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)

ANNOUNCEMENT OF UNAUDITED SECOND INTERIM RESULTS FOR THE TWELVE MONTHS ENDED 31 MARCH 2010

UNAUDITED SECOND INTERIM RESULTS

The Board of Directors (the "Board") of Birmingham International Holdings Limited (the "Company") presents the unaudited condensed consolidated second interim results of the Company and its subsidiaries (collectively refer to as the "Group") for the twelve months ended 31 March 2010 together with the comparative figures set out as follows. This second interim results is prepared due to the change of the financial year end date of the Group from 31 March to 30 June, which enabled the Group to have a conterminous year end with its principal operating subsidiaries, Birmingham City Plc ("BCP") and Birmingham City Football Club ("BCFC") (thereafter collectively as "BCP Group") which is situated in the United Kingdom, and thereby facilitating the preparation of consolidated financial statements of the Group. These condensed consolidated interim financial statements are unaudited but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Twelve months ended 31 March	
		2010	2009
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Audited)
Turnover	*3*	**365,536**	10,660
Operating expenses		**(35,633)**	(6,513)
Profit from operations before staff costs and amortisations		**329,903**	4,147
Other revenue and net gains		**384**	986
Gain on sale of players' registrations		**1,872**	—
Impairment loss on available-for-sale financial assets		**—**	(73,945)
Impairment loss on trade receivables		**—**	(1,333)
Gain on disposal of subsidiaries	*4*	**17,311**	—
Gain on change in fair value of available-for-sale financial assets		**236,079**	—
Amortisation of backlog contracts		**(140,441)**	—
Amortisation of players' registrations		**(79,988)**	—
Administrative and other expenses		**(341,008)**	(21,072)
Finance costs	*6*	**(20,715)**	(538)
Profit/(loss) before taxation	*5*	**3,397**	(91,755)
Income tax expense	*7*	**—**	78
Profit/(loss) for the period/year		**3,397**	(91,677)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Notes	Twelve months ended 31 March 2010 HK$'000 (Unaudited)	2009 HK$'000 (Audited)
Other comprehensive income			
— Exchange differences on translating foreign operations		**(39,861)**	—
— Change in fair value of available-for-sale financial assets		**236,079**	—
— Release of change in fair value of available-for-sale financial assets upon transfer to equity interest of subsidiary		**(236,079)**	—
Other comprehensive income for the period/year		**(39,861)**	—
Total comprehensive income for the period/year		**(36,464)**	(91,677)
Profit/(loss) attributable to:			
— Owners of the Company		**10,956**	(91,677)
— Non-controlling interests		**(7,559)**	—
		3,397	(91,677)
Total comprehensive income attributable to:			
— Owners of the Company		**(26,986)**	(91,677)
— Non-controlling interests		**(9,478)**	—
		(36,464)	(91,677)
Earnings/(losses) per share	*9*		
— Basic and diluted (HK cents)		**0.53 cents**	(10.96 cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 March **2010** ***HK$'000*** **(Unaudited)**	 2009 *HK$'000* (Audited)
Non-current assets			
Intangible assets	*10*	**809,189**	—
Goodwill		**157,250**	—
Property, plant and equipment		**283,065**	2,992
Available-for-sale financial assets	*11*	**—**	60,419
Investment property		**—**	1,060
		1,249,504	64,471
Current assets			
Inventories		**1,775**	—
Trade receivables	*12*	**27,549**	—
Prepayments and other receivables		**49,460**	1,190
Cash and bank balances		**19,497**	2,968
		98,281	4,158
Current liabilities			
Trade payables	*13*	**176,246**	—
Accruals and other payables		**63,330**	5,880
Interest bearing loans and borrowings	*14*	**103,009**	—
Income tax payable		**418**	20,337
Deferred income		**50,685**	—
Deferred capital grant		**667**	—
Amounts due to directors		**22,802**	5,378
Provisions		**54,676**	—
		471,833	31,595
Net current liabilities		**(373,552)**	(27,437)
Total assets less current liabilities		**875,952**	37,034
Non-current liabilities			
Preference shares		**211**	—
Interest bearing loans and borrowings	*14*	**9,725**	—
Deferred capital grant		**22,610**	—
Amounts due to directors		**85,665**	97,982
Deferred tax liabilities		**—**	167
Convertible notes		**—**	4,108
		118,211	102,257
TOTAL NET ASSETS/(LIABILITIES)		**757,741**	(65,223)
Capital and reserves attributable to owners of the Company			
Share capital	*15*	**31,878**	9,852
Reserves		**699,175**	(75,075)
Equity attributable to owners of the Company		**731,053**	(65,223)
Non-controlling interests		**26,688**	—
TOTAL EQUITY		**757,741**	(65,223)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the twelve months ended 31 March 2010

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the twelve months ended 31 March 2010 has been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The preparation of the condensed consolidated interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumption that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis.

