregate of not more than 1,175,000,000 New Shares, representing approximately 30.51% of the issued share capital of the Company upon completion of the Open Offer and the Share

Subscription, or approximately 18.67% of the issued share capital of the Company upon completion of the Open Offer and the Share Subscription and full conversion of the Existing Convertible Notes and the New Convertible Notes. Together with the approximately 10.67% New Shares already held by the public upon completion of the Open Offer and the Share Subscription, or approximately 6.53% New Shares already held by the public upon completion of the Open Offer and the Share Subscription and full conversion of the Existing Convertible Notes and the New Convertible Notes, not less than approximately 25.20% of the then issued share capital of the Company will be held by the public upon completion of the Placing Agreement(s). Accordingly, sufficient public float of the Company will be restored.

Assuming none of the Qualifying Shareholders take up their entitlement under the Open Offer, there will be 274,054,336 New Shares held by the public Shareholders and 242,027,168 New Shares held by the Underwriter, or 516,081,504 New Shares in aggregate, representing approximately 13.39% of the issued share capital of the Company upon completion of the Open Offer and the Share Subscription, or approximately 8.20% of the issued share capital of the Company upon completion of the Open Offer and the Share Subscription and full conversion of the Existing Convertible Notes and the New Convertible Notes. After completion of the Open Offer and the Share Subscription, the Investor will place down an aggregate of not less than 1,070,000,000 New Shares, representing approximately 27.79% of the issued share capital of the Company upon completion of the Open Offer and the Share Subscription, or approximately 17.00% of the issued share capital of the Company upon completion of the Open Offer and the Share Subscription and full conversion of the Existing Convertible Notes and the New Convertible Notes. Together with the approximately 13.39% New Shares already held by the public upon completion of the Open Offer and the Share Subscription, or approximately 8.20% New Shares already held by the public upon completion of the Open Offer and the Share Subscription and full conversion of the Existing Convertible Notes and the New Convertible Notes, not less than approximately 25.20% of the then issued share capital of the Company will be held by the public upon completion of the Placing Agreement(s). Accordingly, sufficient public float of the Company will be restored.

EXPECTED TIMETABLE

The following events are conditional on the results of the EGM and the relevant Grand Court hearings. The dates are therefore tentative.

Expected date of despatch of the Circular.	Wednesday, 29 June 2016
Latest time for lodging proxy forms for the EGM	11:00 a.m. on Wednesday, 20 July 2016
Expected date of the EGM	11:00 a.m. on Friday, 22 July 2016
Publication of announcement in relation to poll results of the EGM and completion of the PP Settlement Agreement (<i>Note 1</i>)	Friday, 22 July 2016

Expected effective date of the Capital Reorganisation	Monday, 12 September 2016
Effective date of change in board lot size from 2,000 Shares to 20,000 New Shares	Monday, 12 September 2016
First day of free exchange of existing certificates for the Shares into new share certificates for the New Shares	Monday, 12 September 2016
Last day of cum-entitlements of the New Shares	Tuesday, 13 September 2016
First day of ex-entitlements of the New Shares	Wednesday, 14 September 2016
Latest time for lodging transfer of the New Shares in order to qualify for the Open Offer	4:30 p.m. on Thursday, 15 September 2016
Closure of register of members to determine the eligibility of the Open Offer (both dates inclusive)	Monday, 19 September 2016 to Wednesday, 21 September 2016
Open Offer Record Date	Wednesday, 21 September 2016
Register of members re-opens	Thursday, 22 September 2016
Prospectus Posting Date	Monday, 26 September 2016
Latest time for acceptance and payment for the Offer Shares	4:00 p.m. on Tuesday, 11 October 2016
Latest time for the termination of the Underwriting Agreement	4:00 p.m. on Thursday, 13 October 2016
Publication of the announcement in relation to the allotment results of the Open Offer	Monday, 17 October 2016
Completion of the Open Offer, the Share Subscription and the New CN Subscription and despatch of certificates for the Offer Shares and the Subscription Shares and the New Convertible Notes	Tuesday, 18 October 2016

