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 FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2011

The board of directors (the "Board" or "Directors") of Birmingham International Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company together with its subsidiaries (collectively the "Group") for the year ended 30 June 2011 (the "Year"), together with last period comparative figures set out as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the 12 months ended 30 June 2011

	Notes	**For the 12 months ended 30 June 2011** ***HK$'000***	For the 15 months ended 30 June 2010 *HK$'000*
Turnover	*4*	**781,366**	581,596
Operating expenses		**(711,389)**	(446,481)
Profit from operations before amortisations		**69,977**	135,115
Other revenue and net gains		**3,820**	5,407
Profit on sales of players' registrations		**7,259**	3,454
Gain on disposal of subsidiaries		**—**	17,311
Fair value gain on available-for-sale financial assets		**—**	236,079
Impairment loss on property, plant and equipment		**(10,213)**	(1,285)
Impairment loss on intangible assets		**(566,692)**	—
Impairment loss on goodwill		**(23,574)**	(400,000)
Impairment loss on other receivables		**(6,488)**	—
Impairment loss on amounts due from related companies		**(3,672)**	—
Amortisation of intangible assets		**(165,616)**	(292,953)
Administrative and other expenses		**(76,137)**	(117,515)
Finance costs	*6*	**(13,266)**	(17,474)

	Notes	For the 12 months ended 30 June 2011 *HK$'000*	For the 15 months ended 30 June 2010 *HK$'000*
Loss before taxation	*7*	**(784,602)**	(431,861)
Income tax credit	*8*	**153,783**	40,757
Loss for the year/period		**(630,819)**	(391,104)
Other comprehensive income/(expenses), after tax			
Fair value gain on available-for-sale financial assets, net of tax of HK$29,818,000		**—**	206,261
Reclassification adjustment on derecognition of available-for-sale financial assets, net of tax of HK$29,818,000		**—**	(206,261)
Exchange differences on translation of financial statements of overseas subsidiaries		**26,783**	(40,097)
Total other comprehensive income/(expenses) for the year/period		**26,783**	(40,097)
Total comprehensive expenses for the year/period		**(604,036)**	(431,201)
Loss for the year/period attributable to:			
Owners of the Company		**(612,054)**	(387,684)
Non-controlling interests		**(18,765)**	(3,420)
		(630,819)	(391,104)
Total comprehensive expenses attributable to:			
Owners of the Company		**(586,193)**	(426,560)
Non-controlling interests		**(17,843)**	(4,641)
		(604,036)	(431,201)
Loss per share	*10*		
— Basic and diluted *(HK cents)*		**(18.27)**	(16.97)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011

	Notes	2011 HK$'000	2010 HK$'000
Non-current assets			
Property, plant and equipment		**298,649**	282,585
Investment property		**—**	—
Intangible assets		**246,344**	838,200
Goodwill		**—**	22,185
Prepayments		**14,599**	18,466
Available-for-sale financial assets		**—**	—
		559,592	1,161,436
Current assets			
Inventories		**2,331**	1,838
Trade receivables	*11*	**15,559**	22,420
Deposits, prepayments and other receivables		**23,032**	38,249
Amounts due from related companies		**1,317**	3,390
Cash held at non-bank financial institutions		**17,533**	—
Cash and cash equivalents		**7,966**	15,902
		67,738	81,799
Current liabilities			
Transfer fee payables		**114,283**	148,681
Trade payables	*12*	**41,639**	26,409
Accruals and other payables		**81,521**	145,028
Provision		**—**	24,264
Deferred capital grants		**711**	669
Amounts due to directors		**5,765**	—
Deferred income		**37,625**	41,191
Income tax payable		**418**	418
Borrowings		**172,181**	35,724
		454,143	422,384
Net current liabilities		**(386,405)**	(340,585)
Total assets less current liabilities		**173,187**	820,851

	Notes	2011 HK$'000	2010 HK$'000
Non-current liabilities			
Transfer fee payables		**26,342**	56,749
Other payables		**16,319**	9,773
Deferred capital grants		**23,189**	22,490
Amounts due to directors		**177,098**	161,759
Borrowings		**8,103**	42,008
Deferred tax liabilities		**44,501**	188,467
Convertible notes		**—**	—
		295,552	481,246
NET (LIABILITIES)/ASSETS		**(122,365)**	339,605
Capital and reserves			
Share capital	*13*	**38,878**	31,878
Reserves		**(156,555)**	293,036
Equity attributable to owners of the Company		**(117,677)**	324,914
Non-controlling interests		**(4,688)**	14,691
TOTAL EQUITY		**(122,365)**	339,605

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 12 months ended 30 June 2011

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Trading in the shares of the Company have been suspended from trading since 30 June 2011.