These condensed consolidated interim financial statements include selected explanatory notes. The notes include explanations of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since 31 March 2009. These condensed consolidated interim financial statements and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA and should be read in conjunction with the annual financial statements for the year ended 31 March 2009.

These condensed consolidated interim financial statements have been prepared on the historical cost basis, as modified by the revaluation of investment property, available-for-sale financial assets and derivative components of convertible notes which are measured at fair values, as appropriate.

At the end of reporting period, the Group's current liabilities exceeded its current assets by HK$373,552,000. This situation indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirement based on (i) the Group have held discussions with its bankers and other financiers about its future requirements and no matters have been drawn to its attention to suggest renewal may not be forthcoming on acceptable terms (ii) written financial support from Mr. Yeung Ka Sing, Carson ("Mr. Yeung"), one of the beneficial and substantial shareholders of the Company, by not demanding for repayment on amount due from the Group of HK$82,751,000 until the Group is in a position to repay. In addition, Mr. Yeung undertakes to provide sufficient financial resources to the Group so as to enable the Group to meet its liabilities as they fall due and carry out on the business without a significant curtailment of operation. Accordingly, the condensed consolidated interim financial statements have been prepared on a going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted in the preparation of these condensed consolidated interim financial statements are consistent with those of the annual financial statements for the year ended 31 March 2009, as described in the annual financial statements, except as described below:

A. The following additional accounting policies are adopted as a result of the business combination occurred during the period:

Intangible assets

Research and development expenditure

Expenditure on research activities is recognised as an expense in which it is incurred.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of intangible assets and their fair values can be measured reliability. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment loss. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment loss.

Acquired players' registrations

The costs associated with the acquisition of players' registrations are initially recorded at their fair value at the date of acquisition. These costs are fully amortised over the period of the respective players' contracts, being between 1 to 5 years. A provision is made in accruals, where in management's opinion, the club is likely to achieve promotion to the Premiership League or retain Premiership status or where a player is likely to achieve a contractually agreed number of first team appearances. Where the outcome of this is uncertain, the maximum amount payable is disclosed as a contingent liability.

For the purposes of impairment reviews, acquired players' registrations are classified as a single cash-generating unit until the point at which it is made clear that the player no longer remains as an active member of the playing squad. In these circumstances the carrying value of the players' registration is reviewed against a measurable net realisable value.

Acquired players' registrations are classified as "Assets held for sale" on the statement of financial position if, at any time, it is considered that the carrying amount of a registration will be recovered principally through a sale. The measurement of such registration is the lower of (a) fair value (less costs to sell) and (b) carrying value. Amortisation of such registration is suspended at the time of reclassification, although impairment charges still need to be made if applicable.

Grants

Grants and donations received in respect of safety work and ground developments are credited to deferred capital grants and are released to the profit or loss over the anticipated useful life of the assets to which they relate. Football Trust grants received are released to the profit or loss when the related expenditures incurred.

Additional revenue recognition

Additional revenue streams arising from the new operating activity from operations of a professional football club represents income arising from sales to third parties, and excludes transfer fees receivable and value-added tax as stated below.

(i) Season ticket and corporate hospitality revenue is recognised over the period of the football season as home matches are played.

(ii) Fixed elements of FA Premier League central broadcasting contracts are recognised on a time basis over the duration of the football season. Appearance fees are accounted for as earned. The merit based payment in respect of the position achieved in the league table is recognised at the end of the league season, when the final league position is known. The FA Premier League 20th place award is recognised over the duration of the football season, as this is guaranteed.

(iii) Sponsorship contracts are recognised over the duration of the contract, either on a straight-line basis, or over the period of the football season, as appropriate, based on the terms of the contract.

(iv) Catering revenues are recognised on an earned basis.

(v) Revenue from the sale of branded products is recognised at the point of despatch when significant risks and rewards of ownership is deemed to have been transferred to the buyer.

Signing on fees and image rights

Signing on fees and image rights are charged, on a straight-line basis, to the statement of comprehensive income over the period of the player's contract. Prepayments/accruals arising at each period end are included within prepayments and accrued income or accruals within current assets or current liabilities, as appropriate. Where a player's registration is transferred, any signing on fees payable in respect of future periods are charged against the gain/(loss) on disposal of players' registrations in the period in which the disposal is recognised.

