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

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2309)**

### **PLACING OF NEW SHARES UNDER SPECIFIC MANDATES**

#### **PLACING AGENT**



**KINGSTON SECURITIES LTD**

#### **THE PLACINGS**

On 22 October 2010 (after trading hours), the Company and the Placing Agent entered into the Fully Underwritten Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place and procure the placing of, a total of 450,000,000 Fully Underwritten Placing Shares by a maximum of three (3) tranches on a fully underwritten basis.

On 22 October 2010 (after trading hours), the Company and the Placing Agent entered into the Best Effort Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place and procure the placing of, a maximum of 1,100,000,000 Best Effort Placing Shares by a maximum of six (6) tranches on a best effort basis.

The aggregate of 450,000,000 Fully Underwritten Placing Shares represent approximately 14.12% of the Company's issued share capital as at the date of this announcement and approximately 12.37% of the Company's issued share capital as enlarged by the Fully Underwritten Placing Shares.

The maximum of 1,100,000,000 Best Effort Placing Shares represent approximately 34.51% of the Company's issued share capital as at the date of this announcement and approximately 25.65% of the Company's issued share capital as enlarged by the Best Effort Placing Shares. The aggregate of up to 1,550,000,000 Shares under the Fully Underwritten Placing and the Best Effort Placing represent approximately 48.62% of the Company's issued share capital as at the date of this announcement and approximately 32.72% of the Company's issued share capital as enlarged by the Fully Underwritten Placing Shares and the Best Effort Placing Shares (assuming the maximum number of the Best Effort Placing Shares are placed).

The Fully Underwritten Placing Shares and the Best Effort Placing Shares will be allotted and issued pursuant to specific mandates to be obtained at the EGM.

The Placing Price of HK\$0.20 per Fully Underwritten Placing Share and Best Effort Placing Share represents:

- (i) a discount of approximately 4.76% to the closing price of HK\$0.21 per Share as quoted on the Stock Exchange as at the date of this announcement; and
- (ii) a discount of approximately 39.76% to the average closing price of HK\$0.332 per Share in the last five consecutive trading days prior to the date of this announcement.

The maximum aggregate gross proceeds and net proceeds from the placing of the Placing Shares will be HK\$310 million and approximately HK\$299 million respectively.

The Fully Underwritten Placing and the Best Effort Placing are not inter-conditional upon each other.

**Completion of the Placings are subject to the satisfaction of the conditions precedent in each of the Placing Agreements. As the Placings may or may not proceed and are subject to Shareholders' approval, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **GENERAL**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in the Placing Shares.

The EGM will be convened and held for the Shareholders to consider and, if though fit, pass the resolutions to approve the entering into of the Placing Agreements and transactions contemplated thereunder.

A circular containing, among other things, further details of (i) the Placings; and (ii) a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

## **THE FULLY UNDERWRITTEN PLACING AGREEMENT**

### **Date**

22 October 2010 (after trading hours)

### **Issuer**

The Company

### **Placing agent**

Kingston Securities Limited

The Placing Agent has conditionally agreed, as an agent for the Company, to place, or failing which itself to subscribe for, a total of 450,000,000 Fully Underwritten Placing Shares by a maximum of three(3) tranches on a fully underwritten basis.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

### **Placing commission for the Fully Underwritten Placing**

The Placing Agent will receive a placing commission of 2.5% on the gross proceeds in respect of the Fully Underwritten Placing Shares that it has underwritten upon completion of the Fully Underwritten Placing. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market rate. The Directors are of the view that the placing commission payable for the Fully Underwritten Placing accords with the market and is fair and reasonable.

### **Placees for the Fully Underwritten Placing**

The Fully Underwritten Placing Shares will be placed to not less than six placees, who are expected to be professional, institutional or other investor(s) and who and (where a corporation) whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons. It is expected that none of the placees of the Fully Underwritten Placing Shares will become a substantial shareholder of the Company immediately after completion of the Fully Underwritten Placing.

## **Fully Underwritten Placing Shares**

The 450,000,000 Fully Underwritten Placing Shares (with an aggregate nominal value of HK\$4,500,000) represent approximately 14.12% of the Company's issued share capital as at the date of this announcement and approximately 12.37% of the Company's issued share capital as enlarged by the Fully Underwritten Placing Shares.

The gross proceeds and net proceeds from the Fully Underwritten Placing will be HK\$90 million and approximately HK\$87 million respectively. On that basis, the net price per Fully Underwritten Placing Share is approximately HK\$0.193.

