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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

UNAUDITED INTERIM RESULTS

The Board of Directors (the "Board") of Birmingham International Holdings Limited (the "Company") presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively refer to as the "Group") for the six months ended 31 December 2010 together with the comparative figures set out as follows. These condensed consolidated interim financial statements are unaudited but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	**For the 6 months ended 31 December 2010** *HK$'000* **(Unaudited)**	For the 6 months ended 30 September 2009 *HK$'000* (Unaudited)
Turnover	*3*	**375,353**	2,079
Operating expenses		**(327,083)**	(1,979)
Profit from operations before amortisations		**48,270**	100
Other revenue and net gains		**5,422**	—
Gain on disposal of subsidiaries		**—**	17,311
Amortisation of players' registrations		**(75,540)**	—
Administrative and other expenses		**(28,265)**	(10,410)
Finance costs	*4*	**(15,361)**	(10,908)
Loss before taxation	*5*	**(65,474)**	(3,907)
Income tax expense	*6*	**—**	—
Loss for the period		**(65,474)**	(3,907)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Notes	**For the 6 months ended 31 December 2010** *HK$'000* **(Unaudited)**	For the 6 months ended 30 September 2009 *HK$'000* (Unaudited)
Other comprehensive income			
— Exchange differences on translating foreign operations		**11,559**	—
Total comprehensive income for the period		**(53,915)**	—
Loss attributable to:			
— Owners of the Company		**(63,381)**	(3,907)
— Non-controlling interests		**(2,093)**	—
		(65,474)	(3,907)
Total comprehensive income attributable to:			
— Owners of the Company		**(51,906)**	(3,907)
— Non-controlling interests		**(2,009)**	—
		(53,915)	(3,907)
Loss per share	*8*		
— Basic and diluted (HK cents)		**(1.99) cents**	(0.34) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 31 December 2010 HK$'000 (Unaudited)	At 30 June 2010 HK$'000 (Audited)
Non-current assets			
Intangible assets	*9*	**848,018**	838,200
Goodwill		**22,769**	22,185
Property, plant and equipment		**300,710**	282,585
Prepayments		**11,114**	18,466
		1,182,611	1,161,436
Current assets			
Inventories		**3,143**	1,838
Trade receivables	*10*	**89,285**	22,420
Deposits, prepayments and other receivables		**39,392**	38,249
Amounts due from related companies		**3,493**	3,390
Cash and bank balances		**18,473**	15,902
		153,786	81,799
Current liabilities			
Transfer fee payables		**128,286**	148,681
Trade payables	*11*	**27,442**	26,409
Accruals and other payables		**101,492**	145,028
Borrowings — current portion	*12*	**80,128**	35,724
Income tax payable		**418**	418
Deferred income		**137,365**	41,191
Deferred capital grant		**686**	669
Amounts due to directors		**2,150**	—
Provisions		**24,082**	24,264
		502,049	422,384
Net current liabilities		**(348,263)**	(340,585)
Total assets less current liabilities		**834,348**	820,851

	Notes	At 31 December 2010 HK$'000 (Unaudited)	At 30 June 2010 HK$'000 (Audited)
Non-current liabilities			
Transfer fee payables		**58,688**	56,749
Other payables		**9,332**	9,773
Borrowings — long term portion	*12*	**44,573**	42,008
Deferred capital grant		**22,746**	22,490
Amounts due to directors		**220,531**	161,759
Deferred tax liabilities		**193,430**	188,467
		549,300	481,246
TOTAL NET ASSETS		**285,048**	339,605
Capital and reserves			
Share capital	*13*	**31,878**	31,878
Reserves		**241,683**	293,036
Equity attributable to owners of the Company		**273,561**	324,914
Non-controlling interests		**11,487**	14,691
TOTAL EQUITY		**285,048**	339,605

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2010

1. ORGANISATION AND OPERATIONS

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and has its registered office at Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and principal place of business at Unit 3008, 30/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

The Company engages in investment holding.