B. The following new and revised HKFRSs are mandatory for accounting periods beginning on or after 1 April 2009:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) — Interpretation 9 and HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) — Interpretation 13	Customer Loyalty Programmes
HK(IFRIC) — Interpretation 15	Agreements for the Construction of Real Estate
HK(IFRIC) — Interpretation 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) — Interpretation 18	Transfers of Assets from Customers

The adoption of these new/revised HKFRSs has no effect on the Group's reported results and financial position. Accordingly, no prior period adjustment has been recognised. However, the adoption of HKAS 1 (Revised) and HKFRS 8, have resulted in certain presentational changes in the Group's condensed consolidated interim financial statements. Comparative figures have been restated or included in order to achieve a consistent presentation.

HKAS 1 (Revised) has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosure. Under the revised standard, the Income Statement, the Balance Sheet and the Cash Flow Statement are renamed as the "Statement of Comprehensive Income", the "Statement of Financial Position" and the "Statement of Cash Flows" respectively. The Group selected to present all items of income and expense, other than transactions with owner, in Statement of Comprehensive Income.

HKFRS 8 replaces HKAS 14 "Segment Reporting", and requires operating segments to be identified on the basis of internal reports of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segments and to assess their performance. As the business segments reported by the Group in accordance with the requirements of HKAS 14 are the same as the operating segments provided to the chief operating decision-maker as required by HKFRS 8, there are no changes to the operating segments and the relevant segment information on the adoption of HKFRS 8 except for new businesses that were acquired during the period.

C. The following accounting policies are adopted prospectively as a result of early adoption of revised HKFRS 3 Business Combinations and revised HKAS 27 Consolidated and Separate Financial Statements:

Business combination from 1 April 2009

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date and recognised the resulting gain or loss, together with changes in value of equity interest previously recognised in other comprehensive income, in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability are recognised in accordance with HKAS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

D. The following new and revised HKFRSs that are potentially related to the Group's operations, have been issued, but are not yet effective and have not been early adopted:

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[3]
Amendments to HKAS 32	Classification of Rights Issues[5]
Amendment to HKAS 39	Eligible Hedged Items[1]
Amendments to HKFRS 2	Share-based Payment — Group Cash-settled Share-based Payment Transactions[4]
Amendment to HK(IFRIC) — Interpretation 14	Prepayments of a Minimum Funding Requirement[7]
HK(IFRIC) — Interpretation 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) — Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments[6]
HKAS 24 (Revised)	Related Party Disclosures[7]
HKFRS 9	Financial Instruments[8]

1 Effective for annual periods beginning on or after 1 July 2009
2 Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
3 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
4 Effective for annual periods beginning on or after 1 January 2010
5 Effective for annual periods beginning on or after 1 February 2010
6 Effective for annual periods beginning on or after 1 July 2010
7 Effective for annual periods beginning on or after 1 January 2011
8 Effective for annual periods beginning on or after 1 January 2013

Having assessed the impact of these revised standards, amendments and interpretations on the Group's financial statements, the directors of the Company have so far concluded that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. TURNOVER AND SEGMENT INFORMATION

The Group determines its operating segment based on the reports reviewed by the chief operating decision-maker to allocate resources to and assess the performance of the operating segments.

The Group has four reportable segments, namely (i) professional football operation; (ii) apparel sourcing and trading; (iii) entertainment and media services and (iv) investment holding.

In determining the Group's geographical information, revenues and results are based on the location in which the customers are located.

An analysis of the Group's turnover and operating results by segments during the period is shown as follows:

(i) Reportable segments

	Professional football operation twelve months ended 31 March		Apparel sourcing and trading twelve months ended 31 March		Entertainment and media services twelve months ended 31 March		Investment holding twelve months ended 31 March		Consolidated twelve months ended 31 March	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
Reportable segment revenue	**363,457**	—	**—**	2,338	**2,079**	8,322	**—**	—	**365,536**	10,660
Reportable segment results	**329,803**	—	**—**	804	**100**	3,343	**—**	—	**329,903**	4,147
Other revenue	**1,872**	—	**—**	—	**—**	47	**384**	939	**2,256**	986
Gain on disposal of subsidiaries *(Note 4)*	**—**	—	**—**	—	**—**	—	**17,311**	—	**17,311**	—
Gain on change in fair value/ (impairment loss) of available-for-sale financial assets	**—**	—	**—**	—	**—**	—	**236,079**	(73,945)	**236,079**	(73,945)
Amortisation of backlog contracts	**(140,441)**	—	**—**	—	**—**	—	**—**	—	**(140,441)**	—
Amortisation of players' registration	**(79,988)**	—	**—**	—	**—**	—	**—**	—	**(79,988)**	—
Corporate expenses	**(231,459)**	—	**—**	—	**—**	—	**(109,549)**	(22,405)	**(341,008)**	(22,405)
Finance costs	**(5,912)**	—	**—**	—	**—**	—	**(14,803)**	(538)	**(20,715)**	(538)
Profit/(loss) before taxation									**3,397**	(91,755)
Income tax expense									**—**	78
Profit/(loss) for the period/year									**3,397**	(91,677)

(ii) Geographical information

	Revenue Twelve months ended 31 March		Operating results Twelve months ended 31 March	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Hong Kong	**2,079**	8,322	**100**	4,147
The United Kingdom	**363,457**	2,338	**329,803**	—
	365,536	10,660	**329,903**	4,147

No analysis of capital expenditure by geographical location is presented as majority of the Group's capital assets acquired during the period is located in Hong Kong and the United Kingdom.

