

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION.

**Completion of Restructuring of
Birmingham International Holdings Limited**

resulting in a

Recommended Mandatory Cash Offer

by

Trillion Trophy Asia Limited

for the entire issued ordinary share capital of

Birmingham City PLC

not already held by its non-wholly owned subsidiary Birmingham International Holdings Limited
and

Posting of Offer Document

17 October 2016

The financial restructuring of Birmingham International Holdings Limited (BIHL), the holding company of Birmingham City PLC ("Birmingham City") was completed today with the admission of New BIHL Shares to trading on the Hong Kong Stock Exchange.

As a result of the Restructuring, Trillion Trophy Asia Limited ("Trillion Trophy"), a company controlled by Mr Paul Suen now holds 1,950,000,000 New BIHL Shares representing approximately 50.64% of BIHL's enlarged issued share capital and is required by the Takeover Code to make an offer for the 2,735,799 Birmingham City Shares which BIHL does not already own ("the Offer").

The Boards of Directors of Trillion Trophy and Birmingham City are pleased to announce the terms of a recommended mandatory cash offer made by Trillion Trophy today for the entire issued ordinary share capital of Birmingham City not already owned by BIHL.

The Offer is being made today and will close at 1.00 pm on 7 November 2016. The Offer will not be extended beyond this date.

The Offer document, which is being posted to Birmingham City Shareholders today, is available at <http://www.trilliontrophyasia.com> and on Birmingham City's website at http://www.bfc.com/news/birmingham_city_plc_shareholders/ while the Offer remains open for acceptance.

Summary

The Restructuring of BIHL

Receivers appointed by the High Court of Hong Kong over BIHL negotiated with various parties and have taken various steps with a view to giving BIHL financial stability, adequate working capital in order to meet its requirements and, with effect from this morning, restoring the listing of its shares (which had been suspended since 4 December 2014) on the Hong Kong Stock Exchange.

The main elements of the Restructuring and related settlement agreements are:

- (i) a reorganisation of BIHL's capital and the cancellation of the share premium account to offset the accumulated losses of BIHL;

- (ii) the issue of New BIHL Shares and New Convertible Notes raising approximately HK\$419 million before expenses;
- (iii) settlement arrangements with Mr Yeung Ka Sing, Carson, Mr Yeung, Ryan and with U-Continent Holdings Limited whereby they will receive a total of 567,073,168 New BIHL Shares by converting existing convertible notes with a face value of HK\$232,500,000. Certain changes were made to the terms of these existing convertible notes which are not redeemable for cash;
- (iv) a placing of shares held by Trillion Trophy reducing its percentage shareholding to approximately 50.64% to satisfy a Hong Kong Stock Exchange requirement that at least 25% of a listed company's shares should be in "public hands" (i.e. not held by substantial shareholders or connected persons of Trillion Trophy); and
- (v) settlement agreements whereby various legal and other claims and counterclaims by or against former directors and/or shareholders are waived and litigation ceases.

The Restructuring was conditional on a variety of regulatory and legal waivers and consents, the passing of various resolutions by BIHL shareholders and the Hong Kong Stock Exchange admitting the New BIHL Shares to listing, all of which have now been satisfied.

Funds raised and use of proceeds

The total gross proceeds from the Open Offer and the Subscriptions amount to approximately HK\$419,362,000. After excluding the maximum amount of the consideration for the CN Subscription to be offset against the drawn down amount of the loans from Trillion Trophy of HK\$150,000,000, the net proceeds from the Open Offer and the Subscriptions (after deducting the estimated expenses) amount to approximately HK\$264,143,000.

BIHL's Prospectus states that it is intended that the proceeds of the Open Offer and Subscriptions will be applied as follows:

- (i) approximately HK\$120,000,000 (i.e., approximately £12.72 million) will be used to satisfy the working capital requirement of BCFC for part of the 2016/2017 football season and the entire 2017/2018 football season (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 football seasons);
- (ii) approximately HK\$24,000,000 will be used to finance the expenses incurred from the operations in Hong Kong (which shall primarily be used to cover the operating expenses of BIHL's head office in Hong Kong comprising mainly expenditures on salaries of BIHL staff and directors, administrative expenses of BIHL, 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 until June 2018); and
- (iii) approximately HK\$120,000,000 (i.e., approximately £12.72 million) is intended to be used, when considered appropriate, to acquire additional football players who are expected to make a contribution to and help enhance the competitiveness of the football team significantly so as to assist the football team to achieve promotion to the English Premier League in the future. It is anticipated that an amount of HK\$120,000,000 would allow BCFC to recruit around eight to ten football players for future football seasons. BCFC may utilise the proceeds received as a result of the Restructuring to recruit additional players during the opening of the transfer window in January 2017.

Depending on the performance of the football team as a whole and of individual players during the first part of season 2016/2017, BCFC will identify football players for various positions, i.e., strikers,

midfielders, defenders and goalkeepers when considered appropriate in order to strengthen the football team. It is also expected that upon completion of the Restructuring, BIHL will be able to meet the English Football League's funding requirement as well as having sufficient capital for boosting the performance of the football team with the aim of achieving promotion to the English Premier League.

