
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

If you have sold or transferred all your shares in Birmingham International Holdings Limited (Receivers Appointed), you should at once hand this Prospectus and the accompanying Application Form to the purchaser or the transferee, or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

A copy of each of the Prospectus Documents, together with other documents specified in the section headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of these documents.

Subject to the granting of the listing of, and permission to deal in the Offer Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Offer 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 Offer 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. Shareholders should consult their licensed securities dealers, registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers for details of the settlement arrangements and how such arrangements may affect their rights and interests.

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



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)

OPEN OFFER OF OFFER SHARES ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO NEW SHARES HELD ON THE OPEN OFFER RECORD DATE

Financial adviser to the Company



GOLDIN FINANCIAL LIMITED
高銀融資有限公司

Underwriter to the Open Offer

 **KINGSTON SECURITIES**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" of this Prospectus.

The latest time for acceptance of and payment for the Offer Shares is 4:00 p.m. on Friday, 30 September 2016. The procedures for acceptance of and payment for the Offer Shares are set out on pages 25 to 26 of this Prospectus. Shareholders and potential investors should note that the Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, the right to terminate the Underwriting Agreement thereunder on the occurrence of certain events as set out under the section headed "Termination of the Underwriting Agreement" of this Prospectus.

The Open Offer is conditional upon, among other things, the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms and conditions thereof as set out in the section headed "Termination of the Underwriting Agreement", and completion of the Subscriptions. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors of the Company should exercise extreme caution when dealing in the New Shares and other securities of the Company, and if they are in any doubt about their positions, they should consult their professional advisers.

15 September 2016

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DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Amazing Top”	Amazing Top International Enterprise Limited, a company incorporated in the British Virgin Islands which is 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
“Announcement”	the announcement of the Company dated 6 June 2016 in relation to, among others, the Proposed Restructuring
“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 (光瑋有限公司), a company incorporated in Hong Kong and wholly owned by Mr. Pannu
“associates”	has the meaning ascribed to it in the Listing Rules
“Authorised Share Capital Cancellation”	the 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 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 company incorporated under the laws of England and Wales, which is principally engaged in football club operation and wholly owned by BCP

DEFINITIONS

“BCLFC”	Birmingham City Ladies Football Club Limited, a company limited by shares which is incorporated under the laws of England and Wales and wholly owned by Mr. Pannu
“BCP”	Birmingham City PLC, of which 96.64% of the ordinary shares of GBP0.10 each are directly held by the Company, is a company which 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 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 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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 5 August 2016 in relation to, among other things, the Proposed Restructuring involving, among other things, the Open Offer including the Underwriting Agreement
“Companies Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 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

DEFINITIONS

“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
“Debt”	the debt owed to Mr. Yeung by the Company in the amount of HK\$9,028,399.06
“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

DEFINITIONS

“EGM”	an extraordinary general meeting of the Company convened on 29 August 2016 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
“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 to 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 Latest Practicable Date
“GBP”	Great Britain 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

DEFINITIONS

“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
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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, Mr. Wang Lei, Ms. Wang Man Li and parties acting in concert with any of them; and (ii) any Shareholders who are involved in and/or interested in the Capital Reorganisation, 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
“Initial Announcement”	the announcement of the Company dated 31 March 2015 in relation to, among others, the then progress of the possible restructuring of the Company
“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

DEFINITIONS

“Latest Acceptance Date”	30 September 2016, or such other date as agreed between the Company and the Underwriter, being the last date for acceptance of and payment for the Offer Shares
“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
“Latest Time for Termination”	4:00 p.m. on 6 October 2016, or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
“Latest Practicable Date”	9 September 2016, being the latest practicable date prior to the date of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
“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, a former director of BCP and BCFC 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 Company’s announcement in respect of its entry into the PP Settlement Agreement, and the sole registered shareholder of Asia Rays, Amazing Top and BCLFC

DEFINITIONS

“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 Latest Practicable Date
“Mr. Yeung”	Mr. Yeung Ka Sing, Carson, according to information available to the Directors, a substantial Shareholder holding approximately 27.89% of the issued share capital of the Company as at the Latest Practicable Date
“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 (as amended by a supplemental deed dated 8 June 2016 entered into between the Company and the Investor and announced by the Company on 8 June 2016)
“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

DEFINITIONS

“Open Offer Record Date”	14 September 2016 or such other date as the Underwriter may agree in writing with the Company, being the date by reference to which entitlements under the Open Offer are to be determined
“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
“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
“Placee(s)”	the purchaser(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, the placing agent under the Placing Agreement and a licensed corporation to carry out type 1 regulated activity (dealing in securities) under the SFO
“Placing Agreement”	the placing agreement entered into between the Investor and the Placing Agent 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 not less than 25% as required under the Listing Rules upon the Resumption (as amended by a side letter dated 6 September 2016 entered into between the Investor and the Placing Agent in relation to the amendments to the definitions of certain dates under the agreement, which are reflected in the expected timetable for the Proposed Restructuring set out in this Prospectus)
“Placing Shares”	being an aggregate of not less than 1,070,000,000 New Shares and not more than 1,175,000,000 New Shares to be placed under the Placing Agreement

DEFINITIONS

“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
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan for the purposes of this Prospectus
“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 (if any), as the case may be
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Excluded Shareholder(s) (if any), whose names appear on the register of members of the Company 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 as a matter of Hong Kong law
“Resumption”	resumption of trading in the Shares or the New Shares, as applicable, on the Stock Exchange
“Resumption Date”	the date of the Resumption

DEFINITIONS

“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
“Settlement Date”	6 October 2016, or such other date as the Underwriter and the Company may agree
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share Consolidation”	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
“Share Premium Cancellation”	the share premium cancellation of the Company upon the Capital Reduction becoming effective
“Share Subscription Agreement”	the subscription agreement dated 6 June 2016 entered into between the Company and the Investor in relation to the Share Subscription (as amended by a supplemental deed dated 8 June 2016 entered into between the Company and the Investor and announced by the Company on 8 June 2016)
“Share Subscription”	the subscription of 3,125,000,000 New Shares by the Investor pursuant to the terms of the Share Subscription Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company immediately before the Share Consolidation became effective

DEFINITIONS

“Shareholder(s)”	holder(s) of the Shares or the New Shares, as the case may be
“Side Letter”	the side letter to the Underwriting Agreement dated 6 September 2016 entered into between the Company and the Underwriter in relation to the amendments to, among others, the definitions of certain dates under the agreement, which are reflected in the expected timetable for the Proposed Restructuring set out in this Prospectus
“Special Audit”	the special audit on the consolidated financial statements of the Group for the year ended 30 June 2014 performed by ZHONGHUI ANDA CPA Limited, details of which are set out in the announcement of the Company dated 19 July 2016
“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 a 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 Hong Kong Code on Takeovers and Mergers
“UC Conversion Share(s)”	the New Share(s) to be allotted and issued by the Company upon exercise of the conversion rights attaching to the outstanding UC Convertible Notes

DEFINITIONS

“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 pursuant to the terms of the U-Continent First Agreement in the aggregate principal amount of HK\$50,000,000, the beneficial owner of which the Company understands to be U-Continent
“UC Second Convertible Notes”	the zero interest unsecured convertible notes issued by the Company pursuant to the terms of the U-Continent Second Agreement in the aggregate principal amount of HK\$125,000,000, the beneficial owner of which the Company understands to be U-Continent
“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
“U-Continent”	U-Continent Holdings Limited, an investment holding company and according to information available to the Receivers, a substantial Shareholder holding approximately 15.49% of the issued share capital of the Company as at the Latest Practicable Date and was wholly owned by Mr. Wang Lei as at the Latest Practicable Date
“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

DEFINITIONS

“Underwriter”	Kingston Securities Limited, an underwriter appointed by the Company to fully underwrite the Offer Shares to be issued under the Open Offer
“Underwriting Agreement”	the underwriting agreement dated 1 August 2016 entered into between the Company and the Underwriter in relation to the Open Offer, pursuant to which the Underwriter agreed to fully underwrite the Offer Shares under the Open Offer (as amended by the Side Letter)
“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

EXPECTED TIMETABLE

Event	Expected time/date
Latest time for acceptance of and payment for the Offer Shares	4:00 p.m. on Friday, 30 September 2016
Latest time for the termination of the Underwriting Agreement	4:00 p.m. on Thursday, 6 October 2016
Publication of the announcement in relation to the allotment results of the Open Offer	Friday, 7 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, 11 October 2016
If the Open Offer is terminated, refund cheques to be despatched	Tuesday, 11 October 2016
Publication of the announcement in relation to the completion of the Open Offer, the Share Subscription and the New CN Subscription.	Tuesday, 11 October 2016
Restoration of public float	Thursday, 13 October 2016
Publication of the announcement for restoration of public float and fulfilment of resumption conditions.	Thursday, 13 October 2016
Order granted by the High Court to discharge the Receivership Order and the release of the Receivers in respect of the receivership	Thursday, 13 October 2016
Completion of the CY Settlement Agreement and the UC Settlement Agreement	Monday, 17 October 2016
Resumption and dealing in the New Shares commence	9:00 a.m. on Monday, 17 October 2016

EXPECTED TIMETABLE

Designated broker starts to stand in the
market to provide matching services
for odd lot of New Shares. 9:00 a.m. on Monday, 17 October 2016

Publication of the announcement in relation to
the completion of the CY Settlement
Agreement and the UC Settlement Agreement Monday, 17 October 2016

Designated broker ceases to stand in the
market to provide matching services
for odd lot of New Shares. close of business on
Monday, 7 November 2016

Last day of free exchange of existing share
certificates for the new share certificates Wednesday, 9 November 2016

Notes:

- (1) As at the Latest Practicable Date, the conditions precedent as set out in the section headed “Conditions precedent to the PP Settlement Agreement” in the Circular have been fulfilled. On 7 September 2016, the documents in relation to the transfer of Mr. Pannu’s entire shareholding in BCLFC to BCFC were released to the Company. The parties to the PP Settlement Agreement are taking necessary steps to fulfil the remaining terms as prescribed under the PP Settlement Agreement.
- (2) The expected timetable set out above is tentative and for indicative purposes only. 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.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE OPEN OFFER

If there is a tropical cyclone warning signal number 8 or above; or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date, the latest time for acceptance of and payment for the Offer Shares will not take place at 4:00 p.m. on the Latest Acceptance Date, but will be extended to 5:00 p.m. on the same day instead;

- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date, the latest time for acceptance of and payment for the Offer Shares will not take place on the Latest Acceptance Date, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Offer Shares does not take place on the Latest Acceptance Date, the dates mentioned in the section headed “Expected Timetable” in this Prospectus may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination of the Underwriting Agreement (provided that if the date of the Latest Time for Termination of the Underwriting Agreement shall be a Business Day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the latest time for termination of the Underwriting Agreement shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above and no black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (a) there develops, occurs, exists or comes into force any event whereby in the absolute opinion of the Underwriter, the success of the Open Offer or the business or financial condition or prospects of the Group would, might be or is likely to be adversely affected or which makes it inadvisable or inexpedient to proceed with the Open Offer, including:
 - (i) the introduction of any new law or regulation or any change in existing laws or regulations (or any change in the judicial interpretation thereof) whether in Hong Kong or elsewhere; or
 - (ii) any change or deterioration (whether or not permanent) in local, national or international, economic, financial, political or military conditions or any event beyond the control of the Company (including, without limitations, acts of government, strikes, wars, acts of violence, acts of terrorism, sabotage, raids, attacks, explosion, flooding, civil commotion, terrorist attack, acts of God or accident); or
 - (iii) any change or deterioration (whether or not permanent) in local, national or international securities market conditions; or
 - (iv) without prejudice to the sub-clauses (ii) and (iii) above, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial or political circumstances or otherwise; or
 - (v) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict; or
- (b) there comes to the notice of the Underwriter or the Underwriter shall have reasonable cause to believe that any of the undertakings or other obligations expressed to be assumed by or imposed on the Company under the Underwriting Agreement have not been complied with in any respect; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (c) any statement contained in the Prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the Prospectus was issued at the time, constitute a material omission therefrom,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination of the Underwriting Agreement, to terminate the Underwriting Agreement.

Without prejudice to any other rights and remedies available at any time to the Company, the Company may, by notice to the Underwriter, terminate and rescind the Underwriting Agreement at any time before the Settlement Date if the Share Subscription Agreement or the New CN Subscription Agreement is terminated pursuant to the terms thereto or the Underwriter has failed to perform any of its obligations which it is required to perform under the Underwriting Agreement in any material respect, prior to the Settlement Date which, if capable of rectification, has not been rectified within five Business Days of a notice requiring rectification being given by the Company to the Underwriter, and in either case to rescind the Underwriting Agreement.

Upon the giving of the abovementioned notice(s), all parties to the Underwriting Agreement shall, save as otherwise provided in the Underwriting Agreement, be released and discharged from their respective obligations under the Underwriting Agreement, save for any antecedent breach of any obligation under the Underwriting Agreement and except that the clauses in relation to the delivery of notices, successors and assigns and confidentiality as specified in the Underwriting Agreement shall continue in full force and effect.