4. GAIN ON DISPOSAL OF SUBSIDIARIES

On 29 July 2009, the Company entered into a disposal agreement with China Man Investment Limited to dispose Fanlink Far East Limited, Sun Ace Group Limited, East Step Trading Limited, Gala Consultants Group Limited and Sun Tai Hing Garment Making Company Limited, the subsidiaries of the Group. The disposal was completed on 29 July 2009.

The net liabilities of these disposed subsidiaries at the date of disposal were as follows:

	29 July 2009
	HK$'000
	(Unaudited)
Net liabilities disposed of:	
Property, plant and equipment	**1,718**
Trade and other receivables	**1,060**
Cash and bank balances	**16**
Trade and other payables	**(20)**
Tax payable	**(19,918)**
Deferred tax liabilities	**(167)**
Gain on disposal of subsidiaries	**(17,311)**
Total cash consideration	**—**
Net cash outflow in respect of disposal of subsidiaries:	
Total cash consideration	**—**
Cash and bank balances disposed of	**(16)**
	(16)

5. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation in the condensed consolidated statement of comprehensive income is arrived at after charging/(crediting) the following:

	Twelve months ended 31 March 2010 HK$'000 (Unaudited)	2009 HK$'000 (Audited)
Depreciation of property, plant and equipment	**7,157**	436
Amortisation of backlog contracts	**140,441**	—
Amortisation of players' registrations	**79,988**	—
Amortisation of payments for leasehold land held for own use under operating leases	**—**	289
Operating lease in respect of property and others	**3,642**	1,281
Employee benefit expenses (including directors' remuneration):	**228,726**	7,896
Salaries and allowances	**203,414**	7,756
Pension fund contributions	**25,312**	140
and after crediting:		
Gain on sale of players' registrations	**(1,872)**	—
Gain on disposal of subsidiaries	**(17,311)**	—
Gain on change in fair value of available-for-sale financial assets	**(236,079)**	—
Other operating income – release of capital grants	**(327)**	—

6. FINANCE COSTS

	Twelve months ended 31 March 2010 HK$'000 (Unaudited)	2009 HK$'000 (Audited)
Interest expenses on bank and other borrowings repayable within five years	**16,481**	—
Notional interest on players' registrations	**3,818**	—
Interest on agents' fees tax liability	**397**	—
Imputed interest expense on convertible notes	**19**	538
	20,715	538

7. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made for the twelve months ended 31 March 2010 as the Group either incurred taxation loss or had no assessable profit for the period (twelve months ended 31 March 2009: Nil).

No provision for United Kingdom Corporation Tax has been made since assessable profits generated during the period is wholly absorbed by applicable tax losses brought forward.

8. DIVIDEND

The Board does not recommend the payment of any interim dividend for the twelve months ended 31 March 2010 (twelve months ended 31 March 2009: Nil).

9. EARNINGS/(LOSSES) PER SHARE

The calculation of basic earnings/(losses) per share is based on the unaudited condensed consolidated profit/(loss) attributable to owners of the Company for the twelve months ended 31 March 2010 of approximately HK$10,956,000 (twelve months ended 31 March 2009: loss of HK$91,677,000) and the weighted average of 2,059,369,000 shares (twelve months ended 31 March 2009: 836,164,000 shares) in issue during the period.

The computation of diluted earnings/(losses) per share for the twelve months ended 31 March 2010 and 2009 does not assume the exercise/conversion of the Company's outstanding options/convertible notes during the period as their exercise/conversion would have an anti-dilutive effect. Accordingly, the diluted earnings/(losses) per share presented for both periods are the same as their basic earnings/(losses) per share.