The Fully Underwritten Placing Shares will be allotted and issued under a specific mandate to be obtained at the EGM. The Fully Underwritten Placing Shares will, when fully paid, be allotted and issued in accordance with the articles of association of the Company and with the relevant rules and regulations applicable to the Company in the Cayman Islands and Hong Kong and will, at completion of the Fully Underwritten Placing, be free from all liens, charges, mortgages, pledges, encumbrances or third party rights of whatsoever nature and together with all rights attaching thereto at completion of the Fully Underwritten Placing and thereafter.

## **Ranking of the Fully Underwritten Placing Shares**

The Fully Underwritten Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Fully Underwritten Placing Shares.

## **Placing Price for the Fully Underwritten Placing Shares**

The Placing Price per Fully Underwritten Placing Share is HK\$0.20 which represents:

- (i) a discount of approximately 4.76% to the closing price of HK\$0.21 per Share as quoted on the Stock Exchange as at the date of this announcement; and
- (ii) a discount of approximately 39.76% to the average closing price of HK\$0.332 per Share in the last five consecutive trading days prior to the date of this announcement.

The Placing Price for the Fully Underwritten Placing Shares was determined after arm's length negotiation between the Company and the Placing Agent on the Date of this announcement with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price for the Fully Underwritten Placing Shares is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

## **Conditions of the Fully Underwritten Placing**

Completion of the Fully Underwritten Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment and/or despatch of certificates for the Fully Underwritten Placing Shares) the listing of, and permission to deal in the Fully Underwritten Placing Shares;
- (ii) the passing of a resolution by the Shareholders to approve the allotment and issue of the Fully Underwritten Placing Shares at the EGM; and
- (iii) the obligations of the Placing Agent under the Fully Underwritten Placing Agreement becoming unconditional and not being terminated in accordance with the terms hereof, including provisions regarding force majeure event.

If the above conditions are not satisfied and/or waived in whole or in part by the Placing Agent prior to 10:00 a.m. on the Long Stop Date or such later time or date as may be agreed between the Placing Agent and the Company, the Fully Underwritten Placing Agreement will be terminated and the Fully Underwritten Placing will not proceed and all obligations and liabilities of the parties under the Fully Underwritten Placing Agreement will forthwith cease and determine and neither party shall have any claim against the other (save for any antecedent breaches of the Fully Underwritten Placing Agreement).

## **Termination and force majeure**

The Fully Underwritten Placing Agreement may be terminated by the Placing Agent (in respect of its obligations) if at any time prior to 10:00 a.m. on the date of completion of the Fully Underwritten Placing Agreement, there occurs:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Fully Underwritten Placing (such success being the placing of the

Fully Underwritten Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or such Placing Agent to proceed with the Fully Underwritten Placing; or

- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Fully Underwritten Placing (such success being the placing of the Fully Underwritten Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or such Placing Agent to proceed with the Fully Underwritten Placing.

### **Completion of the Fully Underwritten Placing**

Completion of the Fully Underwritten Placing will take place within four Business Days after the fulfillment of the conditions as set out in the Fully Underwritten Placing Agreement but not later than the Long Stop Date or such later date to be agreed between the Company and the Placing Agent.

### **THE BEST EFFORT PLACING AGREEMENT**

#### **Date**

22 October 2010 (after trading hours)

#### **Issuer**

The Company

#### **Placing Agent**

Kingston Securities Limited

The Placing Agent has conditionally agreed, as an agent for the Company, to place and procure the placing of, a maximum of 1,100,000,000 Best Effort Placing Shares by a maximum of six (6) tranches on a best effort basis.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

## **Placing commission for the Best Effort Placing**

In respect of the Best Effort Placing Shares for which it has procured placees, the Placing Agent will receive a placing commission of 2.5% of the aggregate amount equal to the Placing Price multiplied by the actual number of Best Effort Placing Shares being placed upon completion of each tranche of the Best Effort Placing. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market rate. The Directors are of the view that the placing commission payable for the Best Effort Placing accords with the market and is fair and reasonable.

## **Placees for the Best Effort Placing**

The Best Effort Placing Shares will be placed to not less than six placees, who are expected to be professional, institutional, or other investor(s) and who and (where a corporation) whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons. It is expected that none of the placees of the Best Effort Placing Shares will become a substantial shareholder of the Company immediately after completion of the Best Effort Placing.