The functional currency of the Company and its subsidiaries (collectively referred to as the “Group”) is Hong Kong dollars (“HK$”) and for those subsidiaries established in the United Kingdom (“U.K.”) is Great Britain Pounds (“GBP”). The consolidated financial statements are presented in Hong Kong dollars (“HK$”) for the convenience of users of the consolidated financial statements as the Company is listed in Hong Kong.

The principal activity of the Company is investment holding and its subsidiaries are mainly engaged in professional football operation, append sourcing and trading and entertainment and media services.

2. BASIS OF PREPARATION

At 30 June 2011, the Group reported a consolidated loss attributable to owners of the Company of approximately HK$612,054,000 for the year ended 30 June 2011, and had consolidated net current liabilities of approximately HK$386,405,000 and a capital deficiency of approximately HK$122,365,000. The condition indicates the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liability in the normal course of business. Nevertheless, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 30 June 2011 giving that the directors of the Company will consider different sources of financing being available including revenue generated from the sale of player’s registrations.

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to the consolidated financial statements to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied a number of amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are mandatorily effective for accounting periods beginning on 1 July 2010.

The application of those amendments and interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in the consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 that are effective for annual periods beginning on or after 1 January 2011[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle, except for the amendments HKFRS 1[3]
Amendments to HKFRS 1	Government Loans[1]
HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets[2]
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Libilities[3]
HKFRS 9	Financial Instruments[3]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[7]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Disclosure of Interests in Other Entities: Transition Guidance[3]
HKFRS 10	Consolidated Financial Statements[3]
HKFRS 11	Joint Arrangements[3]
HKFRS 12	Disclosure of Interests in Other Entities[3]
HKFRS 13	Fair Value Measurement[3]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 19 (Revised 2011)	Employee Benefits[3]
HKAS 24 (Revised)	Related Party Disclosures[1]
HKAS 27 (Revised 2011)	Separate Financial Statements[3]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[3]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[6]
HK(IFRIC)* — INT 14 (Amendments)	Prepayments of a Minimum Funding Requirement[1]
HK(IFRIC)* — INT 20	Stripping Costs in the Production Phase of a Surface Mine[3]

1 Effective for annual periods beginning on or after 1 January 2011.
2 Effective for annual periods beginning on or after 1 July 2011.
3 Effective for annual periods beginning on or after 1 January 2013.
4 Effective for annual periods beginning on or after 1 July 2012.
5 Effective for annual periods beginning on or after 1 January 2012.
6 Effective for annual periods beginning on or after 1 January 2014.
7 Effective for annual periods beginning on or after 1 January 2015.

* IFRIC represents the IFRS Interpretations Committee.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 and amended in 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present changes in the fair value of an entity investment (that is not held-for-trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specially, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

  HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future is not expected to have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. The directors of the Company are in the process of assessing the impact on application of HKFRS 9.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (Revised 2011) and HKAS 28 (Revised 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements. HK(SIC)-Int 12 "Consolidation — Special Purpose Entities" will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvements with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK(SIC)-Int 13 "Jointly Controlled Entities — Non-Monetary Contributions by Venturers" will be withdrawn, upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangement are classified as joint ventures and joint operations depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31,there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting,whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors of the Company anticipate that these standards will be adopted in the Group's consolidated financial statements for annual period beginning 1 July 2013 and are in the process of assessing the impact on application of these standards.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The amendments to HKFRS 10 introduce an exception to consolidating subsidiaries for an investment entity, except where the subsidiaries provide services that relate to the investment entity's investment activities. Under the amendments to HKFRS 10, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss.