10. INTANGIBLE ASSETS

	Trademark	Backlog contracts	Players' registrations	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Note a)	*(Note b)*	*(Note c)*	
Net book value as at 1 April 2008, 31 March 2009 and 1 April 2009	—	—	—	—
Acquisition of subsidiaries	566,004	198,866	234,584	999,454
Additions	—	—	70,717	70,717
Amortisation	—	(140,441)	(79,988)	(220,429)
Written-off	—	—	(1,342)	(1,342)
Exchange differences	(26,880)	(1,599)	(10,732)	(39,211)
Net book value as at 31 March 2010	539,124	56,826	213,239	809,189

(a) Trademark relating to the "Birmingham City Football Club" which is a professional football club based in the city of Birmingham, the United Kingdom acquired as part of the acquisition of the BCP Group, and has indefinite useful lives and therefore are not amortised but tested for impairment for each reporting date and where an indicator of impairment exists.

(b) Backlog contract represents a league distribution agreement (the "Agreement") entered into with the Football Association Premier League Limited (the "Football Association") where a right of receiving shared amounts during the Premier League season 2009/2010 from the Football Association which to be determined by outcome of certain conditions specified in the Agreement, was acquired as part of the acquisition of the BCP Group. The amortisation period of the backlog contract is estimated to be within one year.

(c) Players' registrations represent the rights of receiving transfer fees upon transfer of players to other professional football clubs, was acquired as part of the acquisition of the BCP Group. The remaining amortisation period of the players' registrations is based on respective players' contracts ranging from 1 to 5 years.

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Twelve months ended 31 March	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Equity securities in the United Kingdom		
Balance at beginning of the period/year	**60,419**	134,364
Change in fair value	**236,079**	(73,945)
Transfer to equity interest of subsidiaries	**(296,498)**	—
Balance at end of the period/year	**—**	60,419

On 12 October 2009, the Group further acquired 64.1% equity interest in BCP. Since then, the Group's equity interest in BCP increased from 29.9% to 94% and it becomes subsidiary of the Group.

12. TRADE RECEIVABLES

Trade receivables are individually assessed based on estimated recoverable amounts.

The ageing analysis of trade receivables is as follows:

	As at 31 March	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**20,130**	—
31 — 90 days	**4,119**	—
91 — 120 days	**386**	—
121 — 180 days	**1,744**	—
181 — 365 days	**1,170**	—
	27,549	—

13. TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	As at 31 March	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**164,600**	
31 — 90 days	**9,550**	—
91 — 120 days	**925**	—
121 — 180 days	**293**	—
181 — 365 days	**878**	—
	176,246	—

14. INTEREST BEARING LOANS AND BORROWINGS

	As at 31 March	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Bank loans	**25,747**	—
Bank overdraft	**86,297**	—
Others	**690**	—
	112,734	—
Borrowing maturity:		
Current liabilities — on demand and within one year	**103,009**	—
More than one year but not exceeding two years	**9,526**	—
More than two years but not exceeding five years	**199**	—
Non-current liabilities	**9,725**	—
Total borrowings	**112,734**	—

The bank overdraft and loans are secured on land and buildings of carrying amount approximately HK$270,534,000. The Group has an overdraft facility of GBP10,000,000 (approximately HK$117,029,000) until 14 April 2010, then overdraft facilities limit reduced to GBP7,000,000 (approximately HK$81,920,000) which is due for renewal on 31 August 2010.

15. SHARE CAPITAL

Ordinary shares of HK$0.01 each	Twelve months ended 31 March 2010 Number of shares	 Amount *HK$'000* (Unaudited)	 2009 Number of shares	 Amount *HK$'000* (Audited)
Authorised capital:				
At beginning and end of period/year	**10,000,000,000**	**100,000**	10,000,000,000	100,000
Issued and fully paid capital:				
At beginning of period/year	**985,151,000**	**9,852**	760,320,000	7,603
Issue of shares of conversion of convertible notes *(Note (a))*	**90,908,000**	**909**	224,831,000	2,249
Issue of shares by way of placements *(Note (b))*	**150,000,000**	**1,500**	—	—
Issue of shares by open offer *(Note (c))*	**1,961,694,400**	**19,617**	—	—
At end of period/year	**3,187,753,400**	**31,878**	985,151,000	9,852

Notes:

(a) On 6 April 2009 and 30 April 2009, conversion rights attaching to the convertible notes in the principal amounts of HK$2,500,000 and HK$2,500,000 were exercised respectively, resulting in the allotment and issue of 45,454,000 shares and 45,454,000 shares respectively.

(b) On 19 June 2009, the Company raised approximately HK$58,184,000, after expenses, by issuing 150,000,000 shares by placements at subscription prices HK$0.40.

(c) On 20 October 2009, new shares (the "Offer Shares") were issued by way of open offer (the "Open Offer") at an offer price of HK$0.4 each on the basis of eight Offer Shares for every five existing shares held by the qualifying shareholders of the Company. The aggregate consideration, net of expenses, amounted to approximately HK$768,429,000.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the twelve months ended 31 March 2010, the Group recorded a consolidated turnover of approximately HK$366 million, representing an increase of 3,227.27% compares to the consolidated turnover of approximately HK$11 million in the corresponding period of 2009. Such increase was mainly due to the professional football business revenue generated from Birmingham City Football Club ("BCFC") whose holdings company was acquired by the Company in October 2009.