These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The current period consolidated interim financial statements cover six months period from 1 July 2010 to 31 December 2010 whereas the prior period figures covers the period from 1 April 2009 to 30 September 2009. The different period end dates in the current period and in the prior period was because the directors of the Company had determined to change the financial year end date of the Company from 31 March to 30 June, to bring its end of the reporting period in line with its business cycle in view of the season of premier league normally ends in May to June.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective 1 January 2010

HKFRSs (Amendments)	Improvements to HKFRSs
Amendments to HKAS 39	Eligible Hedged Items
Amendments to HKFRS 2	Share-based Payment – Group Cash-settled Share-based Payment Transactions
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Interpretation 17	Distributions of Non-cash Assets to Owners
HK Interpretation 5	Presentation of Financial Statements – Classification by Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as explained below, the adoption of these new/revised standards and interpretations has no significant impact on the Group's consolidated interim financial statements.

HKFRS 3 (Revised) – Business Combinations and HKAS 27(Revised) – Consolidated and Separate Financial Statements

The revised accounting policies were effective prospectively for business combinations effected in financial periods beginning on or after 1 July 2009. Changes in HKFRS 3 include the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes impact the amount of goodwill and the results in the period that an acquisition occurs and future results. The adoption of revised HKFRS 3 has had no impact to the consolidated financial statements as there has been no business combination transaction during the period.

The revised HKAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners, accordingly, such transactions are recognised within equity. When control is lost and any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The adoption of revised HKAS 27 has had no impact on the current period.

HKAS 17 (Amendments) – Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the statement of financial position. The amendment to HKAS 17 has removed such a requirement and requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee. The Group concluded that the classification of such leases as operating leases continues to be appropriate. All leases of land by the Group as lessee are already accounted as finance leases under the fair value model for leases in HKAS 40 Investment Property.

The Group has reassessed the classification of unexpired leasehold land as at 1 January 2010 on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. Accordingly, the Group has reclassified these interests from "Prepaid land lease payments" to "Property, plant and equipment". These amendments had no impact on the Group's retained earnings and current period end results.

HK Interpretation 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The Interpretation is a clarification of an existing standard, HKAS 1 Presentation of Financial Statements. It sets out the conclusion reached by the HKICPA that a term loan which contains a clause which gives the lender the unconditional right to demand repayment at any time shall be classified as a current liability in accordance with paragraph 69(d) of HKAS 1 irrespective of the probability that the lender will invoke the clause without cause.

In order to comply with the requirements of HK Interpretation 5, the Group has changed its accounting policy on the classification of term loans that contain a repayment on demand clause. Under the new policy, term loans with clauses which give the lender the unconditional right to call the loan at any time are classified as current liabilities in the statement of financial position. Previously such term loans were classified in accordance with the agreed repayment schedule unless the Group had breached any of the loan covenants set out in the agreement as of the reporting date or otherwise had reason to believe that the lender would invoke its rights under the immediate repayment clause within the foreseeable future.

The new accounting policy has been applied retrospectively by re-presenting the opening balances at 1 July 2010. The reclassification has had no effect on reported profit or loss, total comprehensive income or equity for any period presented.

(b) New/revised HKFRSs that have been issued but are not yet effective

HKFRSs (Amendments)	Improvements to HKFRSs 2010 [2&3]
Amendments to HKAS 32	Classification of Rights Issues[1]
Amendments to HK(IFRIC) – Interpretation 14	Prepayments of a Minimum Funding Requirement[3]
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments[2]
HKAS 24 (Revised)	Related Party Disclosures[3]
Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets[4]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets[5]
HKFRS 9	Financial Instruments[6]

1 Effective for annual periods beginning on or after 1 February 2010
2 Effective for annual periods beginning on or after 1 July 2010
3 Effective for annual periods beginning on or after 1 January 2011
4 Effective for annual periods beginning on or after 1 July 2011
5 Effective for annual periods beginning on or after 1 January 2012
6 Effective for annual periods beginning on or after 1 January 2013

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

The amendments to HKFRS 7 improve the derecognition disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendments will be applied retrospectively.