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments to HKFRS 12 and HKAS 27 have been made to introduce new disclosure requirements for investment entities.

The amendments to HKFRS 10, HKFRS 12 and HKAS 27 are effective for annual periods beginning on or after 1 January 2014, with early application permitted. The directors anticipate that the application of the amendments will have no effect on the Group as the Company is not an investment entity.

HKFRS 13 Fair value measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that HKFRS13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 July 2013 and are in the process of assessing the impact on application of HKFRS 13.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a)items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

HKAS 19 (Revised 2011) Employee benefits

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the "corridor approach"permitted under the previous version of HKAS 19.

The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to HKAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The directors anticipate that the amendments to HKAS 19 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 July 2013 and that the application of the amendments to HKAS 19 may have impact on amounts reported in respect of the Groups' defined benefit plans. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

The directors of the Company anticipate that the application of the other new and revised standards, amendments and interpretation will have no material impact on the consolidated financial statements.

4. TURNOVER

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowance and exclude value added tax or other sales related taxes and are analysed as follows:

	For the 12 months ended 30 June 2011	For the 15 months ended 30 June 2010
	HK\$'000	*HK\$'000*
Television Broadcasting	**549,691**	426,430
Commercial income	**118,432**	75,338
Matching receipts	**113,032**	77,749
Service income from entertainment business	**211**	2,079
	781,366	581,596

5. SEGMENT INFORMATION

Information reported to the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

(i) professional football operation;

(ii) apparel sourcing and trading;

(iii) entertainment and media; and

(iv) investment holding.

Segment information about these reportable segments is presented below:

(a) Segment Revenue and Results

	Professional football operation		Apparel Sourcing & trading		Entertainment & media services		Investment holding		Total	
	12 months ended 30 June 2011	15 months ended 30 June 2010	**12 months ended 30 June 2011**	15 months ended 30 June 2010	**12 months ended 30 June 2011**	15 months ended 30 June 2010	**12 months ended 30 June 2011**	15 months ended 30 June 2010	**12 months ended 30 June 2011**	15 months ended 30 June 2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
SEGMENT REVENUE:										
External sales	**781,155**	579,517	**–**	–	**211**	2,079	**–**	–	**781,366**	581,596
SEGMENT RESULTS	**(687,093)**	(551,584)	**–**	–	**1,207**	99	**808**	253,863	**(685,078)**	(297,622)
Unallocated corporate income and expenses									**(99,524)**	(134,239)
Loss before taxation									**(784,602)**	(431,861)

Segment results represents the results earned by each segment without allocation of central administration costs, directors' salaries, amounts due from related companies, interest income and finance costs. This is the measure reported to the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance.

(b) Segment Assets and Liabilities

At 30 June

	Professional football operation		Apparel Sourcing & trading		Entertainment & media services		Investment holding		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS										
Segment assets	**574,321**	1,184,460	**—**	161	**286**	430	**2,876**	643	**577,483**	1,185,694
Unallocated segment assets									**49,847**	57,541
Total assets									**627,330**	1,243,235
LIABILITIES										
Segment liabilities	**317,053**	466,218	**—**	42	**20**	357	**24,555**	8,637	**341,628**	475,254
Unallocated segment liabilities									**408,067**	428,376
Total liabilities									**749,695**	903,630

For the purpose of monitoring segment performances and allocating resources between segment:

- all assets are allocated to reportable segments, other than cash held at non-bank financial institutions, cash and cash equivalents and amounts due from related companies which are not able to allocate into reportable segments.

- all liabilities are allocated to reportable segments, other than borrowings, deferred tax liabilities, income tax payable and amounts due to directors which are not able to allocate into reportable segments.

(c) Geographic information

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments, deferred tax assets/liabilities and post-employment benefit assets ("Specified non-current assets").

	Revenue from external customers		**Specified non-current assets at 30 June**	
	For the 12 months ended 30 June 2011	For the 15 months ended 30 June 2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**3,461**	2,079	**3,161**	1,073
United Kingdom (place of domicile)	**777,905**	579,517	**541,832**	1,141,897
	781,366	581,596	**544,993**	1,142,970

(d) Information about major customers

No revenue was received from customers contributing more than 10% of the total sales of Group for the 12 months ended 30 June 2011 and for the 15 months ended 30 June 2010.