If the Open Offer is terminated, refund cheques to be despatched	Tuesday, 18 October 2016
Publication of the announcement in relation to the completion of the Open Offer, the Share Subscription and the New CN Subscription.	Wednesday, 19 October 2016
Restoration of public float	Tuesday, 25 October 2016
Announcement for restoration of public float and fulfilment of resumption conditions	Tuesday, 25 October 2016
Order granted by the High Court to discharge the Receivership Order and the release of the Receivers in respect of the receivership	Tuesday, 25 October 2016
Resumption and dealing in the New Shares commence	9:00 a.m. on Thursday, 27 October 2016
Designated broker starts to stand in the market to provide matching services for odd lot of New Shares.	9:00 a.m. on Thursday, 27 October 2016
Completion of the CY Settlement Agreement and the UC Settlement Agreement	Friday, 28 October 2016
Publication of the announcement in relation to the completion of the CY Settlement Agreement and the UC Settlement Agreement	Monday, 31 October 2016
Designated broker ceases to stand in the market to provide matching services for odd lot of New Shares.	close of business on Thursday, 17 November 2016
Last day of free exchange of existing share certificates for the new share certificates	Monday, 21 November 2016

Notes:

- (1) The PP Settlement Agreement constitutes a special deal under Rule 25 of the Takeovers Code and is subject to the Independent Shareholders passing at the EGM resolutions approving the Special Deal and the consent from the Executive in relation to the Special Deal. The PP Settlement Agreement is also subject to the obtaining of the approval of the PP Settlement Agreement by the High Court. Accordingly, completion of the PP Settlement Agreement is expected to take place on the same date as the EGM.

- (2) The expected timetable set out above is tentative and for indicative purposes only, in particular, the events in relation to the Capital Reorganisation are conditional on the approval from the Grand Court. Dates or times specified in this announcement for the Capital Reorganisation may be varied due to the timetable and the availability of the Grand Court and additional time required for compliance with regulatory requirements in the Cayman Islands and/or with any requirements imposed by the Grand Court, in particular, the registration by the Registrar of Companies of Cayman Islands of the order of the Grand Court confirming the Capital Reduction and the minute approved by the Grand Court containing the particulars required under Section 17 of the Companies Law of Cayman Islands in respect of the capital reduction is required for the Capital Reduction to become effective. Save for the aforesaid, there is no other regulatory consent required. Should there be any changes, the Company will issue further announcement(s) on the timetable as and when appropriate.
- (3) All references to time as stated in the above timetable are references to Hong Kong time unless otherwise specified.

IMPLICATIONS UNDER THE LISTING RULES

The Capital Reorganisation

As the completion of the Capital Reorganisation is one of the conditions precedent to completion of the Open Offer and the Subscriptions, Shareholders who are required to abstain from voting on the Proposed Restructuring and/or the Whitewash Waiver and/or the Special Deals and the transactions contemplated thereunder are also required to abstain from voting on the relevant resolution(s) to approve the Capital Reorganisation at the EGM.

The Open Offer

Pursuant to Rule 7.19(6)(a) of the Listing Rules, if a proposed open offer would increase either the number of issued shares or the market capitalisation of the issue by more than 50%, the open offer must be made conditional on approval by shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates must abstain from voting in favour. Notwithstanding the Open Offer would not increase the issued share capital or the market capitalisation of the Company by more than 50% and the Company has not announced any other open offer or rights issue within the 12-month period immediately preceding this announcement, the Open Offer will be subject to the Independent Shareholders' approval at the EGM. Further, as completion of the Subscriptions is one of the conditions precedent to completion of the Open Offer, Shareholders who are required to abstain from voting on the Proposed Restructuring and/or the Whitewash Waiver and/or the Special Deals are also required to abstain from voting on the relevant resolution(s) to approve the Open Offer and the transactions contemplated under the Underwriting Agreement.

The Subscriptions

The Investor, its associates, and parties acting in concert with any of them, and those (if any) who are involved in or interested in the Proposed Restructuring and/or the Whitewash Waiver and/or the Special Deals and the transactions contemplated thereunder, must abstain from voting on the relevant resolution(s) to approve the Subscriptions at the EGM.