Either party to the Underwriting Agreement may, by notice to the other party, terminate the Underwriting Agreement at any time if any conditions precedent to the Underwriting Agreement as set out in the section headed “Conditions precedent to the Underwriting Agreement” of this Prospectus has not been satisfied or waived by the Underwriter, as the case may be, in accordance with such conditions.

If the Underwriting Agreement is terminated by the Underwriter prior to the Latest Time for Termination or does not become unconditional, the Open Offer will not proceed.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Liu Yiu Keung Stephen
Mr. Yen Ching Wai David
Ms. Koo Chi Sum

Independent non-executive Directors:

Mr. Cheung Yuk Ming
Mr. Law Pui Cheung
Mr. Lai Hin Wing Henry Stephen

Registered office:

4th Floor, Harbour Place
103 South Church Street
George Town, P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Room 1200, 12th Floor
Wing On Centre
111 Connaught Road Central
Sheung Wan, Hong Kong

15 September 2016

*To the Qualifying Shareholders and,
for information only, the Excluded Shareholders*

Dear Sir or Madam,

**OPEN OFFER OF OFFER SHARES ON THE BASIS OF ONE OFFER
SHARE FOR EVERY TWO NEW SHARES HELD ON
THE OPEN OFFER RECORD DATE**

INTRODUCTION

References are made to the Announcement, the announcement of the Company dated 8 June 2016 and the Circular in relation to, among other things, the Proposed Restructuring involving, among other things, the Open Offer including the Underwriting Agreement. As part of the Proposed Restructuring, the Company proposed to, subject to the Capital Reorganisation becoming effective, implement the Open Offer and entered into the Underwriting Agreement with the Underwriter on 1 August 2016 pursuant to which the Underwriter has agreed to fully underwrite the Offer Shares.

LETTER FROM THE BOARD

On 5 August 2016, the Circular was despatched to the Shareholders. At the EGM held on 29 August 2016, resolutions approving, among other things, the Open Offer including the Underwriting Agreement were duly passed by the Independent Shareholders by way of poll.

The Capital Reorganisation has become effective on 7 September 2016. As at the Latest Practicable Date, there were 484,054,336 New Shares in issue.

The purpose of this Prospectus is to provide the Shareholders with further information in relation to the Open Offer including the information on dealings in and application for the Offer Shares, and certain financial and other information of the Group.

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 Capital Reorganisation has become effective on 7 September 2016.

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 New Shares in issue as at the Open Offer Record Date and the Latest Practicable Date	:	484,054,336 New Shares
Number of Offer Shares expected to be issued	:	242,027,168 Offer Shares, representing:

LETTER FROM THE BOARD

- (i) approximately 50.00% of the issued share capital of the Company as at the Latest Practicable Date;
- (ii) approximately 33.33% of the issued share capital of the Company as at the Latest Practicable Date as enlarged by the issue and allotment of the Offer Shares;
- (iii) approximately 6.28% of the issued share capital of the Company as at the Latest Practicable Date 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 as at the Latest Practicable Date 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.

Underwriting arrangement : Fully underwritten by the Underwriter

As at the Latest Practicable Date, there are Existing Convertible Notes in the aggregate principal amount of HK\$232,500,000 to subscribe for an aggregate of 567,073,168 New Shares based on the adjusted conversion price of HK\$0.41, details of the adjustments of which are set out in the section headed “Adjustments to the Conversion Price of the Existing Convertible Notes” of the Circular, after taking into account the effects of the Share Consolidation and the Open Offer. Pursuant to the CY Settlement Agreement and the UC Settlement Agreement, Mr. Yeung and U-Continent respectively undertake to the Company that he and/or it will not exercise any conversion rights attached to the CY Convertible Notes and the UC Convertible Notes at any time before the New Shares resume trading. 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 New Shares as at the Latest Practicable Date. Accordingly, based on 484,054,336 New Shares 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

LETTER FROM THE BOARD

be issued upon completion of the Open Offer. The Company has not procured any other undertaking and has not received any information or undertaking provided by any other Shareholders of their intentions to subscribe for their entitlement under the Open Offer or any arrangement that may have an effect on the Open Offer as at the Latest Practicable Date.

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 in issue as at the Latest Practicable Date); 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 as at 5:00 p.m. on the Open Offer Record Date and must be a Qualifying Shareholder. The New Shares have been dealt with on an ex-entitlement basis since Friday, 9 September 2016.

LETTER FROM THE BOARD

This Prospectus will not be registered or filed under the securities legislation of any jurisdiction other than Hong Kong. The Company has despatched the Prospectus Documents to each of the Qualifying Shareholders and, for information only, the Prospectus to each of the Excluded Shareholders (if any).

In respect of the Open Offer, 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 Overseas Shareholders

There was no Excluded Shareholder as at the Latest Practicable Date. According to the register of members of the Company as at the Latest Practicable Date, there is one Overseas Shareholder whose address on the register of members is in the PRC. The Company has made enquiries with the legal adviser as to the PRC laws regarding the legal restrictions with respect to the offering of the Offer Shares to such Overseas Shareholder. Based on the opinion of such legal adviser, the Directors have concluded that the Company will extend the Open Offer to such Overseas Shareholder in the PRC as there are no legal restrictions under the PRC laws prohibiting the Company from offering the Offer Shares to Shareholders whose registered address is located in the PRC and no local legal or regulatory compliance is required to be made by the Company in the PRC jurisdiction to offer the Offer Shares. Accordingly, the Open Offer will be extended to such Overseas Shareholder and the Prospectus Documents will be sent to such Overseas Shareholder.

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

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.

LETTER FROM THE BOARD

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.

Status of the Offer Shares

When allotted, issued and fully paid, the Offer 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. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made and paid on or after the date of allotment and issuance of the Offer Shares.

Application for listing of the Offer Shares

The Company has made an application to the Stock Exchange for the listing of, and permission to deal in the Offer Shares. Subject to the granting of the listing of, and permission to deal in the Offer Shares and compliance with the stock admission requirements of HKSCC, the Offer 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 Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transaction 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. Dealing in the Offer Shares may be settled through CCASS. Shareholders should consult their licensed securities dealers, registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers for details of the settlement arrangements and how such arrangements may affect their rights and interests. The Offer Shares will be traded in board lot size of 20,000 New Shares each.

Stamp duties and other fees and charges

Dealings in the Offer Shares which are registered in the register of members of Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

LETTER FROM THE BOARD

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of holding or dealing in the Offer Shares. It is emphasised that none of the Company, the Directors or any other parties involved in the Open Offer accept responsibility for any tax effects or liability of holders of the Offer Shares resulting from the acceptance, holding or disposal of or dealing in the Offer Shares.

Procedures for acceptance of and payment for the Offer Shares

An Application Form is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Offer Shares shown thereon. If the Qualifying Shareholder(s) wish(es) to exercise its/his/her rights to subscribe for all the Offer Shares allocated to it/him/her on an assured allotment basis as specified in the Application Form, it/he/she must lodge the Application Form in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with Tricor Tengis Limited, the Company's branch share registrar in Hong Kong, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:00 p.m. on Friday, 30 September 2016. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**Birmingham International Holdings Limited (Receivers Appointed)**" and crossed "**Account Payee Only**".

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance have been lodged with Tricor Tengis Limited, the Company's branch share registrar in Hong Kong, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:00 p.m. on Friday, 30 September 2016, the relevant assured allotment of Offer Shares and all rights and entitlements in relation thereto shall be deemed to have been declined and will be cancelled.

The Application Form contains full information regarding the procedures to be followed if the Qualifying Shareholder(s) wish(es) to accept the whole or part of its/his/her assured entitlement(s). All cheques or cashier orders accompanying completed Application Form will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an Application Form with a cheque and/or cashier order in payment for the Offer Shares accepted will constitute a warranty by the applicant(s) that the cheque and/or cashier order will be honoured on first presentation. Any application in respect of which the accompanying cheque or cashier order is dishonoured on first presentation is liable to be rejected, and in that event the assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled. No receipt will be issued in respect of any Application Form and application monies received.

LETTER FROM THE BOARD

If the conditions precedent to the Open Offer are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms by the Latest Time for Termination, the Open Offer will not proceed and the application monies will be refunded, without interest, by sending a cheque made out to the applicant (or in the case of joint applicants, to the first named applicant) and crossed “**Account Payee Only**”, to be despatched by ordinary post to its/his/her registered address and, in the case of joint applicants, to the registered address of the applicant whose name first appears on the register of members of the Company at the risk of such applicants by Tuesday, 11 October 2016.

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, 11 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 by Tuesday, 11 October 2016.

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.

THE UNDERWRITING AGREEMENT

On 1 August 2016, the Company and the Underwriter entered into the Underwriting Agreement pursuant to which the Underwriter has conditionally agreed to fully underwrite the Offer Shares. Principal terms of the Underwriting Agreement are set out below:

Date	:	1 August 2016
Parties	:	(1) the Company; and (2) the Underwriter
Number of Offer Shares expected to be fully underwritten by the Underwriter	:	All Offer Shares, being 242,027,168 Offer Shares

LETTER FROM THE BOARD

Underwriting commission : 2.5% of the aggregate Offer Price of the Offer Shares, which was determined after arm's length negotiations between the Company and the Underwriter with reference to, among other things, the scale of the Open Offer and the market rate, and the Board considers that the underwriting commission rate to be fair and reasonable and in the interests of the Company and the Shareholders as a whole

The Underwriter is a corporation licensed to carry out type 1 (dealing in securities) regulated activities under the SFO. The Underwriter is an independent third party not connected with the Company and its connected persons and the Investor. Save for being the Placing Agent under the Placing Agreement, the Underwriter is not a party acting in concert with the Investor and/or Mr. Suen. As at the Latest Practicable Date, none of the Underwriter, its ultimate beneficial owners and/or parties acting in concert with it was interested in any New Shares.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, the right to terminate the Underwriting Agreement thereunder on the occurrence of certain events. For details, please refer to the section headed "Termination of the Underwriting Agreement" of this Prospectus.

If the Underwriting Agreement is terminated by the Underwriter prior to the Latest Time for Termination or does not become unconditional, the Open Offer will not proceed.

Conditions precedent to the Underwriting Agreement

The obligations of the Underwriter under the Underwriting Agreement will be conditional on:

- (a) the passing in compliance with the Listing Rules and the Takeovers Code by the Independent Shareholders at the EGM authorising the performance of the transactions contemplated under the Open Offer;
- (b) the Prospectus Documents being duly approved by the Directors, the signing by or on behalf of all of the Directors on or before the Prospectus Posting Date of two copies of each of the Prospectus Documents and the certification by two Directors in the manner as mentioned in clause (c) below of two copies of each of the Prospectus Documents and the delivery on or before the Prospectus Posting Date of one such signed copy of each of the Prospectus Documents to the Underwriter;

LETTER FROM THE BOARD

- (c) the delivery to the Stock Exchange and the registration by the Registrar of Companies in Hong Kong respectively on or prior to the Prospectus Posting Date of one copy of each of the Prospectus Documents each duly certified in compliance with section 342C of the Companies Ordinance (and all other documents required to be attached thereto);
- (d) the posting of the Prospectus Documents to the Qualifying Shareholders and the Prospectus marked “For information only” to the Excluded Shareholders (if any), in each case, on the Prospectus Posting Date;
- (e) compliance by the Company with all its obligations under the clauses in relation to the allotment of the Offer Shares and delivery of the certain documents as specified in the Underwriting Agreement;
- (f) the Listing Committee granting listing of, and permission to deal in, the Offer Shares either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the dates specified in such approval and not having withdrawn or revoked such listings and permission at or before 4:00 p.m. on the Settlement Date;
- (g) 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;
- (h) completion at or about the same time of the Share Subscription Agreement and the New CN Subscription Agreement;
- (i) completion of the Capital Reorganisation;
- (j) the Whitewash Waiver having been granted by the Executive and the satisfaction of any conditions attached thereto, if any;
- (k) the Executive granting its consent to the Special Deals and the satisfaction of any conditions attached thereto, if any; and
- (l) the High Court having granted its approval, if required, in respect of the Capital Reorganisation, the Open Offer and the Underwriting Agreement.

LETTER FROM THE BOARD

If the abovementioned conditions (a), (b), (c) and (d) have not been satisfied in whole or in part by the Company on or before the Prospectus Posting Date (or such later date as the Underwriter may agree) or if other abovementioned conditions have not been satisfied by the Underwriter at or before 4:00 p.m. on the Settlement Date (or such later date as the Underwriter may agree), the Underwriting Agreement shall lapse and all liabilities of the Company and the Underwriter shall cease and determine and none of them shall have any claim against the other. For the avoidance of doubt, none of the conditions precedent to the Underwriting Agreement is capable of being waived. As at the Latest Practicable Date, the abovementioned conditions (a), (g), (i), (k) and (l) have been fulfilled.

