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BIRMINGHAM INTERNATIONAL HOLDINGS LIMITED

伯明翰環球控股有限公司

(Incorporated in the Cayman Island with limited liability)

(Stock Code: 2309)

UPDATE ON RESUMPTION OF TRADING

This announcement is made by the board of directors (the “**Board**”) of Birmingham International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), pursuant to Rule 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Board wishes to update the shareholders of the Company and potential investors on the development and the progress of the application for resumption of trading of the Company’s shares on the Stock Exchange and expected timetable.

CONDITIONS FOR THE RESUMPTION OF TRADING

As first stated in the announcement by the Company dated 28 December 2011, on 20 December 2011 the Stock Exchange set out the following resumption conditions:

- (a) inform the market of all material information about the arrest on 29 June, 2011 of Mr. Yeung Ka Sing, Carson (“**Mr. Yeung**”) alleging to have dealt in property knowing or believed to represent proceeds of an indictable offence that is necessary to appraise the Group’s position, including their implications to the Group’s operations, assets and financial position (“**Resumption Condition A**”);
- (b) demonstrate that there are no deficiencies in the control due to the arrest and there is no reasonable regulatory concern about management integrity which will pose a risk to investors and damage market confidence (“**Resumption Condition B**”);
- (c) publish the outstanding financial results and address concerns, if any, raised by the auditors through qualifications in their audit report (“**Resumption Condition C**”); and

- (d) demonstrate that there are continuing adequate financial reporting procedures and internal control systems to meet obligations under the Listing Rules (“**Resumption Condition D**”).

As stated in the announcement by the Company dated 19 July 2013, on 18 July 2013 the Stock Exchange set out the following additional resumption conditions:

- (e) address the liquidity issue (“**Resumption Condition E**”);
- (f) demonstrate sufficient working capital for at least twelve months from the resumption date and supported by a comfort letter prepared by the Company’s auditors or financial adviser confirming the above (“**Resumption Condition F**”); and
- (g) publish an announcement (the “**Resumption Announcement**”) to disclose:
- a. how the management integrity concern has been addressed;
 - b. objective, scope and findings of the various investigations into/reviews of aspects of the Company carried out by professional parties;
 - c. internal control review findings and the Company’s progress on implementation of the suggested recommendations;
 - d. assessment by the Company’s audit committee of the adequacy of the Company’s actions to address the resumption conditions set out by the Stock Exchange in a letter to the Company dated 20 December 2011; and
 - e. the Company’s intention on the proposed disposal of the Company’s interest in Birmingham City Plc and/or Birmingham City Football Club. (“**Resumption Condition G**”)

UPDATES IN RELATION TO EACH RESUMPTION CONDITION

Resumption Condition A

Mr. Yeung informed the Board that he will voluntarily suspend his management duties within the Group on or before the resumption of trading of the Company’s shares (the “**Resumption**”) and at least until Mr. Yeung’s criminal case has come to a favourable close or upon Mr. Yeung resignation, whichever is earlier.

Resumption Condition B

As announced by the Company on 26 February 2013, the Company has engaged KTC Partners CPA Limited to conduct an internal control review (the “**KTC Report**”). The KTC Report has been delivered to the Board for consideration. Remedial actions have been taken or are being taken by the Company.

Resumption Condition C

The annual financial results and annual reports of the Group for the two years ended 30 June 2011 and 2012, and the interim financial results and interim reports of the Group for the six months ended 31 December 2011 and 2012, have been published or despatched during March and April 2013.

The Company will publish an announcement prior to Resumption in which it will disclose, amongst others, an assessment by the Company’s audit committee of the adequacy of the Company’s actions to address the resumption conditions set out by the Stock Exchange.

Resumption Condition D

Effective 25 June 2012, Mr. Wong Ka Chun, Carson has been appointed by the Company as an independent non-executive Director. He has substantial experience in auditing and financial accounting, and is a member of the American Institute of Certified Public Accountants.

Effective 1 July 2013, Mr. Jerry Ko, a certified public accountant, member of CPA Australia and in charge of and responsible for the financial reporting function of the Group, including compliance with the relevant financial reporting and disclosure requirements under the Listing Rules and the Companies Ordinance of the laws of Hong Kong, has been appointed as the compliance officer of the Group to handle all requirements under the Listing Rules, Takeovers Code and applicable laws and regulations.

Further, the KTC Report has recommended, and the Company has agreed to implement, certain rectification measures relating to the financial reporting procedures and relevant internal control systems immediately on or before Resumption.

Resumption Condition E

As announced by the Company on 1 August 2013, the Company has entered into a loan agreement for a loan in the principal sum of HK\$20 million, which immediately improved the Group’s liquidity

The Company is contemplating a number of additional measures to improve its liquidity position, including entering into of an additional loan agreement in the principal sum of HK\$30million, and to seek a further loan at the subsidiary level, by the end of October 2013. The Company is also negotiating with certain creditors in relation to obtaining haircuts to the relevant outstanding loan amounts.

Reference is made to the Company's announcement dated 26 February 2013 in relation to progress on the sale of the Company's interest in Birmingham City Plc and/or Birmingham City Football Club. As of the date hereof, preliminary negotiations are still ongoing. Due diligence had been completed by the parties but no formal offers had been received.

Resumption Conditions F and G

The Company will provide the Exchange with the requested auditor's comfort letter prior to Resumption, and the Resumption Announcement will be published prior to Resumption

The Company will make additional announcements in relation to the resumption conditions periodically and as and when appropriate.

By Order of the Board
BIRMINGHAM INTERNATIONAL HOLDINGS LIMITED
Yeung Ka Sing, Carson
Executive Director, Chairman

Hong Kong, 19 August 2013

As at the date hereof, the executive directors of the Company are Mr. Yeung Ka Sing, Carson, Mr. Peter Panu, Mr. Ma Shui Cheong, Mr. Chan Shun Wah, Mr. Cheung Kwai Nang, Mr. Charlie Penn, Mr. Chen Liang and Mr. Cheung Shing and the independent non-executive directors are Mr. Wong Ka Chun, Carson and Mr. Gao Shi Kui.