3. **TURNOVER AND SEGMENT INFORMATION**

In the past, the Group's operating activity is attributable to a the reporting segment focusing on (i) apparel sourcing; (ii) apparel trading; (iii) Entertainment; and (iv) investment holding. The application of HKFRS 8 has resulted in a redesignation of the Group's reportable segment to (i) professional football operation; (ii) entertainment services and sponsorship; and (iii) investment holding, as compared with the primary reportable segment determined in accordance with HKAS 14. The reportable segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, that are regularly reviewed by the chief operating decision maker of the group.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

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

(i) Business segment

	Professional football operation Six months ended		Entertainment services and sponsorship Six months ended		Investment holding Six months ended		Consolidated Six months ended	
	31 December 2010	30 September 2009	**31 December 2010**	30 September 2009	**31 December 2010**	30 September 2009	**31 December 2010**	30 September 2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Reportable segment revenue	**354,896**	–	**20,457**	2,079	**–**	–	**375,353**	2,079
Reportable segment results	**27,973**	–	**20,297**	100	**–**	–	**48,270**	100
Other revenue and net gains	**146**	–	**–**	–	**5,276**	–	**5,422**	–
Gain on disposal of subsidiaries	**–**	–	**–**	–	**–**	17,311	**–**	17,311
Amortisation of players' registration	**(75,540)**	–	**–**	–	**–**	–	**(75,540)**	–
Corporate expenses	**–**	–	**(13,824)**	–	**(14,441)**	(10,410)	**(28,265)**	(10,410)
Finance costs	**(14,534)**	–	**–**	–	**(827)**	(10,908)	**(15,361)**	(10,908)
Loss before taxation							**(65,474)**	(3,907)
Income tax expense							**–**	–
Loss for the period							**(65,474)**	(3,907)

(ii) Geographical information

	Revenue Six months ended		Operating results Six months ended	
	31 December 2010	30 September 2009	**31 December 2010**	30 September 2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Hong Kong	**20,457**	2,079	**20,297**	100
The United Kingdom	**354,896**	—	**27,973**	—
	375,353	2,079	**48,270**	100

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. FINANCE COSTS

	Six months ended	
	31 December 2010	30 September 2009
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest expenses on bank and other borrowings repayable within five years	**6,021**	10,889
Finance lease interest payable	**145**	—
Notional interest on players' registrations	**8,234**	—
Interest on agents' fees tax liability	**961**	—
Imputed interest expense on convertible notes	**—**	19
	15,361	10,908

5. LOSS BEFORE TAXATION

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

	Six months ended	
	31 December 2010	30 September 2009
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**5,348**	201
Amortisation of players' registrations	**75,540**	—
Operating lease in respect of property and others	**1,970**	—
Staff costs (including directors):		
Wages and salaries	**228,948**	3,732
Contributions on defined contribution retirement plans	**28,063**	71
Gain on disposal of subsidiaries	**—**	(17,311)
Other operating income – release of capital grants	**(341)**	—

6. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made for the six months period ended 31 December 2010 as the Group either incurred taxation loss or had no assessable profit for the period (six months period ended 30 September 2009: Nil).

7. DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months period ended 31 December 2010 (six months period ended 30 September 2009: Nil).

8. LOSS PER SHARE

The calculation of basic loss per share is based on the unaudited condensed consolidated loss attributable to owners of the Company for the six months period ended 31 December 2010 of approximately HK$63,381,000 (six months period ended 30 September 2009: loss of HK$3,907,077) and the number of ordinary shares of 3,187,753,400 shares (six months period ended 30 September 2009: 1,151,543,460 shares) in issue during the period.

No diluted loss per share for both periods are presented as the Company has no potential dilutive ordinary shares at 31 December 2010 and 30 September 2009.

9. INTANGIBLE ASSETS

	Trademark *HK$'000* *(Note a)*	**Players' registrations** *HK$'000* *(Note b)*	**Total** *HK$'000*
Net carrying value as at 30 June 2010 (Audited)	540,474	297,726	838,200
Additions	—	62,529	62,529
Amortisation	—	(75,540)	(75,540)
Exchange differences	14,235	8,594	22,829
Net carrying value as at 31 December 2010 (Unaudited)	554,709	293,309	848,018

(a) Trademark relating to the Birmingham City Football Club (the "Club") which is a professional football club based in the city of Birmingham, the United Kingdom, acquired as part of the acquisition of Birmingham City Plc. and its subsidiaries (collectively refer to as 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) 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.

10. TRADE RECEIVABLES

At 31 December 2010, the Group's trade receivables of approximately HK$807,000 (30 June 2010: HK$751,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that none of the related receivables is expected to be recovered. Consequently, full allowances for doubtful debts of HK$807,000 (30 June 2010: HK$751,000) was recognised. The Group does not hold any collateral over these balances.