REASONS FOR THE OPEN OFFER AND THE USE OF PROCEEDS

The Company is an investment holding company, together with its subsidiaries, are principally engaged in the operation of a professional football club 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 gross proceeds from the Open Offer will amount to approximately HK\$19,362,000. 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\$5,219,000, further details including the breakdown of which are set out in the section headed “Expenses” of Appendix III to this Prospectus) 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\$264,143,000, of which (i) approximately HK\$120 million is intended to be used to satisfy the annual working capital requirement of BCFC for part of season 2016/2017 and the entire season 2017/2018 (which shall primarily be used to cover the shortfall of operating cash flows of BCFC comprising mainly expenditures on wages and benefits of football players, salaries of football club management and staff, and running costs of the football stadium and match expenses representing approximately 32%, approximately 30% and approximately 26% respectively of the total estimated operating expenditure of BCFC for the two seasons); (ii) approximately HK\$24 million is intended to be used to finance the expenses incurred from the operations in Hong Kong (which shall primarily be used to cover the operating expenses of the Company’s head office in Hong Kong comprising mainly expenditures on salaries of staff and directors of the Company, administrative expenses of the Company, running costs of the Hong Kong office representing approximately 37%, approximately 32% and approximately 5% respectively of the total estimated expenditure of the Hong Kong operations for the period up till June 2018); and (iii) approximately HK\$120 million is intended to be used to, when considered appropriate, acquire additional talented players

LETTER FROM THE BOARD

who are expected to make contribution to and help enhancing 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 anticipated that such amount of HK\$120 million would allow BCFC to recruit around eight to ten talented players for future football seasons. Assuming that the Proposed Restructuring will be completed and hence the proceeds from the Open Offer and the Subscriptions will be received before the end of October 2016, BCFC could utilise the proceeds received to recruit additional players during the opening of the transfer window in January 2017. Depending on the performance of the team as a whole and of individual players during the first part of season 2016/2017, BCFC will identify talented players for various positions, i.e. strikers, midfielders, defenders and goalkeepers when considered appropriate in order to strengthen the competitiveness of the team. It is expected that the net proceeds from the Open Offer will be used in proportion to the intended allocation of the net proceeds from the Open Offer and the Subscriptions (after deducting the estimated expense) as set out above. Further, 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 the team with the aim to get promoted to the Premier League.

As at the Latest Practicable Date, no potential investment opportunity has been identified. The total funding needs of approximately HK\$144 million up till the end of season 2017/2018, i.e. June 2018, was estimated by the Board after taking into account the historical annual working capital requirement of BCFC and expenses incurred from the Hong Kong operations, and together with the estimated funding of HK\$120 million required for the implementation of the aforesaid recruitment plan, shall be satisfied by the total net proceeds from the Open Offer and the Subscriptions. While the Company has no plan to conduct further fund raising activities given that there is no additional funding needs for the next 12 months following Resumption based on the Board's latest estimates, in particular, the recruitment plan as disclosed above, the Board will closely monitor the performance of the team and subject to the performance of the team, BCFC may, when considered appropriate, recruit additional players with higher budgets than initially anticipated who could potentially assist the team to get promoted to the Premier League in the future, and funding needs may therefore arise. 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.

When determining the structure of the fund raising exercises, in particular, whether the Open Offer would be included in the Proposed Restructuring, the Company has taken into account that (i) the Open Offer regardless of its scale could in any event provide an opportunity to the existing Shareholders to participate in the potential growth of the Group

LETTER FROM THE BOARD

upon completion of the Proposed Restructuring; (ii) the immediate and future funding needs of the Group to support its operations and the willingness of the Investor to provide such fundings during the negotiations of the terms of the Subscription Agreements with the Company, which resulted in the size of the Subscriptions being relatively larger than the Open Offer; and (iii) the uncertainties in being able to identify an underwriter for an open offer offering favourable terms to the Company in light of the prolonged suspension in the trading of the Shares, the loss making results and the net current liabilities position of the Group, and if the open offer will involve a larger fund raising size, it is expected that the difficulty would further increase, in short, owing to the uncertainties involve in identifying an underwriter for a large size open offer, it follows that the fund raising size of the Open Offer is relatively smaller as compared with that of the Subscriptions. In setting the Offer Price, the Company has made reference to the Company's loss making results and consolidated net liabilities position as at 31 December 2015, where the Offer Price represents a premium over the unaudited capital deficiency attributable to owners of the Company of approximately HK\$0.051 per New Share as at 31 December 2015 (based on the unaudited capital deficiency attributable to owners of the Company of approximately HK\$24.68 million as at 31 December 2015 and 484,054,336 New Shares to be in issue upon the Capital Reorganisation becoming effective). In respect of the selection of the Underwriter for the Open Offer, the Company had previously negotiated with three securities firms in respect of the Open Offer and the Underwriter has been selected as its commission rate charging to the Company for the underwriting is the lowest. The terms of the Open Offer were determined based on (i) the immediate and future funding needs for the operations of the Group and for the implementation of the aforesaid recruitment plan of BCFC; (ii) the rationale of fund raising size of each of the Open Offer and the Subscriptions as elaborated above; and (iii) the setting of the Offer Price of HK\$0.08 being in line with the Subscription Price and the Conversion Price, which represents a premium over the consolidated net liabilities per New Share as at 31 December 2015. Based on the above, the Directors 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.

CHANGES IN SHAREHOLDING STRUCTURE

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

- (i) scenario (i) as at the Latest Practicable Date;
- (ii) scenario (ii) 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;

LETTER FROM THE BOARD

- (iii) scenario (iii) upon completion of the Proposed Restructuring but before completion of the Placing Agreement and assuming (a) no conversion of the Existing Convertible Notes, and (b) no conversion of the New Convertible Notes;
- (iv) scenario (iv) upon completion of the Proposed Restructuring and completion of the Placing Agreement and assuming (a) no conversion of the Existing Convertible Notes, and (b) no conversion of the New Convertible Notes; and
- (v) scenario (v) upon completion of the Proposed Restructuring and completion of the Placing Agreement 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 Latest Practicable Date.

LETTER FROM THE BOARD

Assuming nil subscription by the Qualifying Shareholders under the Open Offer

Scenarios	(i)		(ii)		(iii)		(iv)		(v)			
	Number of Shares	Approximate %	Upon completion of the Open Offer but before completion of the Share Subscription Agreement, the New CN Subscription Agreement, the CV Settlement Agreement and the UC Settlement Agreement and assuming no conversion of the Existing Convertible Notes (Note 2)	Number of Shares	Approximate %	Upon completion of the Proposed Restructuring but before completion of the Placing Agreement and assuming (a) no conversion of the Existing Convertible Notes; and (b) no conversion of the New Convertible Notes	Number of Shares	Approximate %	Upon completion of the Proposed Restructuring and completion of the Placing Agreement and assuming (a) full conversion of the Existing Convertible Notes; and (b) full conversion of the New Convertible Notes	Number of Shares	Approximate %	
Shareholders	<i>As at the Latest Practicable Date</i>											
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Yeung and his concert parties	135,000,000	27.89	135,000,000	18.59	135,000,000	3.51	135,000,000	3.51	409,390,243	6.51	409,390,243	6.51
U-Continent and its concert parties	75,000,000	15.49	75,000,000	10.33	75,000,000	1.95	75,000,000	1.95	367,682,925	5.84	367,682,925	5.84
Investor and its concert parties	—	—	—	—	3,125,000,000	81.15	3,125,000,000	81.15	3,930,000,000	62.45	3,930,000,000	62.45
Public Shareholders												
Underwriter (Note 1)	—	—	242,027,168	33.33	242,027,168	6.28	242,027,168	6.28	242,027,168	3.85	242,027,168	3.85
Independent places	—	—	—	—	—	—	1,070,000,000	27.79	1,070,000,000	17.00	1,070,000,000	17.00
Other public Shareholders	274,054,336	56.62	274,054,336	37.75	274,054,336	7.11	274,054,336	7.11	274,054,336	4.35	274,054,336	4.35
Total	484,054,336	100.00	726,081,504	100.00	3,851,081,054	100.00	3,851,081,504	100.00	6,293,154,672	100.00	6,293,154,672	100.00

LETTER FROM THE BOARD

Assuming full subscription by the Qualifying Shareholders under the Open Offer

Scenarios	(i)		(ii)		(iii)		(iv)		(v)	
	As at the Latest Practicable Date	Approximate %	Upon completion of the Open Offer but before completion of the Share Subscription Agreement, the New CN Subscription Agreement, the CV Settlement Agreement and the UC Settlement Agreement and assuming no conversion of the Existing Convertible Notes	Approximate %	Upon completion of the Proposed Restructuring but before completion of the Placing Agreement and assuming (a) no conversion of the Existing Convertible Notes; and (b) no conversion of the New Convertible Notes	Approximate %	Upon completion of the Proposed Restructuring and completion of the Placing Agreement and assuming (a) no conversion of the Existing Convertible Notes; and (b) no conversion of the New Convertible Notes	Approximate %	Upon completion of the Proposed Restructuring and completion of the Placing Agreement and assuming (a) full conversion of the Existing Convertible Notes; and (b) full conversion of the New Convertible Notes	Approximate %
Shareholders	Number of Shares		Number of Shares		Number of Shares		Number of Shares		Number of Shares	
Mr. Yeung and his concert parties	135,000,000	27.89	202,500,000	27.89	202,500,000	5.26	202,500,000	5.26	476,890,243	7.58
U-Continent and its concert parties	75,000,000	15.49	112,500,000	15.49	112,500,000	2.92	112,500,000	2.92	405,182,925	6.44
Investor and its concert parties	—	—	—	—	3,125,000,000	81.15	1,950,000,000	50.64	3,825,000,000	60.78
Public Shareholders										
Underwriter	—	—	—	—	—	—	—	—	—	—
Independent places	—	—	—	—	—	—	1,175,000,000	30.51	1,175,000,000	18.67
Other public Shareholders	274,054,336	56.62	411,081,504	56.62	411,081,504	10.67	411,081,504	10.67	411,081,504	6.53
Total	484,054,336	100.00	726,081,504	100.00	3,851,081,054	100.00	3,851,081,504	100.00	6,293,154,672	100.00

LETTER FROM THE BOARD

Notes:

- (1) Pursuant to the Underwriting Agreement, the Underwriter undertakes (A) 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 parties acting in concert (as defined in the Takeovers Code) with it, 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; and (B) to only procure subscribers who are independent and not acting in concert with the Investor.
- (2) Scenario (ii) illustrates the effect of the Open Offer 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 cannot 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, on 1 August 2016, the Investor entered into the Placing Agreement with the Placing Agent pursuant to which the Investor has agreed to place, and the Placing Agent has agreed to, on a best effort basis, procure the Placees to subscribe for an aggregate of not less than 1,070,000,000 Placing Shares and not more than 1,175,000,000 Placing Shares at the placing price of HK\$0.08 per Placing Share (together with such Hong Kong stamp duty, Stock Exchange trading fee, SFC transaction levy or other CCASS fee(s) as may be payable by the Placees). To the best of the Directors' knowledge, save for being the Placing Agent under the Placing Agreement, the Placing Agent is a third party independent of the Company and its connected persons and is not a party acting in concert with the Investor. The Placing Agent shall use all reasonable endeavours to ensure the Placees will be professional, corporate, institutional and/or individual investors and that the Placees and their ultimate beneficial owners shall be Independent Third Parties. It is expected that no Placee will become a substantial shareholder (as defined under the Listing Rules) of the Company upon completion of the Placing Agreement. Completion of the Placing Agreement will take place no later than two Business Days after completion of the Share Subscription or such other date as may be agreed by the parties such that the public float of the New Shares will be restored to no less than 25% as required under the Listing Rules upon the Resumption. The Placing Shares will be sold free of all liens, charges and encumbrances and together with the rights attaching to them, including the right to receive all dividends declared, made or paid after the date of completion of the Placing Agreement and when issued, will be fully paid up and rank *pari passu* in all respects with the other New Shares then in issue.

LETTER FROM THE BOARD

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. 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. Accordingly, sufficient public float of the Company will be restored.

LETTER FROM THE BOARD

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 7.24(5)(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 the Latest Practicable Date, the Open Offer is subject to the Independent Shareholders' approval at the EGM given that it forms part of the Proposed Restructuring. 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.

As at the date of the EGM, Mr. Yeung and U-Continent and their respective associates were interested in 2,700,000,000 Shares and 1,500,000,000 Shares, respectively. The Investor, its ultimate beneficial owners, Mr. Yeung, RY, U-Continent, Mr. Pannu, Asia Rays, Amazing Top, Mr. Wang Lei, Ms. Wang Man Li and parties acting in concert with any of them have abstained from voting at the EGM on the resolutions in respect of, among other things, the Open Offer and the transactions contemplated under the Underwriting Agreement.

EQUITY FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company had not conducted any equity fund raising activities during the past 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

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

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the years ended 30 June 2013 and 30 June 2015, including the independent auditor's report thereon and the notes thereto, is set out in the annual reports of the Company for the years ended 30 June 2013 and 30 June 2015 respectively. Financial information of the Group for the year ended 30 June 2014, including the independent auditor's report thereon and the notes thereto, is set out in the Special Audit and the announcement of the Company dated 19 July 2016 in relation to the Special Audit. Financial information of the Group for each of the six months ended 31 December 2014 and 31 December 2015 is set out in the interim report of the Company for the six months ended 31 December 2015. All of the aforesaid annual reports, interim report and announcement in relation to the Special Audit of the Company have been published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the website of the Company at <http://www.irasia.com/listco/hk/birminghamint/>.