## **Number of Best Effort Placing Shares**

The maximum number of 1,100,000,000 Best Effort Placing Shares (with an aggregate nominal value of HK\$11,000,000) represent approximately 34.51% of the Company's issued share capital as at the date of this announcement and approximately 25.65% of the Company's issued share capital as enlarged by the Best Effort Placing Shares. The aggregate of up to 1,550,000,000 Shares under the Fully Underwritten Placing and the Best Effort Placing represent approximately 48.62% of the Company's issued share capital as at the date of this announcement and approximately 32.72% of the Company's issued share capital as enlarged by the Fully Underwritten Placing Shares and the Best Effort Placing Shares (assuming the maximum number of Best Effort Placing Shares are placed).

The maximum gross proceeds and net proceeds from the Best Effort Placing will be approximately HK\$220 million and approximately HK\$212 million respectively. On that basis, the net price per Best Effort Placing Share is approximately HK\$0.193.

The Best Effort Placing Shares will be allotted and issued under a specific mandate to be obtained at the EGM. The Best Effort Placing Shares will, when fully paid, be allotted and issued in accordance with the articles of association of the Company and with the relevant rules and regulations applicable to the Company in the Cayman Islands and Hong Kong and will, at completion of the Best Effort Placing, be free from all liens, charges, mortgages, pledges, encumbrances or third party rights of whatsoever nature and together with all rights attaching thereto at completion of the Best Effort Placing and thereafter.

## **Ranking of the Best Effort Placing Shares**

The Best Effort Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Best Effort Placing Shares.

## **Placing Price for the Best Effort Placing Shares**

The Placing Price of HK\$0.20 per Best Effort Placing Share represents:

- (i) a discount of approximately 4.76% to the closing price of HK\$0.21 per Share as quoted on the Stock Exchange as at the date of this announcement; and
- (ii) a discount of approximately 39.76% to the average closing price of HK\$0.332 per Share in the last five consecutive trading days prior to the date of this announcement.

The Placing Price for the Best Effort Placing Shares was determined after arm's length negotiation between the Company and the Placing Agent on the date of this announcement with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price for the Best Effort Placing Shares is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

## **Conditions of the Best Effort Placing**

Completion of the Best Effort Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment and/or despatch of certificates for the Best Effort Placing Shares) the listing of, and permission to deal in the Best Effort Placing Shares;
- (ii) the passing of a resolution by the Shareholders to approve the allotment and issue of the Best Effort Placing Shares at the EGM; and
- (iii) the obligations of the Placing Agent under the Best Effort Placing Agreement becoming unconditional and not being terminated in accordance with the terms hereof, including provisions regarding force majeure event.

If the above conditions are not satisfied and/or waived in whole or in part by the Placing Agent prior to 10:00 a.m. on the Long Stop Date or such later time or date as may be agreed between the Placing Agent and the Company, the Best Effort Placing Agreement will be terminated and the Best Effort Placing will not proceed and all obligations and liabilities of the parties thereunder will forth with cease and determine and neither party shall have any claim against the other (save for any antecedent breaches of the Best Effort Placing Agreement).



## **Termination and force majeure**

The Best Effort Placing Agreement may be terminated by each of the Placing Agent (in respect of its obligations) if at any time prior to 10:00 a.m. on the date of completion of the Best Effort Placing Agreement, there occurs:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Best Effort Placing (such success being the placing of the Best Effort Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or such Placing Agent to proceed with the Best Effort Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Best Effort Placing (such success being the placing of the Best Effort Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or such Placing Agent to proceed with the Best Effort Placing.

The giving of termination notice by one Placing Agent as described above shall not prejudice the operation of the Best Effort Placing Agreement against the other Placing Agent.

## **Completion of the Best Effort Placing**

Completion of the Best Effort Placing will take place within four Business Days after the fulfillment of the conditions as set out in the Best Effort Placing Agreement but not later than the Long Stop Date or such later date to be agreed between the Company and the Placing Agent.

## **Placings are not inter-conditional**

The Fully Underwritten Placing and the Best Effort Placing are not inter-conditional upon each other.

**Completion of the Placings are subject to the satisfaction of the conditions precedent in each of the Placing Agreements. As the Placings may or may not proceed and are subject to Shareholders' approval, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

#### **REASONS FOR THE PLACINGS AND USE OF PROCEEDS**

The Company is an investment holding company. The Group is principally engaged in operating a Premier League football club, the provision of apparel sourcing and trading and entertainment and media services.

The maximum aggregate gross proceeds and net proceeds from the placings of the Placing Shares will be HK\$310 million and approximately HK\$299 million respectively. The Group is intended to use the net proceeds for general working capital and financial support to the operation of Birmingham City Football Club.

The Directors consider that the Placings represent an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the Placings are in the interest of the Company and the Shareholders as a whole.