Issue under specific mandate

The Subscription Shares and the New Conversion Shares upon conversion of the New Convertible Notes will be issued pursuant to a specific mandate to be obtained upon approval by the Independent Shareholders at the EGM. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Subscriptions are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

The CY Settlement Agreement and the UC Settlement Agreement

By virtue of Mr. Yeung and U-Continent, both being substantial Shareholders, each of Mr. Yeung and U-Continent is a connected person of the Company within the meaning of the Listing Rules. As such, the entering into of the CY Settlement Agreement and the UC Settlement Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the requirements of the reporting, announcement and independent shareholders' approval. Mr. Yeung and U-Continent, their respective associates, and parties acting in concert with any of them, and those (if any) who are involved in or interested in the Proposed Restructuring and/or the Whitewash Waiver and/or the Special Deals and the transactions contemplated thereunder, must abstain from voting on the relevant resolution(s) to approve the CY Settlement Agreement and the UC Settlement Agreement at the EGM.

As at the date of this announcement, Mr. Yeung and U-Continent and their respective associates are interested in 2,700,000,000 Shares and 1,500,000,000 Shares, respectively.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER

Whitewash Waiver

As at the date of this announcement, the Concert Group does not own or control any existing Shares, convertible securities, warrants, options or derivatives in respect of the existing Shares. Upon the completion of the Proposed Restructuring, the Concert Group will, in aggregate, hold (i) approximately 81.15% of the then issued share capital of the Company as a result of the Share Subscription (before completion of the Placing Agreement(s)); or (ii) approximately 53.36% of the then issued share capital of the Company as a result of the Share Subscription (after completion of the Placing Agreement(s)), assuming nil subscription by the Qualifying Shareholders under the Open

Offer, or approximately 50.64% of the then issued share capital of the Company as a result of the Share Subscription (after completion of the Placing Agreement(s)), assuming full subscription by the Qualifying Shareholders under the Open Offer.

As such, the Investor would be required to make a mandatory general offer for all the issued shares of the Company (not already owned or agreed to be acquired by the Concert Group) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

The Investor will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll, in which parties of the Concert Group and those who are involved in or interested in the Proposed Restructuring and/or the Whitewash Waiver and/or the Special Deals will abstain from voting on the relevant resolution(s). If the Whitewash Waiver is granted by the Executive, the Concert Group will not be required to make a mandatory offer which would otherwise be required as a result of the subscription of the Subscription Shares. The Executive may or may not grant the Whitewash Waiver. If the Whitewash Waiver is not granted, the Subscription Agreements will lapse and consequentially the Open Offer, the CY Settlement Agreement, the Debt Undertaking and the UC Settlement Agreement will lapse and the Capital Reorganisation and the Resumption will not proceed.

Special Deals

Pursuant to the terms of the UC Settlement Agreement and the CY Settlement Agreement, it is one of the conditions precedent that the Shares shall resume trading on the Stock Exchange, which is subject to completion of the Proposed Restructuring. In addition, the entering into of each of the UC Settlement Agreement (which includes an extension of the maturity dates of the remaining unconverted UC Convertible Notes) with U-Continent (who is a Shareholder), the entering into of the CY Settlement Agreement (which includes an extension of the maturity date of the remaining unconverted CY Convertible Notes) with Mr. Yeung (who is a Shareholder), RY and BCFC and the entering into of the PP Settlement Agreement (which involves the mutually discontinuance of HCA 1355/2015 and HCA 1590/2015 thereby deriving a benefit from the PP Settlement Agreement) with Mr. Pannu (who is a Shareholder), Asia Rays, Amazing Top and BCFC, which is not extended to all the other Shareholders, constitutes a special deal under Rule 25 of the Takeovers Code. Further, the Debt Undertaking was given by the Investor in consideration of the entering into of the CY Settlement Agreement by the Company and therefore in substance forms part of the CY Settlement Agreement. The arrangement under the Debt Undertaking between the Investor and Mr. Yeung (who is a Shareholder), which is not extended to all the other Shareholders, also constitutes a special deal under Rule 25 of the Takeovers Code. The Special Deals require consent from the Executive 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 Deals are fair and reasonable. The Company will apply to the Executive for its consent to the Special Deals under Rule 25 of the Takeovers Code.

Shareholders including (i) the Investor, its ultimate beneficial owners, Mr. Yeung, RY, U-Continent, Mr. Pannu, Asia Rays, Amazing Top and parties acting in concert with any of them; and (ii) any Shareholders who are involved in the Proposed Restructuring and/or the Whitewash Waiver and/or the Special Deals, are required to abstain from voting on the relevant resolution(s) to be proposed at the EGM.

INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

As at the date of this announcement, none of the members of the Concert Group owns or has control or direction over any existing Shares, rights over Shares, convertible securities, warrants, options or derivatives in respect of the Shares. Other than the entering into of the Subscription Agreements, none of the members of the Concert Group has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company within the six months prior to the date of the Subscription Agreements and up to the date of this announcement.

As at the date of this announcement, save as disclosed in this announcement,

- (a) none of the members of the Concert Group has received any irrevocable commitment in relation to voting of the resolutions in respect of the Capital Reorganisation, the Open Offer, the Subscription Agreements, the Whitewash Waiver, the Settlement Agreements, the Special Deals or any transactions contemplated thereunder at the EGM;
- (b) there is no outstanding derivative in respect of the securities of the Company which has been entered into by any members of the Concert Group;
- (c) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of any of the members of the Concert Group or the Company and which might be material to the Capital Reorganisation, the Open Offer, the Subscription Agreements, the Whitewash Waiver, the Settlement Agreements, the Special Deals or any transactions contemplated thereunder;
- (d) there is no agreement or arrangement to which any members of the Concert Group is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscription Agreements, the Whitewash Waiver, the Settlement Agreements, the Special Deals or any transactions contemplated thereunder, including any break fees being payable; and
- (e) none of the members of the Concert Group has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

As at the date of this announcement, the issued share capital of the Company comprises 9,681,086,733 Shares and, other than the Existing Convertible Notes, the Company does not have any options, warrants or convertible securities in issue.

PREVIOUS EQUITY FUNDS RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activities during the past 12 months immediately preceding the date of this announcement.

GENERAL

Circular

The Circular containing, among other things, further information in respect of (i) the status on the Resumption; (ii) the Capital Reorganisation and the proposed change in board lot size; (iii) the Open Offer including the Underwriting Agreement; (iv) the Subscriptions; (v) the Whitewash Waiver; (vi) the Settlement Agreements; (vii) the Special Deals; (viii) a letter from the Independent Board Committee in relation to the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals; (ix) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals; and (x) a notice of the EGM will be despatched to the Shareholders as soon as practicable.

Independent Shareholders are advised to read (i) the letter of advice from the Independent Board Committee; (ii) the letter of advice from the Independent Financial Adviser as contained in the Circular before making their voting decisions in respect of the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals.

THE EGM

The EGM will be held for the purpose of considering and, if thought fit, approving the resolutions in respect of, inter alia, the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals. Accordingly, the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals will be subject to the approval by the Independent Shareholders by way of poll at the EGM.

Shareholders including, (i) the Investor, its ultimate beneficial owners, Mr. Yeung, RY, U-Continent, Mr. Pannu, Asia Rays, Amazing Top and parties acting in concert with any of them; and (ii) those who are interested in, or involved in, the Proposed Restructuring and/or the Whitewash Waiver and/or the Special Deals are required to abstain from voting for the resolutions in respect of the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals at the EGM.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in the New Shares, including the Offer Shares, the Subscription Shares, the New Conversion Shares and the Existing Conversion Shares. Subject to the granting of the listing of, and permission to deal in, the New Shares, including the Offer Shares, the Subscription Shares, the New Conversion Shares and the Existing Conversion Shares, on the Stock Exchange, the New Shares, including the Offer Shares, the Subscription Shares, the New Conversion Shares and the Existing Conversion Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares, including the Offer Shares, the Subscription Shares, the New Conversion Shares and the Existing Conversion Shares, on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Dealings in the New Shares, including the Offer Shares, the Subscription Shares, the New Conversion Shares and the Existing Conversion Shares, may be settled through CCASS.

No application will be made for listing of the New Convertible Notes and the Existing Convertible Notes.

No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in is being or is currently proposed to be sought from any other stock exchange.

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 Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals, will be established to advise the Independent Shareholders as to whether the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals 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 the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals.

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.