2. FINANCIAL AND TRADING PROSPECTS

It is the intention of the Investor that following completion of the Proposed Restructuring, the Group will continue its existing principal business of professional football club operation in the United Kingdom.

Upon completion of the Open Offer and the Subscriptions, it is expected that, after the offset against the drawn down amount of the Loans, additional income will be generated to the Group which will enable the Group to meet the English Football League's funding requirement as well as having sufficient capital for boosting the performance of the team with the aim to get promoted to the Premier League.

It is anticipated that the financial position of the Group will be substantially improved upon (i) the successful implementation of the Proposed Restructuring; and (ii) the resumption of trading in the Shares of the Company on the Stock Exchange.

3. INDEBTEDNESS

As at the close of business on 31 July 2016, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the indebtedness of the Group was as follows:

	<i>HK\$'000</i>
Borrowings	
Loan from the Investor-secured (<i>Note a</i>)	172,114
Loan from U-Continent-unsecured (<i>Note b</i>)	<u>120,000</u>
	<u>292,114</u>
Amounts due to former directors (<i>Note c</i>)	10,769
Finance lease payables (<i>Note d</i>)	<u>256</u>
	<u><u>303,139</u></u>

Notes:

- (a) As at 31 July 2016, the secured loan from the Investor carries interest at 8% per annum and is repayable within 18 months from the date of the Loan Facility Agreement. The loan is secured by (i) a first fixed legal charge over the property owned by BCFC with a carrying value of approximately GBP19,000,000 (equivalent to approximately HK\$195,000,000); (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 books and other debts, both present and future granted or to be granted by BCFC. On 31 May 2016, the Company and the Investor mutually agreed that the maturity date of the Loan Facility Agreement shall be extended to 25 June 2018 in accordance with the terms and conditions of the Loan Facility Agreement.
- (b) On 5 February 2014, the Company issued the UC First Convertible Notes of principal amount of HK\$50,000,000 to U-Continent. On 21 February 2014, HK\$10,000,000 of the UC First Convertible Notes was converted into 333,333,333 ordinary shares of the Company. In 2014, the Company issued the UC Second Convertible Notes in two tranches of principal amount of HK\$125,000,000 (as to HK\$105,000,000 under the first tranche issued on 5 February 2014 and HK\$20,000,000 under the second tranche issued on 14 April 2014) to U-Continent. On 9 October 2014, HK\$45,000,000 of the UC Second Convertible Notes was converted into 1,500,000,000 ordinary shares of the Company.

Subsequently, the Company rescinded the U-Continent Agreements by way of a letter to U-Continent dated 20 July 2015 and filed a writ of summons against U-Continent in the High Court on 21 July 2015 claiming for loss and damages suffered by the Company as a result of the alleged misrepresentations made by U-Continent, details of which are set out in the announcement of the Company dated 21 July 2015.

As a result of the above legal action, the Company has classified the remaining balance of the UC First Convertible Notes of HK\$40,000,000 and the UC Second Convertible Notes of HK\$80,000,000, totaling HK\$120,000,000 as at 31 July 2016, as an amount due to U-Continent, and included in borrowings.

On 12 April 2016, the Company entered into the UC Settlement Agreement with U-Continent to extend the maturity dates of the unconverted UC First Convertible Notes and UC Second Convertible Notes to 31 December 2016 or such other date as the parties to the UC Settlement Agreement may agree in writing (with all the other terms and conditions of the unconverted UC Convertible Notes remain unchanged) subject to the terms and conditions of the UC Settlement Agreement. Up to the date of this statement of indebtedness, the conditions of the UC Settlement Agreement have not been fulfilled.

- (c) Amounts due to former directors are unsecured, unguaranteed, interest free and repayable on demand.
- (d) The Group's unguaranteed finance lease obligations are secured by motor vehicles.

Contingent liabilities

As at 31 July 2016, the Group had the following contingent liabilities and potential claims:

(a) *Player transfer costs*

Under the terms of certain contracts with players and other football clubs, additional amounts would become payable if certain specific performance conditions are met after 31 July 2016. The maximum amount not provided that could be payable in respect of the transfers up to 31 July 2016 is approximately HK\$34,804,000.

(b) *Outstanding litigations*

(i) *High Court Action No. 1099 of 2013*

On 9 May 2013, Mr. Lee Yiu Tung, a former executive director of the Company, filed a claim with the Labour Tribunal of Hong Kong against the Company for, amongst others unpaid wages, wages in lieu of notice and expenses allegedly paid by him on behalf of the Company for a sum of approximately HK\$1,484,000. The Company made a counterclaim against Mr. Lee Yiu Tung on 8 October 2013 in respect of, amongst others, wages paid to him in the aggregate sum of HK\$240,000 for the months from July to October 2012 and reimbursement of out-of-pocket expenses paid by the Company to him during 2010 to 2012 totaling HK\$2,000,000 for business and projects not related to the Company. On 4 June 2013, the Labour Tribunal of Hong Kong made an order to transfer the case to the High Court.

At a Case Management Conference held on 16 September 2015 at the High Court, the High Court directed that the Case Management Conference be adjourned to 27 April 2016, and ordered the Company to provide its list of documents within eight weeks and the parties to exchange witness statements within six months. On 15 December 2015, the Company provided the list of documents to Mr. Lee Yiu Tung. The parties were required to exchange witness statement(s) on or before 16 March 2016. On 30 March 2016, the High Court ordered, inter alia, that (i) the parties should exchange their witness statements by 4 p.m. on 11 May 2016; and (ii) the 3rd Case Management Conference be adjourned to 12 October 2016 at 10:30 a.m. Subsequently, on 11 May 2016, by consent, the parties agreed to stay the proceedings until 9 August 2016 pending settlement negotiations between the parties. As at the latest practicable date for the purpose of this statement of indebtedness, no settlement agreement has been reached between the parties. For the avoidance of doubt, the 3rd Case Management Conference will be proceeded as fixed on 12 October 2016.

(ii) *High Court Action No. 1648 of 2015*

References are made to the section headed “Background of the UC Settlement Agreement” in the letter from the Board in the Circular, the announcements of the Company dated 21 July 2015 and 26 April 2016, respectively, and the Announcement. As disclosed therein, the Company had instituted legal proceedings against U-Continent in connection with alleged misrepresentations made by U-Continent in the U-Continent Agreements. By way of a letter dated 20 July 2015, the Company had 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 and claiming for loss and damages suffered by the Company as a result of the alleged misrepresentations.

On 12 April 2016, the Company entered into the UC Settlement Agreement with U-Continent. Pursuant to the terms of the UC Settlement Agreement, the Company and U-Continent shall, within seven (7) Business Days, jointly sign and file consent summons at the High Court 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. As the Company has not taken any steps to serve the writ on U-Continent and U-Continent is not in a position to sign any consent summons for interim stay, the Company provided an undertaking by way of a letter dated 15 April 2016 that the Company would not serve the writ against U-Continent (subject to certain obligations of the Company and U-Continent set out in the UC Settlement Agreement). On 26 April 2016, U-Continent’s solicitors replied saying that U-Continent

is agreeable to the Company's provision of the undertaking. Pursuant to the UC Settlement Agreement, within seven (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" in the letter from the Board in the Circular whichever is later, among others, the Company shall file and serve a notice of discontinuance under the High Court Action No. 1648 of 2015. As at the latest practicable date for the purpose of this statement of indebtedness, none of the aforesaid conditions precedent has been fulfilled. The latest status of the fulfilment of the conditions precedent to the UC Settlement Agreement is disclosed in the section headed "Litigations" of Appendix III to this Prospectus.

(iii) *Discharge application, LBTC 1470/2015, HCA 1355/2015 and HCA 1590/2015*

References are made to the sections headed "Background of the CY Settlement Agreement" and "Background of the PP Settlement Agreement" in the letter from the Board in the Circular, the announcements of the Company dated 16 March 2015, 25 March 2015, 15 July 2015, 6 November 2015, 14 March 2016 and 10 May 2016, respectively, and the Announcement.

On 23 March 2015, the Receivers were served with a summons issued by Mr. Yeung seeking, amongst other, to discharge or vary the Receivership Order. At the hearing of the discharge application on 1 April 2015, the High Court directed that the hearing to be adjourned to a date to be fixed (the "Adjourned Hearing") and, in the meantime, be advertised with directions that any interested Shareholders wishing to participate could apply to intervene in the Adjourned Hearing. On 24 July 2015, a group of minority Shareholders issued a summons to intervene in the hearing and seeking an order that the Receivers continue in office until Resumption or further order. The Adjourned Hearing was held on 31 July 2015 to hear the discharge application and the application of the minority Shareholders issued on 24 July 2015. The decision of the Adjourned Hearing was delivered on 28 August 2015, pursuant to which the High Court ordered that the Receivership Order to be continued until the Resumption or further order. By way of a summons dated 9 September 2015, Mr. Yeung applied to the High Court for leave to appeal the aforesaid decision of the High Court made on 28 August 2015, which was subsequently disposed of by the High Court on the papers as agreed among the parties by consent. Mr. Yeung was directed to file his skeleton submissions by 12 January 2016 and the Receivers and minority Shareholders were directed to file their respective skeleton submissions by 19 January 2016.

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 of him 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 a writ of summons dated 13 July 2015, the Company and BCFC commenced legal proceedings under HCA 1590/2015 against (i) 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 BCFC; and (ii) Asia Rays and Amazing Top 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 claim 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.

On 8 March 2016, the Company, together with BCFC, entered into the CY Settlement Agreement with Mr. Yeung and RY. Subsequent to the signing of the CY Settlement Agreement, the parties thereto have, among others, jointly signed and filed consent summonses at the High Court to apply for an interim stay of (i) HCA 1590/2015; and (ii) Mr. Yeung's pending appeal of the Receivership Order in the High Court under High Court Miscellaneous Proceedings No. 395 of 2015. Pursuant to the CY Settlement Agreement, within seven (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” in the letter from the Board in the Circular whichever is later, among others, (i) 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 the recognition of the Receivership Order, and for the Company to withdraw its pending application in the Grand Court for recognition of Receivership Order; and (ii) the Company and BCFC shall take steps to discontinue HCA 1590/2015 as against Mr. Yeung and any action against RY (if any). As at the latest practicable date for the purpose of this statement of indebtedness, none of the aforesaid conditions precedent has been fulfilled. The latest status of the fulfilment of the conditions precedent to the CY Settlement Agreement is disclosed in the section headed “Litigations” of Appendix III to this Prospectus.

On 4 May 2016, the Company, BCFC, Mr. Pannu, Asia Rays and Amazing Top entered into the PP Settlement Agreement. Pursuant to 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” in the letter from the Board in the Circular, (i) the Company and BCFC shall sign and file, and do all other necessary acts to cause or procure all parties named under HCA 1590/2015 to sign and file, consent summons at the High Court as soon as practicable to 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 (ii) Mr. Pannu shall sign and file, do all other necessary acts to cause or procure all parties named under HCA 1355/2015 to sign and file, consent summons at the High Court to discontinue HCA 1355/2015 as soon as practicable. As at the latest practicable date for the purpose of this statement of indebtedness, none of conditions precedent to the PP Settlement Agreement has been fulfilled. The latest status of the fulfilment of the conditions precedent to the PP Settlement Agreement is disclosed in the section headed “Litigations” of Appendix III to this Prospectus.

(iv) *High Court Miscellaneous Proceedings No. 1429 of 2016*

On 30 January 2015, Mr. Hui Ho Luek, Vico (“Mr. Hui”), the former executive director of the Company, issued a statutory demand against the Company for an alleged debt in a sum of approximately HK\$5,231,000. Mr. Hui subsequently provided some documents to the Receivers in support of the alleged debt. Having reviewed the documents, the Receivers considered that Mr. Hui may not be able to prove the whole or part of the alleged debt. Nevertheless, the Receivers commenced settlement negotiations with Mr. Hui in order to explore the opportunity of settling his claim for the alleged debt amicably.

In around mid-May 2016, Mr. Hui’s solicitors threatened to issue a winding-up petition against the Company. In view of the urgency of the matter and the dire consequence the Company may have as a result of the issuance of the winding-up petition, the Company applied for an urgent injunction application against Mr. Hui from presenting the said winding-up petition. On 3 June 2016, the High Court granted the injunction order. On 10 June 2016, the High Court continued the injunction order until the determination of the Company’s application which was fixed to be heard on 8 July 2016. On 30 June 2016, the parties agreed to discontinue High Court Miscellaneous Proceedings No. 1429 of 2016 which was approved by the High Court on 4 July 2016.

Save as aforesaid and apart from intra-group liabilities and normal trade and bills and other payables in the ordinary course of the business, as at the close of business on 31 July 2016, the Group did not have any other material debt securities issued and outstanding or authorised or otherwise created but unissued, term loan, mortgage, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptable credits, guarantees or other material contingent liabilities.

