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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)

CLARIFICATION ANNOUNCEMENT REGARDING UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

Reference is made to the announcement of Birmingham International Holdings Limited (the “**Company**”) dated 21 February 2011 regarding unaudited interim results for the six months ended 31 December 2010 (the “**Announcement**”).

The board of directors of the Company wishes to clarify the basis of preparation, pledge of group’s assets, employees and share option scheme as follows:

BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Hong Kong Accounting Standard (“**HKAS**”) 34 “**Interim Financial Reporting**” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the 15-month period ended 30 June 2010 except as described in the **Announcement** and below.

During the period, the Group has incurred a loss of approximately HK\$65,474,000 and at the end of reporting period, its current liabilities exceeded its current assets by approximately HK\$348,263,000. 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.

Notwithstanding the above, the directors of the Company have considered the following situations and are satisfied that it is appropriate to prepare the Group's unaudited condensed consolidated financial statements on a going concern basis:

- (i) The Company will raise working capital of HK\$310,000,000 of which HK\$90,000,000 will be fully undertaken by a financial institute and the rest of HK\$220,000,000 are of best effort by way of placing of its new shares of the Company on or before the extended long stop date of the fully underwritten placing agreement and the best effort placing agreement, i.e. 25 March 2011.
- (ii) Mr. Yeung Ka Sing, Carson ("Mr. Yeung"), the director and the major shareholder of the Company, apply a credit facility line of no less than HK\$150,000,000 with a bank in 3 tranches with his private property located in Hong Kong as the asset pledge. Mr. Yeung has agreed in writing that he will use this credit facility to finance the Company and the Group in order 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, based on the above measures, the unaudited condensed consolidated financial statements have been prepared by the directors of the Company on a going concern basis.

PLEDGE OF GROUP'S ASSETS

As at 31 December 2010, the Group has the freehold land and buildings with the carrying value of approximately £23 million (equivalent to approximately HK\$276 million) pledged to HSBC for the bank borrowings and the general banking facilities granted to the Group. The secured bank borrowings of the Group of approximately HK\$77 million are also secured by unlimited multilateral guarantees given by certain of the subsidiaries in the Group.

Save as the above, the Group did not have assets charged nor pledged to secure any outstanding borrowing.

EMPLOYEES

As at 31 December 2010, the Group employs approximately 200 full time employees and approximately 560 temporary staff in Hong Kong and the United Kingdom (30 September 2009: 50 employees). The Group remunerated its employees mainly based on industry practice, individual's performance and experience. Apart from the basic remuneration, discretionary bonus may be granted to eligible employees with reference to the Group's performance as well as the individual performance. For BCP Group, with regard to bonuses, there is a player pool bonus for Premier League retention that increases based upon the position that the Club finishes at the end of the 2010/2011 season, and in addition to this, some players and football management staff have individual bonuses due upon Premier League retention. Also, the team manager would be due a bonus should the team finish in a certain position or above, together with bonuses due upon success in cup competitions. In addition, share options may also be granted from time to time in accordance with the term of the Company's Share Option Scheme.

SHARE OPTION SCHEME

Under the old share option scheme and new share option scheme adopted by the Company on 22 October 2002 and 30 July 2007 respectively, the board of directors of the Company may, at its discretion, grant options to eligible participants to subscribe for share in the Company.

Details of the movements of share options granted under the old scheme and new scheme during the period are set out below:

	Date of grant	Outstanding as at 1 July 2010 and 31 December 2010	Outstanding as at 1 April 2009 and 30 September 2009	Closing price immediately before the date of grant <i>Note (i)</i>
Directors:				
Steven McManaman	21 August 2007	<u>2,089,720</u>	<u>2,000,000</u>	1.0777
Sub-total		<u>2,089,720</u>	<u>2,000,000</u>	
Employees	7 June 2007	<u>25,076,636</u>	<u>24,000,000</u>	0.4786
Sub-total		<u>25,076,636</u>	<u>24,000,000</u>	
Grand total		<u><u>27,166,356</u></u>	<u><u>26,000,000</u></u>	

(i) The exercise prices and numbers of share options have been adjusted due to the completion of Open Offer.

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

Hong Kong, 3 March 2011

As at the date of this announcement, 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 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.