The publication of this announcement does not indicate any decision or conclusion from the Stock Exchange nor warrant any approval from the Stock Exchange on the resumption of trading in Shares. The transactions contemplated under the Proposed Restructuring are subject to the fulfillment of various conditions, and therefore may or may not materialise. 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 incorporated in the British Virgin Islands and wholly owned by Mr. Pannu
“Amendment Letter”	the amendment letter dated 31 May 2016 entered into among the Company, BCFC and the Investor in relation to the amendments to certain terms of the Loan Facility Agreement
“Application Form(s)”	the form(s) of application for the assured allotments of the Offer Shares in respect of the Open Offer to be issued to the Qualifying Shareholder(s)
“Asia Rays”	Asia Rays Limited, a company incorporated in Hong Kong and wholly owned by Mr. Pannu
“associates”	has the meaning ascribed to it in the Listing Rules
“Associates”	the subsidiaries, affiliates, officers, directors, employees, agents and advisers in relation to the parties to the respective Settlement Agreements
“Authorised Share Capital Cancellation”	the proposed cancellation of the authorised but unissued share capital of the Company in its entirety immediately upon the Capital Reduction becoming effective

“Authorised Share Capital Increase”	the proposed increase of the authorised share capital of the Company to HK\$500,000,000 immediately following the Share Premium Cancellation and the Authorised Share Capital Cancellation becoming effective
“BCFC”	Birmingham City Football Club Plc., a public limited liability company incorporated under the laws of England and Wales, which is principally engaged in the operation of football club(s) and wholly owned by BCP
“BCLFC”	Birmingham City Ladies Football Club Limited, a company registered in the United Kingdom and wholly owned by Mr. Pannu
“BCP”	Birmingham City Plc., a 96.64% directly owned subsidiary of the Company which in turn wholly owns BCFC
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Capital Reduction”	the proposed reduction in the nominal value of each of the Consolidated Shares in the issued share capital of the Company from HK\$0.20 per Consolidated Share to HK\$0.01 per New Share by cancelling HK\$0.19 of the capital paid up on each issued Consolidated Share upon the Share Consolidation becoming effective
“Capital Reorganisation”	the proposed restructuring of the capital of the Company comprising, inter alia, the Share Consolidation, the Capital Reduction, the Share Premium Cancellation, the Authorised Share Capital Cancellation and the Authorised Share Capital Increase
“Cayman Companies Laws”	the Companies Law (2013 Revision) of the Cayman Islands, as amended from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China Strategic”	China Strategic Holdings Limited (stock code: 235), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange

“Circular”	the circular containing, among other things, further information in respect of (i) the status of the Resumption; (ii) the Capital Reorganisation and the proposed change in board lot size; (iii) the Open Offer including the Underwriting Agreement; (iv) the Subscriptions; (v) the Whitewash Waiver; (vi) the Settlement Agreements; (vii) the Special Deals; (viii) a letter from the Independent Board Committee; (ix) a letter of advice from the Independent Financial Adviser; and (x) a notice of the EGM, to be despatched by the Company to the Shareholders
“Companies Ordinance”	the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
“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
“Concert Group”	the Investor and its parties acting in concert
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$0.20 each in the issued and unissued share capital of the Company upon the Share Consolidation becoming effective
“Conversion Price”	the conversion price of HK\$0.08 per New Conversion Share (subject to adjustment)
“CY Conversion Share(s)”	the New Share(s) to be allotted and issued by the Company to Mr. Yeung upon exercise of the conversion rights attaching to the outstanding CY Convertible Notes by Mr. Yeung
“CY Convertible Notes”	the zero interest unsecured convertible notes issued by the Company to Mr. Yeung pursuant to the terms of the Yeung Agreement in the principal amount of HK\$193,500,000
“CY Settlement Agreement”	the deed of settlement dated 8 March 2016 entered into between the Company, BCFC, Mr. Yeung and RY as announced by the Company on 14 March 2016