In this statement of indebtedness, certain foreign currency amounts have been translated into Hong Kong dollars at the approximate exchange rates prevailing at the close of business on 31 July 2016.

4. WORKING CAPITAL SUFFICIENCY

The Directors, after due and careful enquiry, are of the opinion that in the absence of unforeseeable circumstances and after taking into account the financial resources available to the Group including internally generated funds and the available banking facilities, following completion of the Proposed Restructuring, the Group will have sufficient working capital for its present requirements for at least the next 12 months from the expected Resumption Date.

5. NO MATERIAL ADVERSE CHANGE

The Directors confirm that, save for (i) the implementation of the Resumption Proposal; (ii) the net liabilities position of the Group as at 31 December 2015 resulting from the loss of the Group for the period; and (iii) the litigations as disclosed in Appendix III in this Prospectus, there has been no material adverse change in the financial or trading position or outlook of the Group since 30 June 2015, being the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date.

**(A) INTRODUCTION TO THE UNAUDITED PRO FORMA STATEMENT OF
ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The accompanying unaudited pro forma statement of adjusted consolidated net tangible assets of Birmingham International Holdings Limited (Receivers Appointed) (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) has been prepared by the directors of the Company to illustrate the effect of the proposed restructuring of the Company, including capital reorganisation, open offer, share subscription and convertible note subscription (collectively, the “Proposed Restructuring”) and the conversion of the convertible notes issued to the investor — Trillion Trophy Asia Limited (the “Investor”), U-Continent Holdings Limited and Mr. Yeung Ka Sing, Carson (the “Conversion of Convertible Notes”), as described in the Company’s circular in connection with the expected resumption of trading of the Company’s shares dated 5 August 2016.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2015 as extracted from the published interim report of the Company for the six months ended 31 December 2015 after making certain pro forma adjustments resulting from the Proposed Restructuring.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on a number of assumptions, estimates, uncertainties and information currently available, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group, it may not give a true picture of the actual financial position of the Group that would have been attained had the Proposed Restructuring and the Conversion of Convertible Notes actually occurred on 31 December 2015. Furthermore, the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group does not purport to predict the Group’s future financial position.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group should be read in conjunction with the financial information of the Group and other financial information included elsewhere in the Prospectus.

(B) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED
NET TANGIBLE ASSETS OF THE GROUP

Unadjusted unaudited consolidated net liabilities of the Group as at 31 December 2015 <i>HK\$'000</i> <i>(Note 1)</i>	Less: intangible assets <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited consolidated net tangible liabilities of the Group as at 31 December 2015 <i>HK\$'000</i> <i>(Note 3)</i>	Estimated net proceeds from the Open Offer <i>HK\$'000</i> <i>(Note 3)</i>	Estimated net proceeds from the Share Subscription <i>HK\$'000</i> <i>(Note 4)</i>	Estimated net proceeds from the New CN Subscription <i>HK\$'000</i> <i>(Note 5)</i>	Conversion of the First CN and the Second CN <i>HK\$'000</i> <i>(Note 6)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company upon completion of the Proposed Restructuring <i>HK\$'000</i>
(23,541)	(47,171)	(70,712)	19,362	250,000	150,000	120,000	468,650
Unaudited consolidated net tangible liabilities per share before the Proposed Restructuring <i>(Note 7)</i>							<u>HK\$(0.01)</u>
Unaudited consolidated net tangible assets per share upon completion of the Proposed Restructuring <i>(Note 8)</i>							<u>HK\$0.07</u>

**(C) NOTES TO THE UNAUDITED PRO FORMA STATEMENT OF ADJUSTED
CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

- (1) The unadjusted unaudited consolidated net liabilities of the Group as at 31 December 2015 is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2015 as set out in the published interim report of the Company for the six months ended 31 December 2015.
- (2) The adjustment represents players' registration and trademark included in the Group's intangible assets as at 31 December 2015.
- (3) The adjustment represents the open offer on the basis of one (1) share for every two (2) shares held (the "Open Offer") after the capital reorganisation (the "Capital Reorganisation"), assuming the Open Offer had been taken place on 31 December 2015 and no transaction cost had been incurred, as follows:—

Number of shares after the Capital Reorganisation	484,054,336
Number of new shares issued under the Open Offer	242,027,168
Proposed offer price per share	HK\$0.08
	<i>HK\$'000</i>
Share capital	2,420
Share premium	16,942
	<hr/>
Cash inflow from the Open Offer	19,362
	<hr/> <hr/>

- (4) The adjustment represents a share subscription for a total of 3,125,000,000 subscription shares at the proposed subscription price of HK\$0.08 per subscription share (the "Share Subscription") to be issued to the Investor, assuming the Share Subscription had been taken place on 31 December 2015 and no transaction cost had been incurred, as follows:—

Number of subscription shares	3,125,000,000
Proposed subscription price per subscription share	HK\$0.08
	<i>HK\$'000</i>
Share capital	31,250
Share premium	218,750
	<hr/>
Cash inflow from the Share Subscription	250,000
	<hr/> <hr/>

- (5) The adjustment represents a convertible note subscription agreement (the “New CN Subscription Agreement”) entered into between the Company and the Investor for the subscription of convertible notes of the Company (the “New Convertible Notes”) by the Investor pursuant to the terms of the New CN Subscription Agreement. On 26 June 2015, the Company entered into a loan facility agreement (the “Loan Facility Agreement”) with the Investor. The Loan Facility Agreement covers (i) a drawdown of HK\$9,813,600 as security for the term loan facility granted by HSBC Bank plc in the United Kingdom to Birmingham City Football Club PLC and; (ii) further loans made up to a maximum aggregate amount of HK\$153,000,000 (the “Working Capital Loans”) be available for the Company to draw down within the drawdown period to enable it to meet the working capital requirements. 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. Up to 31 December 2015, the Group has already drawn down approximately HK\$93,000,000 of the Working Capital Loans and a further sum of HK\$57,000,000 will be drawn down before the completion of the New CN Subscription Agreement. It is assumed that the Investor will convert the New Convertible Notes in the principal amount of HK\$150,000,000, representing approximately 98.04% of the Working Capital Loans at the proposed subscription price of HK\$0.08 per share into 1,875,000,000 new conversion shares (the “New Conversion Shares”) on 31 December 2015 and no transaction cost had been incurred, as follows:—

	<i>HK\$'000</i>
Amount being drawn down as at 31 December 2015 under the Working Capital Loans	93,000
Additional loan assumed to be drawn down before completion of the New CN Subscription Agreement	57,000
	<u>150,000</u>
Principal amount of the New Convertible Notes	HK\$150,000,000
Proposed conversion price per share	HK\$0.08
Number of new shares converted from the New Convertible Notes	1,875,000,000
	<i>HK\$'000</i>
Share capital	18,750
Share premium	131,250
	<u>150,000</u>

It is assumed that the fair value of the New Conversion Shares as at 31 December 2015 would be HK\$150,000,000, which is approximately the principal amount of the New Convertible Notes.

The remaining loan facilities of HK\$3,000,000 together with loan interest payable for the loan drawn down from the Working Capital Loans will be rolled over with an extended maturity date to 25 June 2018 pursuant to the Loan Facility Agreement and the amendment letter to the Loan Facility Agreement entered into between the Company and the Investor on 31 May 2016.

- (6) The adjustment represents the first convertible notes (the “First CN”) and second convertible notes (the “Second CN”) issued to U-Continent Holdings Limited, assuming the remaining amount of the First CN and the Second CN had been converted on 31 December 2015 and no transaction cost had been incurred, as follows:—

Remaining amount of the First CN and the Second CN as at 31 December 2015	HK\$120,000,000
Adjusted conversion price per share after the Capital Reorganisation and the Open Offer	HK\$0.41
Number of new shares converted from the First CN and the Second CN	292,682,925
	<i>HK\$'000</i>
Share capital	2,927
Share premium	117,073
	<u>120,000</u>

- (7) The unaudited consolidated net tangible liabilities per share before the Proposed Restructuring is based on the unadjusted unaudited consolidated net tangible liabilities of the Group as at 31 December 2015 of approximately HK\$70,712,000 divided by 9,681,086,733 shares in issue prior to the Proposed Restructuring.
- (8) The unaudited consolidated net tangible assets per share after the Proposed Restructuring is based on the unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 December 2015 of approximately HK\$468,650,000 divided by 6,293,154,672 issued shares of the Company, which represented 9,681,086,733 shares in issue prior to the Proposed Restructuring, reduced by 9,197,032,397 shares under 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, increased by 242,027,168 new shares to be issued under the Open Offer, 3,125,000,000 subscription shares expected to be issued upon completion of the Share Subscription, 1,875,000,000 new shares expected to be issued upon conversion of the New Convertible Notes, 292,682,925 new shares expected to be issued upon conversion of the First CN and the Second CN, and 274,390,243 new shares expected to be issued upon conversion of the debt convertible notes issued to Mr. Yeung Ka Sing, Carson.
- (9) Save as set out above, the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group does not take into account any trading results or other transactions of the Group subsequent to the date of the financial statements i.e. 31 December 2015 as included in the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group.

**ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF
ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The following is the text of a report, prepared for the sole purpose of inclusion in the Company's prospectus in connection with the open offer (the "Prospectus"), from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.



ZHONGHUI ANDA CPA Limited
Certified Public Accountants

15 September 2016

The Board of Directors
Birmingham International Holdings Limited (Receivers Appointed)

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Birmingham International Holdings Limited (Receivers Appointed) (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2015 and related notes as set out in Section B and C of Appendix II of the Prospectus dated 15 September 2016. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are set out in Section A of Appendix II of the Prospectus.

The pro forma statement of adjusted consolidated net tangible assets of the Group has been compiled by the Directors to illustrate the impact of the effect of the proposed restructuring of the Company, including capital reorganisation, open offer, share subscription and convertible note subscription (collectively, the "Proposed Restructuring") and the conversion of the convertible notes issued to the investor — Trillion Trophy Asia Limited, U-Continent Holdings Limited and Mr. Yeung Ka Sing, Carson (the "Conversion

of Convertible Notes”) on the Group’s net tangible assets as at 31 December 2015 as if the Proposed Restructuring and the Conversion of Convertible Notes had taken place on 31 December 2015. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s unaudited condensed consolidated financial statements as included in the Company’s interim report for the six months ended 31 December 2015, on which no audit or review report has been published.

Directors’ Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma statement of adjusted consolidated net tangible assets of the Group with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion on the pro forma statement of adjusted consolidated net tangible assets of the Group and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma statement of adjusted consolidated net tangible assets of the Group beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma statement of adjusted consolidated net tangible assets of the Group with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma statement of adjusted consolidated net tangible assets of the Group, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma statement of adjusted consolidated net tangible assets of the Group.

The purpose of the pro forma statement of adjusted consolidated net tangible assets of the Group is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at 31 December 2015 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma statement of adjusted consolidated net tangible assets of the Group has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma statement of adjusted consolidated net tangible assets of the Group provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma statement of adjusted consolidated net tangible assets of the Group reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma statement of adjusted consolidated net tangible assets of the Group has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma statement of adjusted consolidated net tangible assets of the Group.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the pro forma statement of adjusted consolidated net tangible assets of the Group has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma statement of adjusted consolidated net tangible assets of the Group as disclosed.

Yours faithfully,

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Sze Lin Tang

Practicing Certificate Number P03614

Hong Kong, 15 September 2016

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus (other than the information relating to any members of the Concert Group) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this Prospectus misleading.

2. SHARE CAPITAL

The authorised share capital and the issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Open Offer, the Subscriptions and the issue of the New Conversion Shares and the Existing Conversion Shares are set out below.

(a) As at the Latest Practicable Date:

Authorised:	<i>HK\$</i>
<u>50,000,000,000</u> New Shares of HK\$0.01 each	<u>500,000,000.00</u>
Issued and fully paid:	<i>HK\$</i>
<u>484,054,336</u> New Shares of HK\$0.01 each	<u>4,840,543.36</u>

All New Shares in issue rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital.

- (b) Immediately following completion of the Open Offer, the Subscriptions and the issue of the New Conversion Shares and the Existing Conversion Shares:

Authorised:		<i>HK\$</i>
<u>50,000,000,000</u>	New Shares of HK\$0.01 each	<u>500,000,000.00</u>
Issued and fully paid:		<i>HK\$</i>
484,054,336	New Shares of HK\$0.01 each in issue immediately after completion of the Capital Reorganisation	4,840,543.36
242,027,168	Offer Shares to be issued	2,420,271.68
3,125,000,000	Subscription Shares to be issued	31,250,000.00
1,875,000,000	New Conversion Shares to be issued	18,750,000.00
<u>567,073,168</u>	Existing Conversion Shares to be issued	<u>5,670,731.68</u>
<u>6,293,154,672</u>	New Shares	<u>62,931,546.72</u>

The New Shares will be identical and rank *pari passu* in all respects including but not limited as to dividends, voting rights and return of capital with each other. 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 respect 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 New Shares, the Offer Shares, the Subscription Shares, the New Conversion Shares and the Existing Conversion Shares will be entitled to receive all future dividend and distributions which are declares, made and paid after the date of allotment and issuance of the New Shares, the Offer Shares, the Subscription Shares, the New Conversion Shares and the Existing Conversion Shares respectively.