6. FINANCE COSTS

	For the 12 months ended 30 June 2011	For the 15 months ended 30 June 2010
	HK$'000	*HK$'000*
Interest on:		
— Bank loan and overdraft repayable within five years	**1,471**	15,418
— Other borrowings repayable within five years	**11,449**	1,976
Finance leases	**346**	61
Imputed interest expense on convertible notes	**—**	19
	13,266	17,474

7. LOSS BEFORE TAXATION

	For the 12 months ended 30 June 2011	For the 15 months ended 30 June 2010
	HK$'000	*HK$'000*
Loss before taxation is arrived at after charging:		
Amortisation of intangible assets	**165,616**	292,953
Auditor's remuneration		
— current year/period	**3,462**	1,897
— under-provision in prior period	**272**	—
	3,734	1,897
Cost of inventories sold *(Note i)*	**10,757**	6,387
Cost on operating expenses *(Note ii)*	**700,632**	440,094
Depreciation of property, plant and equipment	**15,801**	10,106
Impairment loss on trade receivables	**37**	751
Minimum lease payments under operating lease in respect of premises	**2,593**	—
Net foreign exchange loss	**2,419**	26,458
Staff costs (excluding directors)		
— wages and salaries	**501,436**	396,950
— contributions to defined contribution retirement plans	**60,218**	54,325
	561,654	451,275
Property, plant and equipment written off	**314**	—

Notes:

i. Cost of inventories sold represents the cost in relation to the sales of sportswear and other accessories in relation to the Club.

ii. Cost of operating expenses mainly represents the salaries and related bonus to the football players and expenses incurred during matches of the Club.

8. INCOME TAX CREDIT

Income tax credit in the consolidated statement of comprehensive income represents:

	For the 12 months ended 30 June 2011 *HK$'000*	For the 15 months ended 30 June 2010 *HK$'000*
Deferred taxation — U.K.		
Current year	**140,322**	40,757
Attributable to a change in tax rate	**13,461**	—
	153,783	40,757

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising from Hong Kong during the year ended 30 June 2011 and for the 15 months ended 30 June 2010.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The Group's subsidiaries in the U.K. are subject to Corporation Tax in the U.K. ("Corporation Tax"). No provision has been made in respect of Corporation Tax as these subsidiaries did not derive any assessable profits in the U.K. during the year ended 30 June 2011 and for the 15 months ended 30 June 2010.

9. DIVIDEND

No dividend was paid or proposed for the year ended 30 June 2011 (2010: Nil), nor has any dividend been proposed since the end of reporting date.

10. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year/period attributable to the owners of the Company, and the weighted average number of ordinary shares in issue during the year/period.

The calculation of diluted loss per share is based on the loss for the year/period attributable to the owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year/period, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all potential dilutive ordinary shares into ordinary shares.

The calculations of basic and diluted loss per share are based on:

	For the 12 months ended 30 June 2011	For the 15 months ended 30 June 2010
	HK$'000	*HK$'000*
Loss attributable to the owners of the Company, used in the basic loss per share calculations	**(612,054)**	(387,684)
Add: Imputed interest on convertible notes*	**—**	19
	(612,054)	(387,665)

	Number of shares	
	For the 12 months ended 30 June 2011	For the 15 months ended 30 June 2010
	'000	*'000*
Shares:		
Weighted average number of ordinary shares for basic loss per share calculation	**3,350,082**	2,284,551
Effect of dilution on weighted average number of ordinary shares in respect of conversion of convertible notes*	**—**	3,163
Weighted average number of ordinary shares adjusted for the effect of dilution	**3,350,082**	2,287,714

Diluted loss per share was the same as the basic loss per share for the year ended 30 June 2011 as the effect of the conversion of the Company's share options shares was anti-dilutive.

* Diluted loss per share amounts for the 15 months ended 30 June 2010 was the same as the respective basic loss per share amounts because the basic loss per share amounts for the period was reduced when taking respective convertible notes and share options (where applicable) into account, and therefore the conversion of convertible notes and share options had an anti-dilutive effect on the basic loss per share.