#### **FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS OF THE COMPANY**

The Company has not conducted any fund raising activity in the past twelve months before the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there will not be any change in the shareholding structure of the Company immediately before and completion of each of the Placings, the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after completion of the Fully Underwritten Placing but before completion of the Best Effort Placing, and (iii) immediately after completion of the Fully Underwritten Placing and the Best Effort Placing (assuming the maximum number of the Best Effort Placing Shares are placed), are as follows:

	As at the date of this announcement		Immediately after completion of the Fully Underwritten Placing but before completion of the Best Effort Placing		Immediately after completion of the Fully Underwritten Placing and the Best Effort Placing (assuming the maximum number of the Best Effort Placing Shares are placed)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Mr. Yeung Ka Sing, Carson	185,452,800	5.82%	185,452,800	5.10%	185,452,800	3.91%
Great Luck Management Limited (note 1)	405,469,066	12.72%	405,469,066	11.15%	405,469,066	8.56%
Premier Rise Investments Limited (note 2)	163,800,000	5.14%	163,800,000	4.50%	163,800,000	3.46%
Mr. Lui Xingcheng	418,800,000	13.14%	418,800,000	11.51%	418,800,000	8.84%
Ms. Zhou Xin	315,000,000	9.88%	315,000,000	8.66%	315,000,000	6.65%
Public Places	—	—	450,000,000	12.37%	1,550,000,000	32.72%
Other public Shareholders	1,699,231,534	53.30%	1,699,231,534	46.71%	1,699,231,534	35.86%
Total	<u>3,187,753,400</u>	<u>100.00%</u>	<u>3,637,753,400</u>	<u>100.00%</u>	<u>4,737,753,400</u>	<u>100.00%</u>

### Notes:

1. These Shares are held by Great Luck Management Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Yeung Ka Sing, Carson, an executive Director.
2. These Shares are held by Premier Rise Investments Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Hui Ho Luek, Vico, an executive Director.

## GENERAL

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, pass the resolutions to approve the entering into of each of the Placing Agreements and transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, further details of (i) the Placings; and (ii) a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“associates”	has the meaning ascribed to it in the Listing Rules
“Best Effort Placing”	the placing of the Best Effort Placing Shares by the Placing Agent on a best effort basis pursuant to the terms of the Best Effort Placing Agreement
“Best Effort Placing Agreement”	a conditional placing agreement entered into between the Company and the Placing Agent dated 22 October 2010 in relation to the Best Effort Placing
“Best Effort Placing Share(s)”	a maximum of 1,100,000,000 new Share(s) to be placed under the Best Effort Placing
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday) on which banks in Hong Kong generally are open for business
“Company”	Birmingham International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company

“Fully Underwritten Placing”	the placing of the Fully Underwritten Placing Shares by the Placing Agent on a fully underwritten basis pursuant to the terms of the Fully Underwritten Placing Agreement
“Fully Underwritten Placing Agreement”	a conditional placing agreement entered into between the Company and the Placing Agent dated 22 October 2010 in relation to the Fully Underwritten Placing
“Fully Underwritten Placing Share(s)”	450,000,000 new Shares which will be placed by the Placing Agent pursuant to terms and conditions of the Underwritten Placing Agent on a fully underwritten basis
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	three months after the date of EGM or date as may be agreed between the Placing Agent and the Company
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry out business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreements”	the Fully Underwritten Placing Agreement and the Best Effort Placing Agreement
“Placing Price”	HK\$0.20 per Fully Underwritten Placing Share and Best Effort Placing Share
“Placing Share(s)”	an aggregate of up to 1,550,000,000 new Shares to be placed pursuant to the Fully Underwritten Placing Agreement and the Best Effort Placing Agreement
“Placings”	the Fully Underwritten Placing and the Best Effort Placing

“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board  
**Birmingham International Holdings Limited**  
**Hui Ho Luek, Vico**  
*Executive Director and Chief Executive Officer*

Hong Kong, 22 October 2010

*As at the date hereof, the executive directors of the Company are Mr. Yeung Ka Sing, Carson, Mr. Hui Ho Luek, Vico, Mr. Steven McManaman, Mr. Lee Yiu Tung, Mr. Chan Shun Wah, Mr. Ip Wing Lun and Ms. Wong Po Ling, Pauline, the non-executive directors are Mr. Christian Lali Karembou and Mr. Chan Wai Keung and the independent non-executive directors are Mr. Chang Kin Man, Mr. Yau Yan Ming, Raymond and Mr. Zhou Han Ping.*