As at the Latest Practicable Date, 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 and/or New Shares. The Company has not issued any Shares and/or New Shares since 30 June 2015, being the end of the last financial year of the Company.

The New Shares are currently listed on the Main Board of the Stock Exchange. None of the equity or debt securities of the Company is listed or dealt in any other stock exchange and listing or permission to deal in the New Shares or loan capital of the Company is not being, or proposed to be, sought on any other stock exchange.

There are no arrangements under which future dividends will be waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

3.1 Directors' and chief executives' interests and short positions

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors and chief executives of the Company and their associates had any interests and short positions in the New Shares, underlying New Shares and debentures of the Company and/or its associated corporations (with meanings of Part XV of the SFO) which (i) were required, pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), to be notified to the Company and the Stock Exchange; (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors was a director or employee of the companies which have an interest in the New Shares and underlying New Shares as disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3.2 Substantial Shareholders' interest and short positions

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the New Shares and underlying New Shares which would fall to be disclosed to the Company under the Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

Long positions in the New Shares:

Name of substantial Shareholders	Number of New Shares interested	Number of underlying New Shares interested	Total interest	Percentage of the issued share capital as at the Latest Practicable Date (Approximate %)
Mr. Yeung	135,000,000	187,500,000 <i>(Note 2)</i>	322,500,000	66.62
U-Continent	75,000,000 <i>(Note 1)</i>	200,000,000 <i>(Note 3)</i>	275,000,000	56.81
Mr. Wang Lei	75,000,000 <i>(Note 1)</i>	200,000,000 <i>(Note 3)</i>	275,000,000	56.81
Mr. Suen	3,125,000,000 <i>(Note 4)</i>	1,875,000,000 <i>(Note 5)</i>	5,000,000,000	1,032.94
Wealthy Associates International Limited (“Wealthy Associates”)	3,125,000,000 <i>(Note 4)</i>	1,875,000,000 <i>(Note 5)</i>	5,000,000,000	1,032.94
The Investor	3,125,000,000 <i>(Note 4)</i>	1,875,000,000 <i>(Note 5)</i>	5,000,000,000	1,032.94
The Underwriter	242,027,168 <i>(Note 6)</i>	—	242,027,168	50.00 or 33.33 <i>(Note 7)</i>
Galaxy Sky Investments Limited	242,027,168 <i>(Note 6)</i>	—	242,027,168	50.00 or 33.33 <i>(Note 7)</i>
Kingston Capital Asia Limited	242,027,168 <i>(Note 6)</i>	—	242,027,168	50.00 or 33.33 <i>(Note 7)</i>
Kingston Financial Group Limited	242,027,168 <i>(Note 6)</i>	—	242,027,168	50.00 or 33.33 <i>(Note 7)</i>
Active Dynamic Limited	242,027,168 <i>(Note 6)</i>	—	242,027,168	50.00 or 33.33 <i>(Note 7)</i>
Ms. Chu Yuet Wah	242,027,168 <i>(Note 6)</i>	—	242,027,168	50.00 or 33.33 <i>(Note 7)</i>

Notes:

- (1) As at the Latest Practicable Date, according to information available to the Receivers, U-Continent was wholly owned by Mr. Wang Lei. Mr. Wang Lei is therefore deemed to be interested in 75,000,000 New Shares held through U-Continent.
- (2) This represents the 187,500,000 New Shares that Mr. Yeung is entitled to upon full exercise of the conversion rights attaching to the outstanding CY Convertible Notes at the adjusted conversion price of HK\$0.60 per conversion share after taking into account the effect of the Share Consolidation (subject to final adjustment).

- (3) This represents the 200,000,000 New Shares that U-Continent is entitled to upon full exercise of the conversion rights attaching to the outstanding UC Convertible Notes at the adjusted conversion price of HK\$0.60 per conversion share after taking into account the effect of the Share Consolidation (subject to final adjustment). As at the Latest Practicable Date, according to information available to the Receivers, U-Continent was wholly owned by Mr. Wang Lei. Mr. Wang Lei is therefore deemed to be interested in 200,000,000 underlying New Shares under the SFO.
- (4) This represents the 3,125,000,000 New Shares that the Investor is interested in under the Share Subscription Agreement. The Investor is a wholly owned subsidiary of Wealthy Associates which in turn is wholly owned by Mr. Suen. Accordingly, Wealthy Associates and Mr. Suen are deemed to be interested in the 3,125,000,000 New Shares under the SFO.
- (5) This represents the 1,875,000,000 underlying New Shares that the Investor is interested in under the New CN Subscription Agreement. The Investor is a wholly owned subsidiary of Wealthy Associates which in turn is wholly owned by Mr. Suen. Accordingly, Wealthy Associates and Mr. Suen are deemed to be interested in the 1,875,000,000 underlying New Shares under the SFO.
- (6) This represents the 242,027,168 Offer Shares which the Underwriter is interested under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer. The Underwriter is a wholly-owned subsidiary of Galaxy Sky Investments Limited, which is wholly owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited is wholly owned by Kingston Financial Group Limited. Active Dynamic Limited owns 49.19% interest in Kingston Financial Group Limited. Ms. Chu Yuet Wah owns 100% interest in Active Dynamic Limited.
- (7) 33.33% represents the approximate percentage of the issued share capital of the Company upon completion of the Open Offer but before completion of the Subscription Agreements and the Settlement Agreements and assuming no conversion of the Existing Convertible Notes which the Underwriter is interested under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the New Shares or underlying New Shares which would fall to be disclosed to the Company under the Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with the Company or any of its subsidiaries or associated companies, which:

- (a) (including both continuous and fixed terms contracts) has been entered into or amended within six months prior to the date of the Initial Announcement;

- (b) is a continuous contract with a notice period of twelve months or more;
- (c) is a fixed term contract with more than twelve months to run irrespective of the notice period; or
- (d) is not expiring or determinable by the Group within one year without payment of compensation other than statutory compensation.

5. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and their respective associates was considered to have an interest in any business that competes or may compete, either directly or indirectly, with the business of the Group.

6. INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors and/or the proposed Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting which is significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been, since 30 June 2015, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. LITIGATIONS

(a) High Court Action No. 1099 of 2013

On 9 May 2013, Mr. Lee Yiu Tung, a former executive director of the Company, filed a claim with the Labour Tribunal of Hong Kong against the Company for, amongst others, unpaid wages, wages in lieu of notice and expenses allegedly paid by him on behalf of the Company for a sum of approximately HK\$1,484,000. The Company made a counterclaim against Mr. Lee Yiu Tung on 8 October 2013 in respect of, amongst others, wages paid to him in the aggregate sum of HK\$240,000 for the months from July to October 2012 and reimbursement of out-of-pocket expenses paid by the Company to him during 2010 to 2012 totaling HK\$2,000,000 for business and projects not related to the Company. On 4 June 2013, the Labour Tribunal of Hong Kong made an order to transfer the case to the High Court.

At a Case Management Conference held on 16 September 2015 at the High Court, the High Court directed that the Case Management Conference be adjourned to 27 April 2016, and ordered the Company to provide its list of documents within eight weeks and the parties to exchange witness statements within six months. On 15 December 2015, the Company provided the list of documents to Mr. Lee Yiu Tung. The parties were required to exchange witness statement(s) on or before 16 March 2016. On 30 March 2016, the High Court ordered, inter alia, that (i) the parties should exchange their witness statements by 4 p.m. on 11 May 2016; and (ii) the 3rd Case Management Conference be adjourned to 12 October 2016 at 10:30 a.m. Subsequently, on 11 May 2016, by consent, the parties agreed to stay the proceedings until 9 August 2016 pending settlement negotiations between the parties. As at the Latest Practicable Date, no settlement agreement has been reached between the parties. For the avoidance of doubt, the 3rd Case Management Conference will be proceeded as fixed on 12 October 2016.

(b) High Court Action No. 1648 of 2015

References are made to the section headed “Background of the UC Settlement Agreement” in the letter from the Board in the Circular, the announcements of the Company dated 21 July 2015 and 26 April 2016, respectively, the Announcement and the Circular. As disclosed therein, the Company had instituted legal proceedings against U-Continent in connection with alleged misrepresentations made by U-Continent in the U-Continent Agreements. By way of a letter dated 20 July 2015, the Company had 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 and claiming for loss and damages suffered by the Company as a result of the alleged misrepresentations.

On 12 April 2016, the Company entered into the UC Settlement Agreement with U-Continent. Pursuant to the terms of the UC Settlement Agreement, the Company and U-Continent shall, within seven (7) Business Days, jointly sign and file consent summons at the High Court 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. As the Company has not taken any steps to serve the writ on U-continent and U-Continent is not in a position to sign any consent summons for interim stay, the Company provided an undertaking by way of a letter dated 15 April 2016 that the Company would not serve the writ against U-Continent (subject to certain obligations of the Company and U-Continent set out in

the UC Settlement Agreement). On 26 April 2016, U-Continent's solicitors replied saying that U-Continent is agreeable to the Company's provision of the undertaking. Pursuant to the UC Settlement Agreement, within seven (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" in the letter from the Board in the Circular whichever is later, among others, the Company shall file and serve a notice of discontinuance under the High Court Action No. 1648 of 2015. As at the Latest Practicable Date, the aforesaid conditions precedent (i), (ii) and (v) have been fulfilled. The Company has filed and served a notice of discontinuance under the High Court Action No. 1648 of 2015 dated 7 September 2016.

(c) Discharge application, LBTC 1470/2015, HCA 1355/2015 and HCA 1590/2015

References are made to the sections headed "Background of the CY Settlement Agreement" and "Background of the PP Settlement Agreement" in the letter from the Board in the Circular, the announcements of the Company dated 16 March 2015, 25 March 2015, 15 July 2015, 6 November 2015, 14 March 2016 and 10 May 2016, respectively, the Announcement and the Circular.

On 23 March 2015, the Receivers were served with a summons issued by Mr. Yeung seeking, amongst other, to discharge or vary the Receivership Order. At the hearing of the discharge application on 1 April 2015, the High Court directed that the hearing to be adjourned to a date to be fixed (the "Adjourned Hearing") and, in the meantime, be advertised with directions that any interested Shareholders wishing to participate could apply to intervene in the Adjourned Hearing. On 24 July 2015, a group of minority Shareholders issued a summons to intervene in the hearing and seeking an order that the Receivers continue in office until Resumption or further order. The Adjourned Hearing was held on 31 July 2015 to hear the discharge application and the application of the minority Shareholders issued on 24 July 2015. The decision of the Adjourned Hearing was delivered on 28 August 2015, pursuant to which the High Court ordered that the Receivership Order to be continued until the Resumption or further order. By way of a summons dated 9 September 2015, Mr. Yeung applied to the High Court for leave to appeal the aforesaid decision of the High Court made on 28 August 2015, which was subsequently disposed of by the High Court on the papers as agreed among the parties by consent. Mr. Yeung was directed to file his skeleton submissions by 12 January 2016 and the Receivers and minority Shareholders were directed to file their respective skeleton submissions by 19 January 2016.

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 of him 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 a writ of summons dated 13 July 2015, the Company and BCFC commenced legal proceedings under HCA 1590/2015 against (i) 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 BCFC; and (ii) Asia Rays and Amazing Top 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 claim 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.

On 8 March 2016, the Company, together with BCFC, entered into the CY Settlement Agreement with Mr. Yeung and RY. Subsequent to the signing of the CY Settlement Agreement, the parties thereto have, among others, jointly signed and filed consent summonses at the High Court to apply for an interim stay of (i) HCA 1590/2015; and (ii) Mr. Yeung's pending appeal of the Receivership Order in the High Court under High Court Miscellaneous Proceedings No. 395 of 2015. Pursuant to the CY Settlement Agreement, within seven (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" in the letter from the Board in the Circular whichever is later, among others, (i) 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 the recognition of the Receivership Order, and for the Company to withdraw its pending application in the Grand Court for recognition of Receivership Order; and (ii) the Company and BCFC shall take steps to discontinue HCA 1590/2015 as against Mr. Yeung and any action against RY (if any). As at the Latest Practicable Date, the aforesaid conditions precedent (i), (ii) and (v) have been fulfilled. The parties to the CY Settlement Agreement are taking necessary steps to fulfil the terms as prescribed under the CY Settlement Agreement.

On 4 May 2016, the Company, BCFC, Mr. Pannu, Asia Rays and Amazing Top entered into the PP Settlement Agreement. Pursuant to 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" in the letter from the Board in the Circular, (i) the Company and BCFC shall sign and file, and do all other necessary acts to cause or procure all parties named under HCA 1590/2015 to sign and file, consent summons at the High Court as soon as practicable to 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 (ii) Mr. Pannu shall sign and file, and do all other necessary acts to cause or procure all parties named under HCA 1355/2015 to sign and file, consent summons at the High Court to discontinue HCA 1355/2015 as soon as practicable. As at the Latest Practicable Date, all of the conditions precedent as set out in the section headed "Conditions Precedent to the PP Settlement Agreement" in the letter from the Board in the Circular have been fulfilled. On 7 September 2016, the documents in relation to the transfer of Mr. Pannu's entire shareholding in BCLFC to BCFC were released to the Company. The parties to the PP Settlement Agreement are taking necessary steps to fulfil the remaining terms as prescribed under the PP Settlement Agreement.