The directors of BIHL estimated the total funding needs to be approximately HK\$144,000,000 until the end of football season 2017/2018, i.e., June 2018, 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\$120,000,000 required for the implementation of the aforesaid recruitment plan. As these funding needs can be satisfied by the total net proceeds from the Open Offer and the Subscriptions, BIHL has no plan to conduct further fund raising activities for the next 12 months. The directors of BIHL will however closely monitor the performance of the football team and, subject to its performance, may, when considered appropriate, recruit additional players (more than initially anticipated) who could potentially assist the football team to get promoted to the English Premier League in the future and funding needs may therefore arise.

The Offer

Under the terms of the Offer, accepting Birmingham City Shareholders will be entitled to receive:

for each Birmingham City Share: 15.1 pence in cash

The Offer values the entire issued ordinary share capital of Birmingham City at approximately £12.31 million and the Birmingham City Shares to which the Offer relates at £413,106.

The Birmingham City Directors, who have been so advised by EGR Broking as to the financial terms of the Offer, considers the terms of the Offer to be fair and reasonable. In providing advice to the Birmingham City Directors, EGR Broking has taken into account the commercial assessments of the Birmingham City Directors.

The Birmingham City Directors recommend unanimously that Birmingham City Shareholders accept the Offer. Birmingham City Shareholders should refer to paragraph 5 of the full text of this Announcement for further detail on the background to and reasons for the Birmingham City Directors' recommendation. Notwithstanding their recommendation to accept the Offer, the Birmingham City Directors, who have been so advised by EGR Broking, recognise that there are valid reasons why Birmingham City Shareholders may decide not to accept the Offer, especially those who are supporters of the Blues and wish to retain shares in its immediate holding company.

Summary only

This summary should be read in conjunction with the following full Announcement and the Appendix which contains definitions of words and expressions used. The Offer is subject to the principal further terms set out in this Announcement and to the full terms that are set out in the Offer Document and in the Form of Acceptance.

Mr Paul Suen said *"I am delighted to be the majority owner of such an important English football club with a proud history since 1875. I am enthusiastic about the prospects for the Club and look forward with you to a successful future. The only reason that my company, Trillion Trophy, is making this offer for your shares is because it is legally required to do so under the rules of the UK Takeover Code."*

Panos Pavlakis, a director of Birmingham City, said: *"Birmingham City has endured two years of uncertainty as its holding company became embroiled in litigation and receivership. My co-director, Victor MA, and I would like to thank all those involved in the restructuring of our holding company and settling various disputes to restore it to financial health, in particular Mr Paul Suen. We have been reliant on loans from Mr Suen for some time and welcome him as our new controlling shareholder."*

Enquiries

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VSA Capital Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser exclusively for Trillion Trophy and no-one else in connection with the Offer, this Announcement and the other matters referred to in this Announcement, and will not regard any other person as its client in relation to the matters referred to in this Announcement and will not be responsible to anyone other than Trillion Trophy for providing the protections afforded to its client, nor for providing advice in relation to the Offer or this Announcement or any matter referred to herein.

EGR Broking Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Birmingham City as to the financial terms of the Offer and for no-one else in connection with the Offer and this Announcement and will not regard any other person as its client in relation to the matters referred to in this Announcement and will not be responsible to anyone other than Birmingham City for providing the protections afforded to its clients, nor for providing advice in relation to the Offer or this Announcement or any matter referred to herein.

Further Information

This Announcement is for information purposes only. It is not intended to and does not constitute, or form part of, an offer or invitation or the solicitation of any offer to sell or purchase any securities or the solicitation of any offer to otherwise acquire, subscribe for, sell or otherwise dispose of any security pursuant to the Offer or otherwise, nor shall there be any sale, issuance, or transfer of securities in any jurisdiction in contravention of applicable law.

The Offer will be made solely by means of the Offer Document and Form of Acceptance, which will contain the full terms of the Offer, including details of how the Offer may be accepted. Any decision in respect of, or other response to, the Offer should be made only on the basis of the information contained in those documents.

The Offer Document and the Forms of Acceptance is being posted to the Birmingham City Shareholders today. Birmingham City and Trillion Trophy urge the Birmingham City Shareholders to read the Offer Document and the Form of Acceptance when they receive them because they will contain important information relating to the Offer.

Publication on website

A copy of this Announcement and the Offer Document is available free of charge on: Trillion Trophy's website at: <http://www.trilliontrophyasia.com>; and on Birmingham City's website at: http://www.bfc.com/news/birmingham_city_plc_shareholders.

Overseas Shareholders

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law, and the availability of the Offer to persons who are residents, citizens or nationals of jurisdictions other than the United Kingdom may be restricted by laws and/or regulations of those jurisdictions. Therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements in their jurisdiction. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such requirements by any person.

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As a result of the Restructuring, Trillion Trophy Asia Limited (“Trillion Trophy”), a company controlled by Mr Suen, now holds 1,950,000,000 New BIHL Shares representing approximately 50.64% of BIHL’s enlarged issued share capital and is required by the Takeover Code to make an offer for the 2,735,799 Birmingham City Shares which BIHL does not already own.