The Group's profit for the period amounted to approximately HK$3 million (twelve months ended 31 March 2009: loss of approximately HK$92 million). In particular, the change in fair value of available-for-sale financial assets was a profit of approximately HK$236 million (twelve months ended 31 march 2009: impairment loss on available-for-sale financial assets of approximately HK$74 million). The expense for the period included the staff cost of approximately HK$229 million, amortisation of backlog contracts of approximately HK$140 million and player amortisation of approximately HK$80 million in United Kingdom (twelve months ended 31 March 2009: the United Kingdom's expenses was nil).

Business Review and Prospect

The Company engages in investment holding. The principal activities of its main subsidiaries are engaged in professional football operation, apparel sourcing and trading and entertainment and media services.

Football Operation Business

Birmingham City Plc ("BCP") is a company domiciled in the United Kingdom, the principal activity of Birmingham City Plc Group ("BCP Group") was professional football club operation in the United Kingdom. The revenue streams of BCP Group comprised (i) match receipts which was season and matchday tickets; (ii) broadcasting which was television and broadcasting income, including distribution from the Football Association Premier League broadcasting agreements, cup competitions and local video; and (iii) commercial income which sponsorship income, corporate hospitality, merchandising, conference and banqueting and other sundry revenue.

BCP Group contributed a turnover of approximately HK$363 million to the Group's turnover for the period. It contributed a profit before additional depreciation for revalued property and amortisation of backlog contracts of approximately HK$16 million and a net loss of HK$126 million to the Group's profit for the period (twelve months ended 31 March 2009: nil as no this business).

Apparel Sourcing and Trading Business

As the Group facing a comprehensive challenge from apparel competitors, the Group temporarily recorded no turnover (twelve months ended 31 March 2009: approximately HK$2 million) in apparel sourcing and trading business in the period. However, on 14 January 2010, the Group entered into the agreements in relation to the sponsorship to be received by the Group from Xtep HK which is a wholly-owned subsidiary of Xtep International Holdings Limited (Stock code: 1368) ("Xtep"), the cooperation in manufacturing and selling of the "BCFC-Xtep" branded sportswear and joint promotion of the "BCFC-

Xtep" from August 2010 to May 2015. The cooperation with Xtep is a crucial strategy of the Group in re-developing the apparel sourcing and trading business. It helps to bring revenue streams into the Group in coming years.

Entertainment and Media Business

In the period ended 31 March 2010, the Group recorded a turnover of approximately HK$2 million (twelve months ended 31 March 2009: approximately HK$8 million) relating to entertainment and media services in the Group's overall turnover.

On 4 November 2009, the Group entered into the agreement in relation to aviation media business. The proposed subsidiary of the target company has entered into the aviation cooperation agreement with Tianjin Airlines. On 4 May 2010, the Group also entered into the agreement in relating railway media and advertising business. The subsidiary of the target Company has signed the master services agreement with CBT which has signed the cooperation agreement with China International Television Corporation (中國國際電視總公司) and the cooperation agreement with China Railway Signal & Communication Corporation (中國鐵路通信信號集團公司). These two transactions will provide a good opportunity for the Company to participate in the media business, which in turn will broaden the Company's revenue base which would have a positive impact on profitability of the Company in near future.

Financial Review

Liquidity and Financial Resources

The current ratio (current assets to current liabilities) of the Group as at 31 March 2010 was 20.83% (31 March 2009: 13.16%) and the gearing ratio (interest bearing borrowings to equity and non-current liabilities) of the Group as at 31 March 2010 was 12.87% (31 March 2009: not applicable). The ratio of total liabilities to total assets of the Group as at 31 March 2010 was 43.78% (31 March 2009: 195.04%)

As at 31 March 2010, the cash and bank balances of the Group amounted to approximately HK$19 million, representing a increase of 533.33% compared to the cash and bank balances of approximately HK$3 million as at the last financial period end.

As at 31 March 2010, the interest bearing loans and borrowings of the Group amounted to approximately HK$ 113 million (31 March 2009: Nil), representing bank overdraft and bank loans in the United Kingdom.

Capital Raising

On 6 April 2009 and 30 April 2009, conversion rights attaching to the convertible notes in the principal amounts of HK$2,500,000 and HK$2,500,000 were exercised respectively, resulting in the allotment and issue of 45,454,000 shares and 45,454,000 shares respectively.