(d) High Court Miscellaneous Proceedings No. 1429 of 2016

On 30 January 2015, Mr. Hui Ho Luek, Vico ("Mr. Hui"), the former executive director of the Company, issued a statutory demand against the Company for an alleged debt in a sum of approximately HK\$5,231,000. Mr. Hui subsequently provided some documents to the Receivers in support of the alleged debt. Having reviewed the documents, the Receivers considered that Mr. Hui may not be able to prove the whole or part of the alleged debt. Nevertheless, the Receivers commenced settlement negotiations with Mr. Hui in order to explore the opportunity of settling his claim for the alleged debt amicably.

In around mid-May 2016, Mr. Hui's solicitors threatened to issue a winding-up petition against the Company. In view of the urgency of the matter and the dire consequence the Company may have as a result of the issuance of the winding-up petition, the Company applied for an urgent injunction application against Mr. Hui from presenting the said winding-up petition. On 3 June 2016, the High Court granted the injunction order. On 10 June 2016, the High Court continued the injunction order until the determination of the Company's application which was fixed to be heard on 8 July 2016. On 30 June 2016, the parties agreed to discontinue High Court Miscellaneous Proceedings No. 1429 of 2016 which was approved by the High Court on 4 July 2016.

Save as disclosed in the section, to the Directors' best knowledge, the Directors are not aware of any litigation or claims of material importance pending or threatened against any member of the Group as at the Latest Practicable Date.

8. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business carried out or intended to be carried out by the Company or any of its subsidiaries) within two years before the date of the Initial Announcement and up to and including the Latest Practicable Date, which are or may be material:

- (a) a placing agreement dated 12 November 2013 entered into between the Company and a placing agent pursuant to which the placing agent would conduct, on a fully underwritten basis, placing of 1,260,000,000 Shares to not less than six places and to the extent any such Shares were not placed, to take up those Shares at the placing price of HK\$0.05 per Share;
- (b) the U-Continent First Agreement;
- (c) the U-Continent Second Agreement;
- (d) a deed of novation dated 20 December 2013 entered into among the Company, BCFC and Mr. Yeung pursuant to which, among others, Mr. Yeung agreed to and accepted the liabilities of BCFC under a debt owed by BCFC to Mr. Yeung of not more than HK\$193,500,000 as at the date of completion of the agreement between Mr. Yeung and the Company wherein Mr. Yeung agrees to subscribe for not more than HK\$193,500,000 worth of convertible bonds to be issued by the Company being assumed by the Company;
- (e) the Debt Capitalisation Agreement;
- (f) the Yeung Agreement;

- (g) a binding memorandum of understanding (the “MOU”) dated 12 February 2014 between the Company and 北京良渚國際傳媒廣告有限公司 (Beijing Liangzhu International Media Advertising Co., Ltd.*) pursuant to which the Company agreed to sell and Beijing Liangzhu International Media Advertising Co., Ltd.* agreed to purchase 12% interest of the then entire issued share capital of BCP for HK\$45,000,000;
- (h) a memorandum of understanding dated 19 February 2014 entered into between Round Soar Global Limited, a wholly owned subsidiary of the Company, as purchaser, and Mr. Kenny Tse and Mr. Tse Sun Ming as vendors, pursuant to which the Group has conditionally agreed to acquire and Mr. Kenny Tse and Mr. Tse Sun Ming have conditionally agreed to sell the entire equity interests in Ultramax Enterprises Limited for HK\$52,000,000;
- (i) a convertible bonds subscription agreement dated 31 July 2014 entered into between the Company as issuer and Deluxe Crystal Limited as subscriber pursuant to which Deluxe Crystal Limited had conditionally agreed to subscribe for the convertible bonds of the Company in the principal amount of HK\$120,000,000 at its face value, which has automatically lapsed on 31 October 2014 due to the failure of fulfilment of certain conditions precedent before the underlying long stop date;
- (j) a loan agreement dated 27 May 2015 entered into between the Company and the Investor pursuant to which the Investor had agreed to grant the Company an unsecured facility in the principal amount of up to HK\$13,500,000 at 8% per annum which formed part of the Loans;
- (k) a loan agreement dated 11 June 2015 entered into between the Company and the Investor pursuant to which the Investor had agreed to grant the Company an unsecured facility in the principal amount of HK\$10,000,000 at 8% per annum which formed part of the Loans;
- (l) an exclusivity agreement dated 19 June 2015 entered into among the Company, the Receivers and the Investor pursuant to which an exclusivity period of 24 months (or such other period as may be agreed by the parties in writing) from the date thereof or the execution of a formal subscription/sale and purchase agreement in respect of the subscription and/or purchase of shares in the Company and/or BCP by the Investor (or such other period as may be agreed by the parties in writing) was granted to the Investor to consider and ascertain its investment in relation to the subscription and/or purchase of shares in the Company and/or BCP;

* *for identification purpose only*

- (m) the Loan Facility Agreement;
- (n) the CY Settlement Agreement;
- (o) the UC Settlement Agreement;
- (p) the PP Settlement Agreement;
- (q) the Amendment Letter;
- (r) the Share Subscription Agreement;
- (s) the New CN Subscription Agreement;
- (t) a supplemental deed to the Share Subscription Agreement dated 8 June 2016 entered into between the Company and the Investor;
- (u) a supplemental deed to the New CN Subscription Agreement dated 8 June 2016 entered into between the Company and the Investor;
- (v) the Underwriting Agreement; and
- (w) the Side Letter.

9. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given opinion or advice which are contained in this Prospectus:

Name	Qualification
ZHONGHUI ANDA CPA Limited	Certified Public Accountants

ZHONGHUI ANDA CPA Limited has given and has not withdrawn its consent to the issue of this Prospectus with the inclusion of its report or letter, as the case may be, and reference to its name in the form and context in which they respectively appear. As at the Latest Practicable Date, ZHONGHUI ANDA CPA Limited was not beneficially interested in the share capital of any member of the Group, nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of the Group nor did they have any interest, either direct or indirect, in any assets which had been since 30 June 2015, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE OPEN OFFER

<i>Registered office of the Company</i>	4th Floor, Harbour Place 103 South Church Street George Town, P.O. Box 10240 Grand Cayman KY1-1002 Cayman Islands
<i>Head office and principal place of business of the Company in Hong Kong</i>	Room 1200, 12/F, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong
<i>Authorised representatives</i>	Mr. Liu Yiu Keung Stephen Mr. Yen Ching Wai David Ernst & Young Transactions Limited 62/F, One Island East, 18 Westlands East, Island East, Hong Kong
<i>Receivers</i>	Mr. Liu Yiu Keung Stephen Mr. Yen Ching Wai David Ms. Koo Chi Sum Ernst & Young Transactions Limited 62/F, One Island East, 18 Westlands Road, Island East, Hong Kong
<i>Financial adviser to the Company</i>	Goldin Financial Limited Room 2202-09, 22/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong
<i>Legal adviser to the Company (as to Hong Kong Law)</i>	Reed Smith Richards Butler 20th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong

<i>Legal adviser to the Company (as to Cayman Islands Law)</i>	Harney Westwood & Riegels 3601 Two Exchange Square, 8 Connaught Place, Central, Hong Kong
<i>Principal banker of the Company</i>	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central, Hong Kong
<i>Auditor of the Company</i>	ZHONGHUI ANDA CPA Limited Unit 701-3 & 8, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong
<i>Principal share registrar and transfer office</i>	Harneys Services (Cayman) Limited 4th Floor, Harbour Place 103 South Church Street George Town, P.O. Box 10240 Grand Cayman KY1-1002 Cayman Islands
<i>Branch share registrar and transfer office in Hong Kong</i>	Tricor Tengis Limited Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong
<i>Underwriter</i>	Kingston Securities Limited Suite 2801, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong

11.2 Names and addresses of the proposed Directors*Proposed executive Directors*

Mr. Sue Ka Lok	Suite 1501, 15th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.
Ms. Chan Yuk Yee	Suite 1501, 15th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.
Mr. Yiu Chun Kong	Suite 1501, 15th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.
Mr. Zhao Wenqing	Suite 1501, 15th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong
Mr. Zhu Kai	Suite 1501, 15th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

Proposed independent non-executive Directors

Mr. To Yan Ming, Edmond	Suite 1501, 15th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.
Mr. Pun Chi Ping	Suite 1501, 15th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.
Ms. Leung Pik Har, Christine	Suite 1501, 15th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

The appointment of each proposed Director is subject to the prior approval of the English Football League in order for BCFC to comply with the requirement of the English Football League.

11.3 Biographical information of the Directors and the secretary of the Company

Executive Directors

Mr. Liu Yiu Keung Stephen (“Mr. Liu”), aged 57, was appointed as an executive Director, the chairman of the Board and a company secretary of a subsidiary of the Company, all with effect from 9 March 2015. Mr. Liu has been working with Ernst & Young for over 30 years since 1983. Mr. Liu is currently one of the Receivers. Mr. Liu was admitted as an associate of the Institute of Chartered Secretaries and Administrators in January 1987 and as an associate of The Hong Kong Institute of Chartered Secretaries in August 1994.

Mr. Liu was appointed as a non-executive director of China Shanshui Cement Group Limited (“China Shanshui”), a company listed on the Stock Exchange (stock code: 691) with effect from 1 December 2015 and re-designated as an executive director of China Shanshui on the same date. Mr. Liu was appointed as the chairman of the board of directors of China Shanshui and the chairman of its nomination committee and the chairman of its executive committee with effect from 2 June 2016.

As at the Latest Practicable Date, other than the relationship arising from Mr. Liu being the executive Director, the chairman of the Board, and a company secretary of a subsidiary of the Company and one of the Receivers, Mr. Liu is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company. Save as disclosed above, Mr. Liu has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

Mr. Yen Ching Wai David (“Mr. Yen”), aged 45, was appointed as an executive Director, the chief executive officer of the Company and as directors of certain subsidiaries of the Company, all with effect from 9 March 2015. Mr. Yen is currently one of the Receivers. Mr. Yen has been working with Ernst & Young for over 20 years.

Mr. Yen was appointed as an alternate executive director to Mr. Liu in China Shanshui with effect from 16 December 2015. Mr. Yen is a member of the American Institute of Certified Public Accountants since April 2003, and has been a member of the HKICPA since July 2003 and a fellow of the HKICPA since February 2011.

As at the Latest Practicable Date, other than the relationship arising from Mr. Yen being the executive Director, the chief executive officer of the Company, the directors of certain subsidiaries of the Company and one of the Receivers, Mr. Yen is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company. Save as disclosed above, Mr. Yen has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

Ms. Koo Chi Sum (“Ms. Koo”), aged 41, was appointed as an executive Director with effect from 9 March 2015. Ms. Koo has been working with Ernst & Young for over 15 years. Ms. Koo is currently one of the Receivers. Ms. Koo was admitted as a Certified Practising Accountant by CPA Australia in April 2003 and as a fellow by the HKICPA in June 2010.

As at the Latest Practicable Date, other than the relationship arising from Ms. Koo being the executive Director and one of the Receivers, Ms. Koo is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company. Save as disclosed above, Ms. Koo has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

Independent non-executive Directors

Mr. Cheung Yuk Ming (“Mr. Cheung”), aged 63, was appointed as an independent non-executive Director, the chairman of audit committee of the Company and a member of each of the nomination committee and remuneration committee of the Company all with effect from 9 March 2015. Mr. Cheung holds a Master Degree in Business Administration awarded by the University of East Asia, Macau in 1987. Mr. Cheung is a fellow of the HKICPA, a member of the Hong Kong Institute of Bankers, an associate of the Institute of Chartered Accountants in England and Wales, a member of the Chartered Institute of Arbitrators and a member of the Hong Kong Securities Institute. Mr. Cheung is also a member of the Construction Management Association of America, the Society of Construction Law Hong Kong and the Canadian Institute of Mining, Metallurgy and Petroleum.

Mr. Cheung is the owner of Lau, Cheung, Fung & Chan Certified Public Accountants since October 1985 and a director of Lawrence Chartered Accountants Limited since January 2005. Mr. Cheung was an independent non-executive director of Metallurgical Corporation of China Ltd., a company listed on the Stock Exchange (stock code: 1618) from June 2009 to November 2014. Mr. Cheung was an independent non-executive director of China Shanshui from December 2015 to February 2016 and an executive director of China Shanshui from February 2016 to June 2016 respectively.

Mr. Cheung was an independent non-executive director of EPI (Holdings) Limited, a company listed on the Stock Exchange (stock code: 689) from June 2011 to July 2013. Since March 2010, Mr. Cheung has been an independent non-executive director of TravelSky Technology Limited, a company listed on the Stock Exchange (stock code: 696), and the chairman of its audit and risk management committee and a member of its nomination committee and remuneration and evaluation committee. Mr. Cheung has also been an independent non-executive director of China Energy Engineering Corporation Limited, a company listed on the Stock Exchange (stock code: 3996) since May 2015.