The boards of directors of Trillion Trophy and Birmingham City are pleased to announce the terms of a recommended mandatory cash offer made by Trillion Trophy today for the entire issued ordinary share capital of Birmingham City not already owned by BIHL.

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The Offer document, which is being posted to Birmingham City Shareholders today, is available at <http://www.trilliontrophyasia.com> and on Birmingham City’s website at http://www.bfc.com/news/birmingham_city_plc_shareholders/ while the Offer remains open for acceptance.

1. The Restructuring, funds raised and use of proceeds

Alleged financial improprieties involving inappropriate payments by BIHL to companies controlled by a former director of BIHL and various disputes and counter-claims led to the appointment of the Receivers to BIHL, the suspension of dealings in BIHL shares on the Hong Kong Stock Exchange, investigations by auditors and reports on the financial controls of the BIHL Group. The BIHL financial statements for the year ended 30 June 2014 were restated.

The Receivers considered various options for BIHL and reached agreement with Trillion Trophy (a company controlled by Mr Suen) which advanced a loan to BIHL to enable it to meet its working capital requirements pending the implementation of a financial reconstruction. Following extensive

negotiations, the series of proposals comprising the Restructuring was agreed subject to a range of conditions, which have now been satisfied.

The High Court of Hong Kong appointed the Receivers over BIHL who have negotiated with various parties and have taken various steps with a view to giving BIHL financial stability, adequate working capital in order to meet its requirements and restoring the listing of its shares on the Hong Kong Stock Exchange.

The main elements of the Restructuring and related settlement agreements are:

- (i) a reorganisation of BIHL's capital comprising a share consolidation and capital reduction;
- (ii) the cancellation of the share premium account to offset the accumulated losses of BIHL with the balance, if any, to be transferred to BIHL's distributable reserves;
- (iii) an Open Offer of New BIHL Shares held at an issue price of HK\$0.08 each to raise HK\$19,362,000 before expenses;
- (iv) the subscription for 3,125,000,000 New BIHL Shares at HK\$0.08 each by Trillion Trophy;
- (v) the issue of HK\$150,000,000 New Convertible Notes to Trillion Trophy;
- (vi) settlement arrangements with Mr Yeung Ka Sing, Carson, Mr Yeung, Ryan and with U-Continent Holdings Limited whereby they will receive a total of 567,073,168 New BIHL Shares by converting existing convertible notes with a face value of HK\$232,500,000. Certain changes were made to the terms of these existing convertible notes which are not redeemable for cash;
- (vii) a placing of 1,175,000,000 New BIHL Shares held by Trillion Trophy reducing its percentage shareholding to 50.64% to satisfy a Hong Kong Stock Exchange requirement that at least 25% of a listed company's shares should be in "public hands";
- (viii) Trillion Trophy's shareholding would increase to 60.78% on the conversion of the existing convertible notes and New Convertible Notes if it had not acquired or sold any New BIHL Shares prior to such conversion; and
- (ix) settlement agreements whereby various legal and other claims and counterclaims by or against former directors and/or shareholders are waived and litigation ceases.

In view of the net liabilities position of the BIHL Group as at 30 June 2016 and the funds required for the continuing operation of the BIHL Group, it was considered that the net proceeds from the Open Offer and the Subscriptions would substantially improve the capital base and the financial and liquidity position of the BIHL Group.

The Restructuring was conditional on a variety of regulatory and legal waivers and consents, the passing of various resolutions by BIHL shareholders and the Hong Kong Stock Exchange admitting the New BIHL Shares to listing, all of which have now been satisfied.

Funds raised and use of proceeds

The total gross proceeds from the Open Offer and the Subscriptions amount to approximately HK\$419,362,000. After excluding the maximum amount of the consideration for the CN Subscription to be offset against the drawn down amount of the loans from Trillion Trophy of HK\$150,000,000, the net proceeds from the Open Offer and the Subscriptions (after deducting the estimated expenses) amount to approximately HK\$264,143,000.

BIHL's Prospectus states that it is intended that the proceeds of the Open Offer and Subscriptions will be applied as follows:

- (i) approximately HK\$120,000,000 (i.e., approximately £12.72 million) will be used to satisfy the working capital requirement of BCFC for part of the 2016/2017 football season and the entire 2017/2018 football season (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 football seasons);
- (ii) approximately HK\$24,000,000 will be used to finance the expenses incurred from the operations in Hong Kong (which shall primarily be used to cover the operating expenses of BIHL's head office in Hong Kong comprising mainly expenditures on salaries of BIHL staff and directors, administrative expenses of BIHL, 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 until June 2018); and
 - (iii) approximately HK\$120,000,000 (i.e., approximately £12.72 million) is intended to be used, when considered appropriate, to acquire additional football players who are expected to make a contribution to and help enhance the competitiveness of the football team significantly so as to assist the football team to achieve promotion to the English Premier League in the future. It is anticipated that an amount of HK\$120,000,000 would allow BCFC to recruit around eight to ten football players for future football seasons. BCFC may utilise the proceeds received as a result of the Restructuring to recruit additional players during the opening of the transfer window in January 2017.