The ageing analysis of gross trade receivables, based on invoice date, is as follows:

	31 December 2010	30 June 2010
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**80,543**	17,715
31 — 90 days	**4,106**	2,124
91 — 180 days	**3,552**	669
181 — 365 days	**1,891**	2,663
	90,092	23,171

11. TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	31 December 2010	30 June 2010
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**16,039**	15,172
31 — 90 days	**5,852**	9,209
91 — 180 days	**2,782**	1,176
181 — 365 days	**2,769**	852
	27,442	26,409

12. INTEREST BEARING LOANS AND BORROWINGS

	31 December 2010	30 June 2010
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Bank loans	**17,977**	22,866
Bank overdraft	**59,423**	19,323
Others	**47,301**	35,543
	124,701	77,732
Borrowing maturity:		
Current liabilities — on demand and within one year	**80,128**	35,724
Non-current liabilities		
More than one year but not exceeding two years	**42,514**	41,797
More than two years but not exceeding five years	**1,842**	211
More than five years	**217**	—
	44,573	42,008
Total borrowings	**124,701**	77,732

The bank overdraft and loans are secured on land and buildings of carrying amount approximately HK$275,874,000. The Group has an overdraft facility of GBP7,000,000 (approximately HK$84,287,000) which is due for renewal in 31 August 2011.

13. SHARE CAPITAL

	As at 31 December 2010 (Unaudited)		As at 30 June 2010 (Audited)	
Ordinary shares of HK$0.01 each	**Number of shares**	**Amount *HK$'000***	Number of shares	Amount *HK$'000*
Authorised capital:				
At beginning and end of period	**10,000,000,000**	**100,000**	10,000,000,000	100,000
Issued and fully paid capital:				
At beginning of period	**3,187,753,400**	**31,878**	985,151,000	9,852
Issue of shares of conversion of convertible notes	—	—	90,908,000	909
Issue of shares by way of placements	—	—	150,000,000	1,500
Issue of shares by open offer	—	—	1,961,694,400	19,617
At end of period	**3,187,753,400**	**31,878**	3,187,753,400	31,878

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the six months period from 1 July 2010 to 31 December 2010, the Group recorded a consolidated turnover of approximately HK$375 million, representing an increase of 18,650% compares to the consolidated turnover of approximately HK$2 million in the six months period from 1 April 2009 to 30 September 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.

As the worldwide operating costs and human resources costs continue to increase under uncertain global economic situation. The Group recorded a loss approximately HK$65 million for the six months period ended 31 December 2010, compared to a loss of approximately HK$4 million for the six months period ended 30 September 2009. Such loss was mainly due to the Group's staff costs of approximately HK$257 million (six months period ended 30 September 2009: approximately HK$4 million) including Hong Kong staff costs of approximately HK$7 million and the United Kingdom staff costs of approximately HK$250 million and also due to increased match and ground expenses including shop purchases, players' equipment, training & medical expenses and hotel & traveling expenses. The management of the Company will endeavor focus on cost control and cost saving of the Group in order to improve the Group's performance in the coming period.

Business Review and Prospect

The Company engages in investment holding. The principal activities of its main subsidiaries are engaged in professional football operation, entertainment services & sponsorship and apparel sourcing & trading. The Group is preparing develop to be engaged in property development business.

Professional 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$355 million to the Group's turnover for the period. BCP Group recorded a net loss of approximately HK$62 million (six months period ended 30 September 2009: Nil) to the Group's loss for the period.

Entertainment Services and Sponsorship Business

In the six months period ended 31 December 2010, the Group recorded a turnover of approximately HK$20 million (six months period ended 30 September 2009: approximately HK$2 million) relating to entertainment services and sponsorship in the Group's overall turnover.

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 ("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. It helps to bring revenue streams into the Group in coming years.

On 25 November 2010, the conditions under the agreement dated 13 November 2009 for the acquisition in relation to aviation media business have not been fulfilled, the parties to the agreement are in the process of negotiating the terms of terminating the acquisition.

On 8 December 2010, the Group entered into the deed of termination with the vendor and the guarantor mutually agree to terminate the agreement in relation to railway media and advertising business.

Apparel Sourcing and Trading Business

In the current period, the Group recorded no turnover (six months period ended 30 September 2009: Nil). However, the cooperation with Xtep is a strategy of the Group in re-developing the apparel sourcing and trading business in the near future.