On 19 June 2009, the Company raised approximately HK$58,184,000, after expenses by issuing 150,000,000 shares by placements at subscription prices HK$0.40.

On 20 October 2009, new shares (the "Offer Shares") were issue by way of open offer (the "Open Offer") at an offer price of HK$0.4 each on the basis of eight Offer Shares for every five existing shares held by the qualifying shareholders of the Company. The aggregate consideration, net of expenses, amounted to approximately HK$768,429,000.

Foreign Exchange Risk

The Group's exposure to foreign currency risk is the Group's subsidiaries operating in the United Kingdom and most of their transactions, assets and liabilities are denominated in Pound Sterling ("£"). The Group does not have any derivative financial instruments to hedge its foreign currency risks.

Very Substantial Acquisition during the period

On 29 September 2009, the shareholders of the Company approved the acquisition of BCP by the method of general offer including the escrow arrangement relating to the deposit. The total consideration of the acquisition was £57,129,025 (approximately HK$731,251,520) for 57,129,025 shares of BCP at 100 pence. As at 12 October 2009, the Company acquired approximately 94% shares of BCP. As at 31 March 2010, the Company acquired approximately 95.98% share of BCP.

Contingent Liabilities

The Group had the following contingent liabilities at the end of the period:

(i) A writ was filed against the Company in respect of a claim for reimbursement of expenses paid on behalf of the Group amounting to approximately HK$3,000,000 on 26 July 2006. The Company was not aware of such alleged payments and had instructed lawyers to deal with the matter. Based on available information, it is considered the claim is not justifiable and without merit.

(ii) On 5 October 2009, the Company received a writ of summons from Seymour Pierce Limited relating to fees alleged to be due to it in connection with the Company's acquisition of interests in BCP. The fees alleged amounts to GBP2,200,000 (approximately HK$25,746,000). Summary judgment had obtained by Seymour Pierce in relation to this litigation and the Company has sought leave to appeal the decision. The Company has pending the appeal, a sum of approximately of GBP2,200,000 (approximately HK$25,746,000) is provided for in connection with the summary judgement as at 31 March 2010, and subsequently paid. The board of directors is of the opinion that if the appeal is successful, the sum paid together with costs and interest will be repaid to the Company.

(iii) Concerning the Group's professional football club operation, the BCP Group maintained certain contracts with other football clubs in respect of player transfers, additional amount would become payable if certain specific performance condition are met. The maximum amount not provided that could be payable in respect of player transfer cost GBP1,008,000 (approximately HK$11,796,000) as at 31 March 2010. In addition, there are also possible commitments in respect of image right contingent on whether players remained contacted with the BCP Group amounted to GBP45,000 (approximately HK$526,000) which have not been provided for as at 31 March 2010.

(iv) HM Revenue & Customs issued assessments for repayment of GBP967,000 (approximately HK$11,316,000) of input value-added tax ("VAT") previously recovered, which relates to payments made under the contractual arrangements between the BCP Group and certain football agents. An estimate of the potential maximum liability, including interest to 31 March 2010 is GBP1,070,000 (approximately HK$12,522,000). A VAT tribunal decision published in May 2007 found some individual cases in favour of the BCP Group and some against. The BCP Group considers the VAT concerned has been properly recovered and, accordingly, an appeal has been lodged against the tribunal decision. The BCP Group firmly believes that they have a strong argument and previous cases support, but the BCP Group has decided to make provision of GBP1,070,000 (approximately HK$12,522,000) within these unaudited condensed consolidated interim financial statements. The BCP Group awaits the outcome of the appeal.

(v) HM Revenue & Customs have raised protective assessments for GBP224,600, (approximately HK$2,628,000) in respect of National Insurance Contributions relating to contractual arrangements between the BCP Group and certain football agents. An estimate of the potential maximum liability, including interest to 31 March 2010 is GBP1,402,000 (approximately HK$16,407,000). The BCP Group considers the liability is not payable and has appealed against the assessments. The BCP Group awaits the outcome of the appeal but has decided to make provision of GBP1,402,000 (approximately HK$16,407,000).

(vi) HM Revenue & Customs have raised protective assessment for GBP5,024,000 (approximately HK$58,794,000) in respect of tax & National Insurance Contribution relating to contractual arrangements with certain employees. The directors understand that HM Revenue & Customs are interested in such arrangements at a number of professional football clubs. The BCP Group has appealed against the assessments and agreed with HM Revenue & Customs that collection of the tax & National Insurance Contribution is fully postponed pending the outcome of the appeals. The BCP Group firmly believes that no liability will arise and no provision has been made within these unaudited condensed consolidated interim financial statements.