Depending on the performance of the football team as a whole and of individual players during the first part of season 2016/2017, BCFC will identify football players for various positions, i.e., strikers, midfielders, defenders and goalkeepers when considered appropriate in order to strengthen the football team. It is also expected that upon completion of the Restructuring, BIHL will be able to meet the English Football League's funding requirement as well as having sufficient capital for boosting the performance of the football team with the aim of achieving promotion to the English Premier League.

According to BIHL's Prospectus, the directors of BIHL estimated the total funding needs to be approximately HK\$144,000,000 until the end of football season 2017/2018, i.e., June 2018, 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\$120,000,000 required for the implementation of the aforesaid recruitment plan. As these funding needs can be satisfied by the total net proceeds from the Open Offer and the Subscriptions, BIHL has no plans to conduct further fund raising activities for the next 12 months. The directors of BIHL will however closely monitor the performance of the football team and, subject to its performance, may, when considered appropriate, recruit additional players (i.e. more than initially anticipated) who could potentially assist the football team to get promoted to the English Premier League in the future and funding needs may therefore arise.

2. The Offer

BIHL's principal activity is to act as the holding company of Birmingham City, which is BIHL's only material asset. In these circumstances the Takeover Code, which applies to Birmingham City, requires any person, or group of persons acting in concert, acquiring shares resulting in a holding of over 50% of the voting rights of BIHL to make a mandatory offer for the Birmingham City Shares held by the Birmingham City Shareholders.

Trillion Trophy is offering to acquire, subject to certain further terms set out in Part III of the Offer Document and in the Form of Acceptance, the entire issued ordinary share capital of Birmingham City not already owned by Trillion Trophy or its non-wholly owned subsidiary BIHL for cash. Under the terms of the Offer, holders of Birmingham City Shares will receive:

for each Birmingham City Share 15.1 pence in cash.

The Offer is not subject to any minimum level of acceptances or any other conditions. The Offer proceeds to be sent to individual Birmingham City Shareholders will be rounded to the nearest penny.

The Birmingham City Shares will be acquired by Trillion Trophy fully paid, or credited as fully paid, and free from all liens, equities, charges, equitable interests, encumbrances, rights of pre-emptions and other third party rights and/or interests of any nature whatsoever and together with all rights attaching to them, now and in the future, including the right to receive and to retain all dividends, interest and other distributions declared, paid or made after 17 October 2016. Trillion Trophy will have the right to reduce the offer consideration by the amount of any dividend (or other distribution) which is paid or becomes payable by Birmingham City to its shareholders. Birmingham City is not contemplating the payment of any dividend or other distribution.

The Offer values the 2,735,799 Birmingham City Shares that are the subject of the Offer at £413,106 and the whole of the issued ordinary share capital of Birmingham City at approximately £12.31 million. VSA Capital, financial adviser to Trillion Trophy, is satisfied that sufficient resources are available to Trillion Trophy to satisfy the consideration payable as a result of full acceptance of the Offer.

The Offer Price, which is payable in cash, has been determined on a "see through" basis by reference to the price at which Trillion Trophy subscribed for New BIHL Shares pursuant to the Restructuring.

The highest price per New BIHL Share paid by Trillion Trophy is HK\$0.08. There are various ways of calculating the value of a Birmingham City Share derived from the price of HK\$0.08 per New BIHL Share. As this price was paid by Trillion Trophy subject to the Restructuring and conversion arrangements being agreed, the "see through price" of a Birmingham City Shares is also calculated on the basis that the Restructuring is completed and the agreed conversions take place. EGR Broking, the financial adviser to Birmingham City, is satisfied that this basis of calculation is fair and factually supportable.

3. Information on Birmingham City

Birmingham City has been the holding company of BCFC since shortly after its incorporation in January 1997.

Founded over 140 years ago in 1875, the Club has been based at its present home of St. Andrew's Stadium in the Small Heath district of Birmingham since 1906.

Popularly known as the "Blues", the Club is currently ranked as the 28th most successful in the history of English football, based on major trophies won. In terms of seasons spent in the top division of English football, the Club ranks 21st, with 57 years' participation in the top-tier. The Club's most recent cup success was in 2011, when the Blues beat Arsenal, to win the League Cup at Wembley Stadium in London.

Gary Rowett was appointed as manager in November 2014 and the former Blues player has overseen a turnaround in the Club's fortunes, rising from 23rd to 10th in the Championship table by the end of the season. That progress was maintained in 2015/16 with Rowett's side pushing for a play-off spot for much of the season, before eventually finishing in 10th place once again.

Following further investment in the playing staff during the 2016 summer transfer window by Trillion Trophy, the Blues have made a strong start to the 2016/17 EFL Sky Bet Championship campaign and will be hoping to push on to achieve a top six finish with the ultimate aim of reaching the English Premier League.

During the financial year ended 30 June 2016, Birmingham City generated turnover of £14.71 million (2015: £21.05 million), pre-tax loss of £5.02 million (2015: profit of £1.32 million) and BCFC achieved

average attendance levels of 17,603 (2015: 16,111). As at 30 June 2016, Birmingham City had net liabilities of £3.18 million (2015: net assets of £1.84 million).