Property Development Business

To diversify the business of the Group, the Company has been seeking various investment opportunities and exploring investment opportunities with sports-related concepts, which include development of property in the PRC, development of community with unique British style and life culture, and development of integrated property project by injecting British high and new industrial, educational and sports (including but not limited to football) elements under the brand "Birmingham".

On 4 January 2011, the Group entered into the agreement with Mr. Yeung Ka Sing, Carson ("Mr. Yeung") to acquire the entire issued share capital of the target company in relation to 90% interest in the property which is a parcel of bare development land located at Liaobin Economic Zone, Panjin City, Liaoning Province, PRC (中國遼寧省盤錦市遼濱經濟區), at an aggregate consideration of not less than RMB430,947,000 (approximately HK$502,053,255) but not more than RMB1,332,018,000 (approximately HK$1,551,800,970) subject to adjustment.

On 9 December 2010, the Group also entered into the agreement with Mr. Yeung to acquire the entire issued share capital of the target company in relation to 50% interest in the property which is a parcel land located at West Ring, Sha Ping District, Chongqing, PRC (中國重慶市沙坪壩區西永組團), at an aggregate consideration of RMB75,000,000 (approximately HK$87,375,000).

Financial Review

Liquidity and Financial Resources

The current ratio (current assets to current liabilities) of the Group as at 31 December 2010 was 30.63% (30 June 2010: 19.37%) and the gearing ratio (borrowings in long term portion to equity and non-current liabilities) of the Group as at 31 December 2010 was 32.22% (30 June 2010: 25.28%). The ratio of total liabilities to total assets of the Group as at 31 December 2010 was 78.67% (30 June 2010: 72.68%).

As at 31 December 2010, the cash and bank balances of the Group amounted to approximately HK$18 million, representing a increase of 12.50% compared to the cash and bank balances of approximately HK$16 million as at the last financial period end.

As at 31 December 2010, the borrowings (including current portion and long term portion) of the Group amounted to approximately HK$125 million (30 June 2010: approximately 78 million), mainly representing bank overdraft and bank loans in the United Kingdom.

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.

Operating Lease Arrangements

At the end of reporting period, the Group's total future minimum lease payments under non-cancellable operating leases are as follows:

The Group as lessee

	At 31 December 2010 *HK$'000* (Unaudited)	At 30 June 2010 *HK$'000* (Audited)
Within one year	**1,128**	2,270
After one year but within five years	**2,417**	2,188
	3,545	4,458

The Company did not have any operating lease arrangement under non-cancellable operating lease as at 31 December 2010 and 30 June 2010.

Contingent Liabilities

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

— 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 of approximately HK$6 million (equivalent to £512,000) as at 31 December 2010 (30 September 2009: Nil).

Events After the Reporting Period

On 22 October 2010, 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 at placing price of HK$0.20 by a maximum of three tranches on a fully underwritten basis. At the same date, the Company and the placing agent also entered into the best effort placing agreement pursuant to which the placing agent has conditionally agreed to place and procure the placing of, a total of 1,100,000,000 best effort placing shares at placing price of HK$0.20 by a maximum of six tranches on a best effort basis. The long stop date is 25 February 2011. The aforesaid placements are still in progress at the date of this announcement.

On 9 December 2010, the Group also entered into the agreement with Mr. Yeung to acquire the entire issued share capital of the target company in relation to 50% interest in the property which is a parcel land located at West Ring, Sha Ping District, Chongqing, PRC (中國重慶市沙坪壩區西永組團), at an aggregate consideration of RMB75,000,000 (approximately HK$87,375,000).

On 4 January 2011, the Group entered into the agreement with Mr. Yeung Ka Sing, Carson ("Mr. Yeung") to acquire the entire issued share capital of the target company in relation to 90% interest in the property which is a parcel of bare development land located at Liaobin Economic Zone, Panjin City, Liaoning Province, PRC (中國遼寧省盤錦市遼濱經濟區), at an aggregate consideration of not less than RMB430,947,000 (approximately HK$502,053,255) but not more than RMB1,332,018,000 (approximately HK$1,551,800,970) subject to adjustment.

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 six months ended 31 December 2010 except for as follows:

— 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.

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 six months period ended 31 December 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 six months period ended 31 December 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 six months period ended 31 December 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 2010/2011 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. Chan Shun Wah, Mr. Ip Wing Lun and Ms. Wong Po Ling, Pauline, the non-executive Director is 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, 21 February 2011