“CYCN Maturity Date Extension”	the extension of the maturity date of the remaining unconverted CY Convertible Notes (with all other terms and conditions of the remaining unconverted CY Convertible Notes remaining unchanged) from 4 February 2016 to 31 December 2016 or to such other date as the parties to the CY Settlement Agreement may agree in writing
“Debt”	the debt owed to Mr. Yeung by the Company in the amount of HK\$9,028,399.06 as at the date of the CY Settlement Agreement
“Debt Capitalisation Agreement”	the debt capitalisation agreement dated 20 December 2013 entered into between the Company and Mr. Yeung in relation to the capitalisation of a debt of HK\$193,500,000 owed by the Company to Mr. Yeung
“Debt Undertaking”	the undertaking dated 14 April 2016 given by the Investor pursuant to which the Investor will pay the Debt for the Company in full (subject to the CY Settlement Agreement being effective) so that the Company would not be liable to pay out of its own pocket if the repayment of the Debt is demanded
“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, inter alia, the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals
“Enviro Energy”	Enviro Energy International Holdings Limited (stock code: 1102), 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
“Excluded Shareholder(s)”	those Overseas Shareholder(s) to whom the Directors (having obtained relevant and necessary legal opinions) consider it necessary or expedient not to extend the Open Offer on account of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time or any of his delegates

“Existing Conversion Share(s)”	collectively, the UC Conversion Share(s) and the CY Conversion Share(s)
“Existing Convertible Notes”	collectively, the outstanding UC Convertible Notes and the outstanding CY Convertible Notes in the aggregate principal amount of HK\$232,500,000 as at the date of this announcement
“GBP”	Great British Pound, the lawful currency of the United Kingdom
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HCA 1355/2015”	the High Court action under High Court Action No. 1355 of 2015, being the action under LBTC 1470/2015 transferred from the Labour Tribunal of Hong Kong, and whereupon Mr. Pannu added further claims of unspecified quantum against the Company for alleged libel
“HCA 1590/2015”	the High Court action under High Court Action No. 1590 of 2015 initiated by the Company and BCFC against, among others, Mr. Yeung claiming a total of more than HK\$100,000,000 from Mr. Yeung for various breaches of duties whilst he was a director of the Company and a director of BCFC
“High Court”	the High Court of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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 who have no direct or indirect interest in the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals
“Independent Financial Adviser”	an independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Capital Reorganisation, the Open Offer including the Underwriting Agreement, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and the Special Deals

“Independent Shareholder(s)”	Shareholder(s) other than (i) the Investor, its ultimate beneficial owners, Mr. Yeung, RY, U-Continent, 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 Capital Reorganization, the Open Offer, the Subscriptions, the Whitewash Waiver, the Settlement Agreements and/or the Special Deals
“Independent Third Party(ies)”	third party(ies) (i) independent of the Company and its connected persons as defined under the Listing Rules and (ii) not acting in concert with the Investor or Mr. Suen
“Investor”	Trillion Trophy Asia Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Wealthy Associates International Limited, a company incorporated in the British Virgin Islands with limited liability, which in turn is wholly and beneficially owned by Mr. Suen
“LBTC 1470/2015”	Labour Tribunal Claim No. 1470 of 2015 initiated by Mr. Pannu against the Company in the Labour Tribunal of Hong Kong claiming approximately HK\$3.6 million (plus interest) from the Company for alleged wrongful dismissal as a director of the Company, which was subsequently transferred to the High Court and designated as HCA 1355/2015
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Facility Agreement”	the loan facility agreement dated 26 June 2015 entered into between the Company and the Investor in relation to the provision of the Loans by the Investor to the Company
“Loans”	a term loan facility of up to HK\$212,813,600 provided by the Investor to the Company pursuant to the terms of the Loan Facility Agreement (as supplemented by the Amendment Letter)
“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 interested in 1,500,000 Shares, representing approximately 0.015% of the issued share capital of the Company as at the date of the PP Settlement Agreement