As at the Latest Practicable Date, other than the relationship arising from Mr. Cheung being the independent non-executive Director, the chairman of audit committee of the Company and a member of each of the nomination committee and remuneration committee of the Company, Mr. Cheung is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company. Save as disclosed above, Mr. Cheung has not held directorship in any other listed company in Hong Kong or overseas in the last three years.

Mr. Law Pui Cheung (“Mr. Law”), aged 61, was appointed as an independent non-executive Director, the chairman of the remuneration committee of the Company and a member of each of the audit committee and nomination committee of the Company all with effect from 9 March 2015.

Mr. Law is a fellow of the HKICPA and a fellow of the Hong Kong Securities and Investment Institute. He was admitted as a fellow of The Chartered Association of Certified Accountants in July 1990, a fellow of the Hong Kong Institute of Directors in 2011, an associate of the Institute of Chartered Accountants in England & Wales (the “ICAEW”) in January 2005 and subsequently a fellow of the ICAEW in March 2015, a member of the Macau Society of Certified Practising Accountants in November 1995. Mr. Law is currently a director of Yong Zheng CPA Limited.

From 1 December 2015 up to the present, Mr. Law has been appointed as an independent non-executive director of China Shanshui, and as the chairman of its audit committee and a member of each of its nomination committee, remuneration committee and investigation committee.

As at the Latest Practicable Date, other than the relationship arising from Mr. Law being the independent non-executive Director, the chairman of the remuneration committee of the Company and a member of each of the audit committee and nomination committee of the Company, Mr. Law is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company. Save as disclosed above, Mr. Law has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

Mr. Lai Hin Wing Henry Stephen (“Mr. Lai”), aged 59, was appointed as an independent non-executive Director, the chairman of the nomination committee of the Company and a member of each of the audit committee and remuneration committee of the Company all with effect from 9 March 2015. Mr. Lai is a solicitor, partner and co-chairman of P. C. Woo & Co. practicing in the legal field for more than 25 years.

Mr. Lai has been appointed as an independent non-executive director of Winfull Group Holdings Limited, a company listed on the Stock Exchange (stock code: 183) since March 2007 and re-designated as a non-executive director since December 2011. Mr. Lai is also a notary public (a member of the Hong Kong Society of Notaries), a China-Appointed Attesting Officer, a civil celebrant of marriages, a member of the Securities and Futures Appeals Tribunal, a member of the Notaries Public Disciplinary Tribunal Panel, a member of the board of Ebenezer School & Home for the Visually Impaired, a chairman of the Appeal Tribunal Panel (Buildings), a director of the Hong Kong Hunan Chamber of Commerce, a former chairman (2008-2009) and a current treasurer of the Council of the Hong Kong Chinese Orchestra Limited, a chairman of the Corporate Governance Policies Committee of the Hong Kong Institute of Directors, a member of the Hong Kong Professionals and Senior Executives Association, and a member of the audit committee of Hang Seng Management College.

As at the Latest Practicable Date, other than the relationship arising from Mr. Lai being the independent non-executive Director, the chairman of the nomination committee of the Company and a member of each of the audit committee and remuneration committee of the Company, Mr. Lai is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company. Save as disclosed above, Mr. Lai has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

Company secretary

Mr. Chan Yee Ping, Michael (“Mr. Chan”), aged 39, was appointed as the Company’s secretary with effect from 16 June 2015. Mr. Chan holds a Bachelor of Arts in Accountancy degree from the Hong Kong Polytechnic University. He is a member with practicing certificate of the HKICPA and a fellow of the Association of Chartered Certified Accountants.

Mr. Chan is currently the company secretary of China Sunshine Paper Holdings Company Limited, a company listed on the Stock Exchange (stock code: 2002), as well as Northeast Electric Development Co., Limited (stock code: 0042), a joint stock limited company incorporated in the PRC and listed on the Shenzhen Stock Exchange and the Main Board of the Stock Exchange respectively. He was also an independent non-executive director of Yueshou Environmental Holdings Limited (stock code: 1191) from October 2013 to July 2014. Mr. Chan was appointed as an independent non-executive director of China Sandi Holdings Limited, a company listed on the Stock Exchange (stock code: 910) since July 2014. He has been appointed as an independent non-executive director of China Wah Yan Healthcare Limited (formerly known as “China Renji Medical Group Limited”) (stock code: 648) since July 2014. Mr. Chan is the director of MCI CPA Limited.

11.4 Biographical information of the proposed Directors*Proposed executive Directors*

Mr. Sue Ka Lok (“Mr. Sue”), aged 51, holds a Bachelor of Economics degree from The University of Sydney in Australia and a Master of Science in Finance degree from the City University of Hong Kong. Mr. Sue is a fellow of the HKICPA, a certified practising accountant of the CPA Australia and a fellow of The Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries and Administrators and the Hong Kong Securities and Investment Institute. He has extensive experience in corporate management, finance, accounting and company secretarial practice. Mr. Sue is an executive director and the chairman of Courage Marine Group Limited (“Courage Marine”), 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), an executive director of Tianli Holdings Group Limited (stock code: 117) (“Tianli Holdings”) and an executive director and the company secretary of China Strategic Holdings Limited (stock code: 235) (“China Strategic”), the shares of Tianli Holdings and China Strategic are listed on the Main Board of the Stock Exchange.

Mr. Sue was an executive director and the chief executive officer of Enviro Energy International Holdings Limited (stock code: 1102) (“Enviro Energy”) until 7 October 2015; and the chief executive officer and an executive director of BEP International Holdings Limited (stock code: 2326) (“BEP International”) until 10 January 2014 and 13 July 2015 respectively. Mr. Sue was also the chairman and a non-executive director of Winshine Science Company Limited (formerly known as China Tycoon Beverage Holdings Limited) (stock code: 209) (“Winshine”) until 4 November 2014 and 27 November 2014 respectively; an executive director and the chairman of Hailiang International Holdings Limited (formerly known as Sunlink International Holdings Limited) (stock code: 2336) (“Hailiang International”) until 3 June 2014 and an executive director and the chief executive officer of Skyway Securities Group Limited (formerly known as Poly Capital Holdings Limited) (stock code: 1141) (“Skyway”) until 31 October 2014. All of the above companies are listed on the Main Board of the Stock Exchange.

As at the Latest Practicable Date, other than the relationship arising from Mr. Sue being a director of the Investor, Mr. Sue is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company. Save as disclosed above, Mr. Sue has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

Ms. Chan Yuk Yee (“Ms. Chan”), aged 48, holds a Master of Business Law degree from Monash University in Australia and is an associate of both The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. She has extensive experience in corporate administration and company secretarial practice. Ms. Chan is an executive director of Courage Marine and the company secretary of Hailiang International and Enviro Energy. She was an executive director of Huajun Holdings Limited (formerly known as New Island Printing Holdings Limited) (stock code: 377) (“Huajun”) until 25 September 2014 and an executive director and the company secretary of Winshine until 10 November 2014 when she was redesignated as a non-executive director of Winshine and served until 8 April 2015. She was also the company secretary of Skyway until 2 July 2014. All of the above companies are listed on the Main Board of the Stock Exchange.

As at the Latest Practicable Date, Ms. Chan is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company. Save as disclosed above, Ms. Chan has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

Mr. Yiu Chun Kong (“Mr. Yiu”), aged 31, holds a Bachelor of Business Administration in Accountancy degree from The Hong Kong Polytechnic University. He has experience in auditing, accounting and finance.

As at the Latest Practicable Date, Mr. Yiu is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company and has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

Mr. Zhao Wenqing (“Mr. Zhao”), aged 49, obtained a Bachelor of Engineering degree from Beijing University of Iron and Steel Technology (now known as University of Science and Technology Beijing) in July 1987 and a Master of Engineering degree from University of Science and Technology Beijing in the PRC in June 1990. Mr. Zhao had worked as the head of risk management department and the chief accountant in Beijing Centergate Technologies (Holding) Co., Ltd. (北京中關村科技發展(控股)股份有限公司), a company listed on the Shenzhen Stock Exchange with stock code 931.

As at the Latest Practicable Date, Mr. Zhao is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company and has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

Mr. Zhu Kai (“Mr. Zhu”), aged 29, holds a Bachelor of Science in Actuarial Science degree from Heriot-Watt University in the United Kingdom. He has experience in business and market research and analysis.

As at the Latest Practicable Date, Mr. Zhu is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company and has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

Proposed independent non-executive Directors

Mr. To Yan Ming, Edmond (“Mr. To”), aged 44, holds a Bachelor of Commerce Accounting degree from Curtin University of Technology in Western Australia. Mr. To is a Certified Public Accountant (Practising) in Hong Kong, a certified practising accountant of the CPA Australia and an associate of the HKICPA. He had worked for Deloitte Touche Tohmatsu, an international accounting firm, and has extensive experience in auditing, accounting, initial public offerings and taxation matters. Mr. To is also a director of Edmond To CPA Limited, R.C.W. (HK) CPA Limited and Asian Alliance (HK) CPA Limited. Mr. To is an independent non-executive director of China Vanguard Group Limited (stock code: 8156), Courage Marine, Tianli Holdings, Wai Chun Group Holdings Limited (stock code: 1013) and Wai Chun Mining Industry Group Company Limited (stock code: 660). He was an independent non-executive director of China Household Holdings Limited (stock code: 692), Theme International Holdings Limited (stock code: 990) and BEP International until 10 December 2015, 31 May 2015 and 20 December 2013 respectively. Save for Courage Marine whose shares are listed on the Main Board of the Stock Exchange and the Singapore Exchange Securities Trading Limited, all the above companies are listed on the Main Board/Growth Enterprise Market of the Stock Exchange.

As at the Latest Practicable Date, Mr. To is not related to any Directors, senior managers or substantial/controllers Shareholders of the Company. Save as disclosed above, Mr. To has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

Mr. Pun Chi Ping (“Mr. Pun”), aged 49, holds a Master of Science in Finance degree from the City University of Hong Kong and a Bachelor of Arts in Accountancy degree from the City Polytechnic of Hong Kong (now known as the City University of Hong Kong). Mr. Pun is a fellow of the Association of Chartered Certified Accountants and an associate of the HKICPA. Mr. Pun is an independent non-executive director of Huajun and the financial controller of Poly Property Group Co., Limited, a company listed on the Main Board of the Stock Exchange (stock code: 119).

As at the Latest Practicable Date, Mr. Pun is not related to any Directors, senior managers or substantial/controllers Shareholders of the Company. Save as disclosed above, Mr. Pun has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

Ms. Leung Pik Har, Christine (“Ms. Leung”), aged 47, holds a Bachelor of Business Administration degree from The Chinese University of Hong Kong. She has extensive experience in banking and financial services industries and has worked at several international financial institutions including Citibank, N.A. Hong Kong, Bank of America, Industrial and Commercial Bank of China (Asia) Limited and Fubon Bank (Hong Kong) Limited. Ms Leung is an independent non-executive director of Enviro Energy and was an independent non-executive director of Winshine until 10 November 2014, both companies are listed on the Main Board of the Stock Exchange.

As at the Latest Practicable Date, Ms. Leung is not related to any Directors, senior managers or substantial/controlling Shareholders of the Company. Save as disclosed above, Ms. Leung has not held directorship in any other listed companies in Hong Kong or overseas in the last three years.

12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of the Prospectus Documents and the consent letter referred to in the section headed “Expert’s qualification and consent” in this Appendix have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

13. EXPENSES

The costs and expenses incurred in connection with the Open Offer and the Subscriptions, which are payable by the Company, are estimated to be approximately HK\$5,219,000, of which (i) approximately HK\$484,000 will be used to settle the underwriting commission under the Underwriting Agreement; (ii) approximately HK\$3,235,000 has been/will be used to settle the legal and professional fees in respect of the Open Offer and the Subscriptions including, among others, financial advisory and accountancy fees as agreed between the relevant parties; and (iii) approximately HK\$1,500,000 has been/will be used to settle other expenses in respect of the Open Offer and the Subscriptions including, among others, printing and translation costs.

14. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. on any Business Day at the head office and principal place of business of the Company in Hong Kong at Room 1200, 12/F, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong from the date of this Prospectus up to and including the Latest Acceptance Date:

- (a) memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 30 June 2014 and 30 June 2015 and the interim report of the Company for the six months ended 31 December 2015;
- (c) the special audit report prepared by ZHONGHUI ANDA CPA Limited in relation to the consolidated financial statements of the Group for the year ended 30 June 2014;
- (d) the report from ZHONGHUI ANDA CPA Limited on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group, the text of which is set out on pages II-6 to II-9 of this Prospectus;
- (e) the material contracts referred to in the paragraph headed “Material contracts” in this Appendix, the text of which is set out on pages III-11 to III-13 of this Prospectus;
- (f) the written consent referred to in the paragraph headed “Expert qualification and consent” in this Appendix, the text of which is set out on page III-13 of this Prospectus; and

(g) the Circular; and

(h) this Prospectus.

16. MISCELLANEOUS

The English text of this Prospectus shall prevail over the Chinese text in the case of inconsistency.