Post Balance Sheet Events

On 4 November 2009, Far Grow Investments Limited ("Far Grow"), a wholly-owned subsidiary of the Company entered into the agreement with independent third parties, Winning Top International Overseas Limited and Genuine Ocean International Trading Limited ("Winning and Genuine"), Mr. Meng Fei and Peace International Creation Limited ("Peace"), pursuant to which Winning and Genuine agreed to sell and Far Grow agreed to purchase the entire issued share capital of Peace at a consideration of RMB800,000,000 (approximately HK$909,090,000, which will be satisfied by a combination of the allotment and issue of the consideration shares and issue of the convertible bonds to Winning and Genuine (or their respective nominee(s)). Acquisition of Peace is subject to completion condition that Peace would complete acquisition of the entire interest of the registered capital of the PRC Company. Further details were set out in the Company's announcement dated 13 November 2009. The acquisition of Peace has not been completed at the end of reporting period.

On 15 April 2010, the Company entered into Strategic Cooperation Agreement with China Potevio Company Limited ("China Potevio"), a stated-owned enterprise in the PRC whereby China Potevio agreed to grant a revolving credit facility of up to RMB100,000,000 (approximately HK$113,636,000) to the company for the purchase of equipment and products of media devices ("Equipment") to be used on aircrafts from China Potevio on an exclusive basis over a five-year period from the date of the Strategic Cooperation Agreement. The credit facility has not been drawn down and the Company has not committed for any purchases of Equipment from China Potevio at the end of the reporting period.

On 4 May 2010, Good Leader Global Invest Limited ("Good Leader"), a wholly-owned subsidiary of the Company entered into agreement with Diligent King Investments Limited ("Diligent King"), Mr. Yeung and Ever Tone International Develop Limited ("Ever Tone"), pursuant to which Diligent King agreed to sell and Good Leader agreed to purchase the entire issued share capital of Ever Tone at a consideration of HK$3,600,000,000, which will be satisfied by allotment and issue of the convertible preference shares by the Company. The acquisition of Ever Tone constitutes a very substantial acquisition for the Company under the Listing Rules. As Diligent King is wholly-owned by Mr. Yeung, an executive director of the Company, the acquisition of Ever Tone also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the approval of independent shareholders at the extraordinary general meeting.

CORPORATE GOVERNANCE

The Board believes that good corporate governance is crucial to improve the efficiency and performance of the Group and to safeguard the interests of the shareholders.

The Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the twelve months ended 31 March 2010 except for the deviations as detailed in the Company's last annual report as follows:

(a) Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The Company deviates from the above code provision as one of non-executive Directors ("NEDs") and all independent non-executive Directors ("INEDs") are not appointed for specific terms. According to the provisions of the Company's Articles of Association, however, the NEDs and INEDs are subject to retirement and re-election. The reason for the deviation is that the Company believes that the Directors ought to be committed to representing the long term interest of the Company's shareholders.

(b) Code provision A.4.2 stipulates that all directors should be subject to retirement by rotation at least once every three years. Pursuant to the Company's Articles of Association, the chairman shall not be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. In order to ensure the smooth running and continuous adhering to the strategic view of the Company, the Company believes that the position of chairman is more practical to be maintained and not to be subject to retirement by rotation.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry to all the directors of the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the twelve months ended 31 March 2010.

Audit Committee

The Audit Committee comprises three independent non-executive directors of the Company has reviewed with the management in the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including review of the unaudited interim financial information and interim report for the twelve months ended 31 March 2010.

Remuneration Committee

The Remuneration Committee comprises three independent non-executive directors of the Company, is responsibility for reviewing and evaluating the remuneration policies of executive directors and senior management and making recommendations to the Board from time to time.

Nomination Committee

The Nomination Committee comprises three independent non-executive directors of the Company. The primary role is to ensure that there is a formal and transparent procedure adopted by the Company for the nomination of directors of the Company.

Purchase, Sale or Redemption of Securities of the Company

During the twelve months ended 31 March 2010, neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

Publication of Interim Results on the Website of the Stock Exchange

This interim results announcement is published on the websites of the Company (http://www.irasia.com/listco/hk/birminghamint/index.htm) and Hong Kong Exchanges and Clearing Limited (http://www.hkex.com.hk). The interim report of the Company for 2010 containing all information required by the Listing Rules will be dispatch to Shareholders and made available on the above websites in due course.

As at the date of this announcement, the executive Directors are Mr. Yeung Ka Sing, Carson, Mr. Hui Ho Luek, Vico, Mr. Steven McManaman, Mr. Lee Yiu Tung, Mr. Ip Wing Lun and Ms. Wong Po Ling, Pauline, the non-executive Directors are Mr. Christian Lali Karembeu 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.

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

Hong Kong, 23 June 2010