4. Information on Trillion Trophy and Mr Suen

Trillion Trophy is a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Wealthy Associates International Limited, a company incorporated in the British Virgin Islands with limited liability, which in turn is wholly owned by Mr Suen. Mr Suen is the sole director of Wealthy Associates International Limited.

Trillion Trophy was formed in September 2014 for the purpose of lending to and investing in BIHL and it has no other assets or business.

Mr Suen, aged 55, holds a Master of Business Administration degree from the University of South Australia. Mr Suen has extensive experience in strategic planning and corporate management of business enterprises in Hong Kong and the People's Republic of China. Mr Suen is an executive director and the chairman of, and a controlling shareholder indirectly holding approximately 31.30% of the issued share capital in, Enviro Energy International Holdings Limited (Hong Kong stock code: 1102). Mr Suen also has an indirect holding of approximately 9.89% and 29.47% of the issued share capital in China Strategic Holdings Limited (Hong Kong stock code: 235) and EPI (Holdings) Limited (Hong Kong stock code: 689). The shares of Enviro Energy International Holdings Limited, China Strategic Holdings Limited and EPI (Holdings) Limited are listed on the Main Board of the Hong Kong Stock Exchange. Mr Suen also indirectly holds approximately 22.89% of the issued share capital of Courage Marine Group Limited, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Hong Kong stock code: 1145) and the Singapore Exchange Securities Trading Limited (Singapore stock code: ATL.SI).

Mr Suen is known for his competence dealing with “distressed stocks”. These are companies that have issues with finance and/or governance and require restructuring to satisfy Hong Kong Stock Exchange regulations. When Mr Suen first contemplated investing in BIHL it was in a “distressed” receivership situation with allegations of financial mismanagement and disputes between the company, its investors and directors at a time when the underlying football club required additional working capital.

Save for BIHL, which became a subsidiary of Trillion Trophy on completion of the Restructuring, neither Trillion Trophy nor any person acting in concert with it has a direct holding of Birmingham City Shares. Following completion of the Restructuring today, Trillion Trophy holds 1,950,000,000 New BIHL Shares representing 50.64% of BIHL's issued share capital. Trillion Trophy has also subscribed for New Convertible Notes in the principal amount of HK\$150,000,000, convertible into 1,875,000,000 New BIHL Shares, which would result in BIHL holding in aggregate 3,825,000,000 New BIHL Shares representing 66.80% of the enlarged number of New BIHL Shares in issue following such conversion, assuming (i) that Trillion Trophy has not bought or sold any New BIHL Shares prior to such conversion and (ii) that no other conversion rights are exercised. If the other conversion rights are also exercised, Trillion Trophy's percentage shareholding in BIHL would become 60.78%. The foregoing subscriptions for New BIHL Shares and New Convertible Notes and the placing was subject to the readmission of shares in BIHL to Listing on the Hong Kong Stock Exchange which became effective on 17 October 2016.

5. Background to the Offer and reasons for the recommendation to accept it

Trillion Trophy is making the offer solely because it is required to do so under the Takeover Code as a result of obtaining majority control of the voting rights of BIHL.

On 12 March 2015, the Receivers made a voluntary announcement informing shareholders and the public that the Receivers were open to a wide spectrum of options to preserve the value of the BIHL Group as a whole. Subsequently, a total of seven indicative non-binding offers were received from

various interested parties. In view of the financial and liquidity position of the BIHL Group, the immediate need of funding for the operation of BCFC and obligation to meet the rules and regulations of the English Football League, factors including: (i) whether such offers involve the acquisition of BIHL and BCFC as a whole which could better preserve the value of the BIHL Group instead of the acquisition of BCFC only; (ii) indicative price on the estimated value of BIHL and/or BCFC; (iii) whether such offers involve provision of immediate funding to the BIHL Group; and (iv) possession of experience in corporate distress and restructuring of such interested parties, were each considered, and the indicative non-binding offer from Trillion Trophy was accepted by the Receivers.

The value of football clubs in the United Kingdom can be difficult to determine by reference to the financial benchmarks often used to value other entities. In some cases, wealthy individuals have bought them for their pleasure, rather than for a purely commercial return, paying prices which are not based on normal investment valuation criteria. Similarly, the market prices of quoted football company shares can be influenced by supporters who buy for primarily emotional reasons or for the satisfaction of being a part owner of their club and having a share certificate.

The Birmingham City Directors and Birmingham City's financial adviser, EGR Broking, have considered the disclosed terms and valuations placed on several other Championship clubs which have been acquired during the last few years and compared these with the value for Birmingham City implied by the Offer Price. The Offer Price falls within the wide range of values, but is at the lower end of that range, as may be expected to arise from negotiations taking place at a time when BIHL was in financial difficulties.

The Birmingham City Directors, having been so advised by EGR Broking, believe that the financial terms of the Offer are fair and reasonable so far as Birmingham City Shareholders are concerned in the present circumstances. The Birmingham City Directors recognise that later events such as promotion to the Premier League or relegation could lead to different valuations in the future.