“Mr. Suen”	Mr. Suen Cho Hung, Paul, the sole beneficial owner of Wealthy Associates International Limited which in turn wholly owned the Investor as at the date of this announcement
“Mr. Yeung”	Mr. Yeung Ka Sing, Carson, according to the public information available to the Company, a substantial Shareholder holding approximately 27.89% of the issued share capital of the Company as at the date of this announcement
“New CN Completion Date”	the date on which the completion of the New CN Subscription takes place, being the third Business Day next following the date of fulfilment of the conditions precedent to the New CN Subscription Agreement last in time to be fulfilled or waived by the Investor (save for the conditions precedent to completion of the Open Offer and completion of the Share Subscription Agreement which should take place at or about the same time as the New CN Subscription Agreement), as the case may be, or such other date as the Company and the Investor may agree in writing
“New CN Subscription”	the subscription of the New Convertible Notes by the Investor pursuant to the terms of the New CN Subscription Agreement
“New CN Subscription Agreement”	the subscription agreement dated 6 June 2016 entered into between the Company and the Investor in relation to the New CN Subscription
“New Conversion Share(s)”	the New Share(s) to be allotted and issued by the Company to the noteholder upon exercise of the conversion rights attaching to the New Convertible Notes by the noteholder
“New Convertible Notes”	the 2% convertible notes due on the date falling three years from the date of issue or, if that is not a Business Day, the first Business Day thereafter, in the aggregate principal amount of up to HK\$150,000,000 to be issued by the Company to the Investor pursuant to the terms of the New CN Subscription Agreement
“New Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company immediately following the Capital Reduction becoming effective
“Offer Price”	HK\$0.08 per Offer Share
“Offer Share(s)”	the 242,027,168 New Share(s) to be allotted and issued under the Open Offer

“Open Offer”	the proposed issue of the Offer Shares on the basis of one (1) Offer Share for every two (2) New Shares held by the Qualifying Shareholders on the Open Offer Record Date at the Offer Price
“Open Offer Record Date”	21 September 2016, being the date by reference to which entitlements under the Open Offer are to be determined
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Open Offer Record Date and whose address(es) as shown on such register is(are) outside Hong Kong
“Placing Agreement(s)”	the placing agreement(s) to be entered into between the Investor and the independent placing agent(s) to place down the New Shares held by the Investor upon completion of the Proposed Restructuring for the purpose to restore the public float to no less than 25% as required under the Listing Rules upon the Resumption
“PP Settlement Agreement”	the deed of settlement dated 4 May 2016 entered into between the Company, BCFC, Mr. Pannu, Asia Rays and Amazing Top as announced by the Company on 10 May 2016
“Proposed Restructuring”	the proposed restructuring of the Company comprising the Capital Reorganisation, the Open Offer, the Subscriptions, the Settlement Agreements and the Whitewash Waiver
“Prospectus”	the prospectus to be despatched to the Shareholders containing the details of the Open Offer
“Prospectus Documents”	collectively, the Prospectus and the Application Forms
“Prospectus Posting Date”	the date on which the Prospectus Documents are to be despatched to the Qualifying Shareholders or the Prospectus are to be despatched to the Excluded Shareholders, as the case may be
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Excluded Shareholder(s), whose names appear on the register of members of the Company as at 5:00 p.m. (Hong Kong time) on the Open Offer Record Date
“Receivers”	Messrs. Stephen Liu Yiu Keung, David Yen Ching Wai and Koo Chi Sum all of Ernst & Young Transactions Limited of 62nd Floor, One Island East, 18 Westlands Road, Island East, Hong Kong

“Receivership Order”	an order of the High Court dated 16 February 2015 pursuant to which the Receivers were appointed as receivers over the Company
“Resumption”	resumption of trading in the Shares or the New Shares, as applicable, on the Stock Exchange
“Resumption Date”	the date of the Resumption
“Resumption Proposal”	the resumption proposal of the Company submitted to the Stock Exchange in relation to the Proposed Restructuring of the Company for the purpose of seeking approval of the Stock Exchange on the Resumption
“RY”	Mr. Ryan Yeung, the son of Mr. Yeung
“Settlement Agreements”	collectively, the CY Settlement Agreement, the UC Settlement Agreement and the PP Settlement Agreement
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share Completion Date”	the date on which the Share Subscription takes place, being the third Business Day next following the date of fulfilment of the conditions precedent to the Share Subscription Agreement last in time to be fulfilled or waived by the Investor (save for the conditions precedent to completion of the Open Offer and completion of the New CN Subscription Agreement which should take place at or about the same time as the Share Subscription Agreement), as the case may be, or such other date as the Company and the Investor may agree in writing
“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.20 each
“Share Premium Cancellation”	the proposed share premium cancellation of the Company upon the Capital Reduction becoming effective
“Share Subscription”	the subscription of 3,125,000,000 New Shares by the Investor pursuant to the terms of the Share Subscription Agreement