The Birmingham City Directors' decision to recommend acceptance of the Offer was also influenced by the following:

- Birmingham City's consolidated accounts showed that as at 30 June 2016, it had a loan from BIHL of £15.97 million and net liabilities of £3.18 million. Its loss for the year to 30 June 2016 was £5.02 million and any further losses will result in it having an even more unstable financial position. It is therefore likely that BIHL will consider converting part of the loan into new Birmingham City shares at some time in the future. The percentage of Birmingham City's total shares in issue held by you and other Birmingham City Shareholders would be diluted in such circumstances. Furthermore the price at which new shares are issued to BIHL could reasonably be expected to reflect its weak financial position and may be at a price which is significantly lower than the 15.1p Offer Price. Accordingly, if an offer should be made for Birmingham City at a future date, it is possible that a smaller proportion of its value would be attributable to the Birmingham City Shares you hold.
- As noted above, Trillion Trophy controls BIHL which already holds more than 96.64% of the Birmingham City Shares in issue and will be able to pass ordinary and special resolutions without the need for any votes from any Birmingham City Shareholders at shareholder meetings.
- There is no guarantee that Trillion Trophy or any other purchaser would be willing to buy Birmingham City Shares after the Offer has closed and, if they were, any price offered might not reflect the underlying value of Birmingham City's assets. Any Birmingham City Shareholders who do not accept the Offer may find it difficult to sell their Birmingham City Shares at a later date.

However, the Birmingham City Directors also appreciate that many Birmingham City Shareholders are fans of the Blues and will want to retain their shares for non-financial reasons. The Birmingham City Directors also recognise that many of you hold a very small number of shares, such that the relative financial benefits from accepting the Offer when compared with the potential financial losses from not accepting the Offer are minimal. Although there could be potential upside for those who do not accept the Offer at a later date if, for example, the Club were to be promoted to the Premier League, it could prove difficult to sell them, as explained in the paragraph above.

6. Recommendation

The Birmingham City Directors, who have been so advised by EGR Broking as to the financial terms of the Offer, consider that the terms of the Offer are fair and reasonable so far as Birmingham City Shareholders are concerned. Accordingly the Birmingham City Directors unanimously recommend that Birmingham City Shareholders accept the Offer.

EGR Broking has taken the commercial assessments of Birmingham City into account in giving its advice. The Birmingham City Directors and their families do not have any personal holdings of Birmingham City Shares.

Notwithstanding their recommendation to accept the Offer, the Birmingham City Directors recognise that Birmingham City Shareholders may decide not to accept the Offer, especially those who are supporters of the Blues and wish to retain shares in Birmingham City.

Birmingham City Shareholders should note that the Offer is not subject to any conditions and that the Offer will close at 1.00 pm on 7 November 2016 and will not be extended. Those Birmingham City Shareholders wishing to accept the Offer are therefore encouraged to do so before this time.

7. Trillion Trophy's intentions

Trillion Trophy intends to conduct a detailed review of the business operations and financial position of the BIHL Group for the purpose of formulating appropriate business plans and strategies which will also consider factors such as current market environment, financial performance and overall business growth. The result of this exercise may lead to changes in business strategy through asset acquisitions or disposals and/or business diversification or divestment in order to reduce costs, improve performance and ultimately enhance the long-term growth potential of BIHL. Trillion Trophy intends to continue with the existing business of BIHL Group upon completion of the Restructuring and has no intention at this time to introduce any major changes to the existing business of the BIHL Group or to re-deploy any fixed assets of the BIHL Group. Trillion Trophy also intends to assist BIHL with identifying suitable business opportunities to broaden its income streams.

Management and employees

Trillion Trophy does not expect any of the foregoing to have repercussions on the management of Birmingham City, its business locations or on employment. Further, Trillion Trophy does not intend for Birmingham City's current position with regard to contributions into pension schemes, benefits for existing pension scheme holders and the admission of new pension scheme holders to change. Trillion Trophy nevertheless confirms that, following completion of the Offer, Trillion Trophy will not make any material changes to the existing conditions of employment of any Birmingham City employees.

8. Documents available for inspection on a website

Copies of the documents referred to below will be made available on Trillion Trophy's website at <http://www.trilliontrophyasia.com> and on Birmingham City's website at http://www.bcf.com/news/birmingham_city_plc_shareholders/ while the Offer remains open for acceptance:

- 8.1 the memorandum and articles of association of Birmingham City;
- 8.2 the memorandum and articles of association of Trillion Trophy;
- 8.3 the letters containing the written consents of VSA Capital and EGR Broking to the publication of this Announcement and the Offer Document containing references to their names in the form and context in which they appear; and
- 8.4 the offer document and the Form of Acceptance.

9. Birmingham City Shares in issue

Birmingham City confirms that it has 81,505,000 ordinary shares of 10 pence each in issue. The International Securities Identification Number for Birmingham City Shares is GB0000998608.

The above figure may be used by Birmingham City Shareholders to determine the percentage of issued ordinary share capital they hold in Birmingham City for the purposes of making a Disclosure as described in this Announcement.

10. Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of Birmingham City must make an Opening Position Disclosure following the commencement of the offer period.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of Birmingham City. An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (Birmingham time) on the 10th business day following the commencement of the offer period. Relevant persons who deal in the relevant securities of Birmingham City prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of Birmingham City must make a Dealing Disclosure if the person deals in any relevant securities of Birmingham City. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of Birmingham City, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (Birmingham time) on the business day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of Birmingham City, they will be deemed to be a single person for the purpose of Rule 8.3. Opening Position Disclosures must also be made by Birmingham City and by any offeror and Dealing Disclosures must also be made by Birmingham City, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

The defined terms used in this section "Disclosure Requirements of the Takeover Code" are defined in the Takeover Code which can be found on the Panel's website.

10. Important notices

Advisers

VSA Capital Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser exclusively for Trillion Trophy and no-one else in connection with the Offer, this Announcement and the other matters referred to in this Announcement, and will not regard any other person as its client in relation to the matters referred to in this Announcement and will not be responsible to anyone other than Trillion Trophy for providing the protections afforded to its client, nor for providing advice in relation to the Offer or this Announcement or any matter referred to herein.

EGR Broking Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Birmingham City as to the financial terms of the Offer and for no-one else in connection with the Offer and this Announcement and will not regard any other person as its client in relation to the matters referred to in this Announcement and will not be responsible to anyone other than Birmingham City for providing the protections afforded to its clients, nor for providing advice in relation to the Offer or this Announcement or any matter referred to herein.

VSA Capital and EGR Broking have both given and have not withdrawn their written consent to the release of this Announcement containing references to their names in the form and context in which they appear.

Further Information

This Announcement is for information purposes only. It is not intended to and does not constitute, or form part of, an offer or invitation or the solicitation of any offer to sell or purchase any securities or the solicitation of any offer to otherwise acquire, subscribe for, sell or otherwise dispose of any security pursuant to the Offer or otherwise, nor shall there be any sale, issuance, or transfer of securities in any jurisdiction in contravention of applicable law.

The Offer will be made solely by means of the Offer Document and Form of Acceptance, which will contain the full terms of the Offer, including details of how the Offer may be accepted. Any decision in respect of, or other response to, the Offer should be made only on the basis of the information contained in those documents.

This Announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of the United Kingdom.

The Offer Document and the Forms of Acceptance are being posted to the Birmingham City Shareholders today. Birmingham City and Trillion Trophy urge the Birmingham City Shareholders to read the Offer Document and the Form of Acceptance when they receive them because they will contain important information relating to the Offer.

Taxation

The receipt of cash pursuant to the Offer by Birmingham City Shareholders may be a taxable transaction under applicable national, state and local, as well as foreign and other, tax laws. Each Birmingham City Shareholder is urged to consult their independent professional adviser regarding the tax consequences of accepting the Offer.

Overseas Shareholders

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law, and the availability of the Offer to persons who are residents, citizens or nationals of

jurisdictions other than the United Kingdom may be restricted by laws and/or regulations of those jurisdictions. Therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements in their jurisdiction. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such requirements by any person.

The Offer is not being made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction, and persons receiving this Announcement and all documentation relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from any Restricted Jurisdiction.

The Offer is not being made, directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Forward-Looking Statements

This Announcement including the information incorporated into this Announcement contains certain forward-looking statements. These statements are based on the current expectations of Trillion Trophy, BIHL or Birmingham City (as the case may be) and are naturally subject to uncertainty and changes in circumstances. These forward-looking statements may include statements about the expected effects on Trillion Trophy, BIHL or Birmingham City of the Restructuring, the Offer, the expected timing and scope of the Offer, strategic options and all other statements in this Announcement other than historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "budget", "schedule", "forecast", "project", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", "subject to", or other words of similar meaning. By their nature, forward-looking statements involve known and unknown risks and uncertainties, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results, outcomes and developments to differ materially from those expressed in, or implied by, such forward-looking statements and such statements are therefore qualified in their entirety by the risks and uncertainties surrounding these future expectations. Many of these risks and uncertainties relate to factors that are beyond the entities' ability to control or estimate precisely, such as, but not limited to, general business and market conditions both globally and locally, political, economic and regulatory forces, industry trends and competition, future exchange and interest rates, changes in government and regulation including in relation to health and safety, the environment, labour relations and tax rates and future business combinations or dispositions. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, none of Trillion Trophy, BIHL or Birmingham City can give any assurance, representation or guarantee that such expectations will prove to have been correct and such forward-looking statements should be construed in light of such factors and you are therefore cautioned not to place reliance on these forward-looking statements which speak only as at the date of this Announcement. None of Trillion Trophy, BIHL or Birmingham City assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law or regulations.

No Profit Forecasts or Estimates

Nothing in this Announcement is intended or shall be deemed to be a forecast, projection or estimate of the future financial performance of Trillion Trophy, BIHL or Birmingham City and no statement in this Announcement should be interpreted to mean that earnings or earnings per share of those entities (where relevant) for the current or future financial periods would necessarily match or exceed the historical published earnings or earnings per share of those entities (where relevant).

Information Relating to Birmingham City Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by Birmingham City Shareholders, persons with information rights and other relevant persons for the receipt of communications from Birmingham City may be provided to Trillion Trophy during the Disclosure Period as requested from time to time.

Rounding

Certain figures included in this Announcement have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetical aggregation of the figures that precede them.