“Share Subscription Agreement”	the subscription agreement dated 6 June 2016 entered into between the Company and the Investor in relation to the Share Subscription
“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(s)”	the entering into of the UC Settlement Agreement between the Company and U-Continent, the entering into of the CY Settlement Agreement between the Company, BCFC, Mr. Yeung and RY, the entering into of the PP Settlement Agreement between the Company, BCFC, Mr. Pannu, Amazing Top and Asia Rays and the arrangement under the Debt Undertaking, each of which constitutes special deal under Rule 25 of the Takeovers Code
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreements”	collectively, the Share Subscription Agreement and the New CN Subscription Agreement
“Subscription Price”	the subscription price of HK\$0.08 per Subscription Share
“Subscription Share(s)”	the New Share(s) to be allotted and issued to the Investor by the Company pursuant to the Share Subscription Agreement
“Subscriptions”	collectively, the Share Subscription and the New CN Subscription
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“UC Conversion Share(s)”	the New Share(s) to be allotted and issued by the Company to U-Continent upon exercise of the conversion rights attaching to the outstanding UC Convertible Notes by U-Continent
“UC Convertible Notes”	collectively the UC First Convertible Notes and the UC Second Convertible Notes
“UC First Convertible Notes”	the zero interest unsecured convertible notes issued by the Company to U-Continent pursuant to the terms of the U-Continent First Agreement in the aggregate principal amount of HK\$50,000,000

“UC Second Convertible Notes”	the zero interest unsecured convertible notes issued by the Company to U-Continent pursuant to the terms of the U-Continent Second Agreement in the aggregate principal amount of HK\$125,000,000
“UC Settlement Agreement”	the deed of settlement dated 12 April 2016 entered into between the Company and U-Continent as announced by the Company on 26 April 2016
“UCCN Maturity Date Extension”	the extension of the maturity dates of the remaining unconverted UC Convertible Notes (with all other terms and conditions of the remaining unconverted UC Convertible Notes remaining unchanged) to 31 December 2016 or such other date as the parties to the UC Settlement Agreement may agree in writing
“U-Continent”	U-Continent Holdings Limited, an investment holding company and according to the public information available to the Company, a substantial Shareholder holding approximately 15.49% of the issued share capital of the Company as at the date of this announcement and was wholly owned by Mr. Wang Lei, a younger brother of Ms. Wang Man Li who is a domestic partner of Mr. Yeung, as at the date of this announcement
“U-Continent Agreements”	collectively, the U-Continent First Agreement and the U-Continent Second Agreement
“U-Continent First Agreement”	the subscription agreement dated 12 November 2013 entered into between the Company and U-Continent (as subsequently amended by a deed of variation dated 19 November 2013) in relation to the issue and subscription of zero interest unsecured convertible notes in the principal amount of HK\$50,000,000
“U-Continent Second Agreement”	the subscription agreement dated 12 November 2013 entered into between the Company and U-Continent (as subsequently amended by two deeds of variation dated 19 November 2013 and 20 December 2013, respectively) in relation to the issue and subscription of zero interest unsecured convertible notes in the principal amount of HK\$125,000,000
“Underwriter”	an underwriter to be appointed by the Company to fully underwrite the Offer Shares to be issued under the Open Offer

“Underwriting Agreement”	the underwriting agreement to be entered into between the Company and the Underwriter in relation to the Open Offer, pursuant to the which the Underwriter agreed to fully underwrite the Offer Shares under the Open Offer
“Whitewash Waiver”	a waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligations on the Concert Group to make a mandatory general offer under Rule 26 of the Takeovers Codes for all the issued New Shares of the Company (not already owned or agreed to be acquired by the Concert Group) as a result of the completion of the Capital Reorganisation, the Open Offer and the Share Subscription
“Yeung Agreement”	the subscription agreement dated 20 December 2013 entered into between the Company and Mr. Yeung in relation to the issue and subscription of the CY Convertible Notes
“%”	per cent

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, 6 June 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.

As at the date of this announcement, the directors of the Investor are Mr. Suen Cho Hung, Paul and Mr. Sue Ka Lok.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Investor or any of its associates or any parties acting in concert with any of them) 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.

The directors of the Investor accepts full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Company or any of its associates or any parties acting in concert with any of them) and confirms, 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.