Time

All times shown in this Announcement are Birmingham times, unless otherwise stated.

APPENDIX

DEFINITIONS

The following definitions apply throughout this Announcement unless the context otherwise requires:

“BCFC”	Birmingham City Football Club PLC, a company registered in England and Wales with company number 00027318
“BIHL”	Birmingham International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“BIHL Group”	BIHL and its subsidiary companies
“BIHL’s Prospectus”	the prospectus published by BIHL in Hong Kong in connection with the Restructuring dated 15 September 2016
“Birmingham City”	Birmingham City PLC, a company registered in England and Wales with company number 03304408
“Birmingham City Directors”	the directors of Birmingham City: MA, Shui Cheong and Panagiotis Pavlakis
“Birmingham City Shareholders”	holders of Birmingham City Shares other than shares already held by Trillion Trophy or by BIHL
“Birmingham City Shares”	ordinary shares of 10 pence each in the capital of Birmingham City in issue as at the date of this Announcement
“business day”	a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open for business in the City of London
“Closing Date”	7 November 2016
“Club”	Birmingham City Football Club
“Companies Act”	the Companies Act 2006 (as amended)
“CN Subscription”	the issue of New Convertible Notes to partially set-off the loan facility offered to BIHL for HK\$150,000,000
“disclosure period”	the period which began on 5 August 2015 (the date 12 months prior to the commencement of the Offer Period) and ended on 14 October 2016, being the latest practicable date prior to the publication of this Announcement
“EGR Broking”	EGR Broking Limited, financial adviser to Birmingham City
“Form of Acceptance”	the form which accepting Birmingham City Shareholders must complete, sign and return to Neville Registrars in order to accept the Offer
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HMRC”	HM Revenue & Customs
“Latest Practical Date”	14 October, being the latest practical date for inclusion of information in this Announcement prior to printing and publication
“Listing Rules”	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Mr Suen”	Mr Suen Cho Hung, Paul, the ultimate beneficial owner of Trillion Trophy
“Neville Registrars”	Neville Registrars Limited, which is both the receiving agent for the Offer and the registrar of Birmingham City
“New BIHL Shares”	the ordinary shares of HK\$0.01 each in the issued share capital of BIHL immediately following the capital reduction becoming effective as part of the Restructuring
“New Convertible Notes”	the 2% convertible notes in the aggregate principal amount of up to HK\$150,000,000 to be issued by BIHL to Trillion Trophy as part of the Restructuring
“Offer”	the mandatory offer under Rule 9 of the Takeover Code by Trillion Trophy for all of the issued Birmingham City Shares not already owned or controlled by Trillion Trophy or BIHL
“Offer Document”	offer document dated 17 October 2016
“Offer Period”	the period commencing on 5 August 2016 and expiring on the date the Offer closes
“Offer Price”	15.1p per Birmingham City Share

“Open Offer”	the open offer of New BIHL Shares which forms part of the Restructuring
“Original BIHL Shares”	the ordinary shares of HK\$0.01 each in the issued share capital of BIHL before and until the capital reduction becoming effective as part of the Restructuring
“Overseas Shareholders”	Birmingham City Shareholders who are citizens, nationals or residents of or otherwise subject to jurisdictions outside the UK or their nominees, custodians or trustees
“pence”	currency of the United Kingdom, equal to 1/100 th of 1 pound sterling
“pounds sterling” or “£”	currency of the United Kingdom, each divided into 100 pence
“Receiving Agent”	Neville Registrars Limited acting in its capacity as receiving agent
“Receivers”	Messrs. Stephen Liu Yiu Keung, David Yen Ching Wai and Koo Chi Sum all of Ernst & Young Transactions Limited, being the receivers appointed to BIHL
“Regulatory Information Service”	as defined in the Takeover Code
“Restricted Jurisdiction”	Australia, Bermuda, Canada, Japan, Morocco, New Zealand, South Africa, Switzerland, the United Arab Emirates, the United States of America and any jurisdiction where the local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for Trillion Trophy if information or documentation concerning the Offer is sent or made available to Birmingham City Shareholders in that jurisdiction
“Restructuring”	the restructuring of BIHL and its share capital as summarised in paragraph 1 of this Announcement
“Subscriptions”	the subscription for 3,125,000,000 New BIHL Shares at HK\$0.08 each and the subscription of the New Convertible Notes in the principal amount of HK\$150,000,000 by Trillion Trophy as part of the Restructuring
“Takeover Code”	the City Code on Takeovers and Mergers
“Takeover Panel”	the Panel on Takeovers and Mergers
“Trillion Trophy”	Trillion Trophy Asia Limited, a company incorporated in the British Virgin Islands
“Trillion Trophy Directors”	the directors of Trillion Trophy: Suen Cho Hung, Paul and Sue Ka Lok
“Trillion Trophy Shares”	the ordinary share of 1 United States Dollar in the capital of Trillion Trophy
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“VSA Capital”	VSA Capital Limited, financial adviser to Trillion Trophy

In this Announcement:

- (a) the expressions “subsidiary”, “subsidiary undertaking”, “associated undertaking” and “undertaking” have the meanings given by the Companies Act 2006;
- (b) references to time are to Birmingham time.