11. TRADE RECEIVABLES

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**16,083**	23,171
Less: Impairment loss recognised	**(524)**	(751)
	15,559	22,420

(i) The average credit period to the Group's trade receivables is 90 days (2010: 90 days). The average credit period of the Group solely represents the average credit period of BCP as all the trade receivables for the period belong to BCP.

Trade receivables from the sale of player's registrations are received in accordance with the terms of the related transfer agreement. The Group does not hold any collateral over these balances.

(ii) The ageing analysis of trade receivables based on invoice date net of impairment loss is as follows:

	2011	2010
	HK$'000	*HK$'000*
Within 30 days	**10,747**	17,715
31 to 90 days	**1,932**	2,124
91 to 180 days	**312**	669
181 to 365 days	**2,568**	1,912
	15,559	22,420

(iii) At 30 June 2011 and 2010, the analysis of trade receivables that were past due but not impaired are as follows:

			Past due but not impaired		
	Total	**Neither past due but nor impaired**	**Less than 60 days**	**61-90 days**	**91-365 days**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 30 June 2011	15,559	12,679	312	1,423	1,145
At 30 June 2010	22,420	19,839	669	985	927

Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

12. TRADE PAYABLES

The Group normally received credit periods from suppliers averaging 90 days.

An aged analysis of the trade payables is as below:

	2011	2010
	HK$'000	*HK$'000*
Within 30 days	**33,361**	15,172
31 to 90 days	**5,884**	9,209
91 days to 180 days	**1,035**	1,176
181 days to 365 days	**1,359**	852
	41,639	26,409

13. SHARE CAPITAL

	2011		2010	
	Number of shares	**Amount**	Number of shares	Amount
		HK$'000		*HK$'000*
Authorised:				
Ordinary shares of HK$0.01 each	**10,000,000,000**	**100,000**	10,000,000,000	100,000
Issued and fully paid:				
At beginning of year/period	**3,187,753,400**	**31,878**	985,151,000	9,852
Issue of shares upon conversion of Convertible Notes *(i)*	—	—	90,908,000	909
Issue of share by way of placements *(ii)*	**700,000,000**	**7,000**	150,000,000	1,500
Open offer *(iii)*	—	—	1,961,694,400	19,617
At end of year/period	**3,887,753,400**	**38,878**	3,187,753,400	31,878

Notes:

(i) On 6 April 2009 and 30 April 2009, the Convertible Notes in the aggregate carrying amount of HK$4,108,000 were converted into 90,908,000 shares of HK$0.01 each of the Company, resulting in additional amount of approximately HK$909,000 and HK$3,218,000 standing in the share capital and share premium account respectively.

(ii) 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$0.4 each to provide additional working capital of the Group, resulting in additional amount of approximately HK$1,500,000 and HK$56,684,000 standing in the share capital and share premium account respectively.

On 22 March 2011 and 4 May 2011, the Company raised approximately HK$136,199,000, after expenses by issuing 700,000,000 shares by placements at subscription prices HK$0.2 each to provide additional working capital of the Group, resulting in additional amount of approximately HK$7,000,000 and HK$129,199,000 standing in the share capital and share premium account respectively.

(iii) On 20 October 2009, the Company raised approximately HK$768,429,000, after expenses by issuing 1,961,694,400 shares by open offer at subscription prices HK$0.4 each on basis of 8 offer share for every 5 existing shares held by the qualifying shareholders to provide additional funding for the acquisition of BCP Group, resulting in additional amount of approximately HK$19,617,000 and HK$748,812,000 standing in the share capital and share premium account respectively.

All the above shares issued by the Company rank pari passu with the existing shares in all respects.

14. EVENTS AFTER THE REPORTING PERIOD

(i) Subsequent to the end of the reporting period, the football registrations of two players were contracted for sale during the winter transfer window in January 2013 and the said transfers are expected to completed in August 2013. The terms of the agreement are confidential between the two parties and are therefore not disclosed.

(iii) The Group have been approached by some prospective buyers to explore the possibility of purchasing BCP Group. At the date of issuance of these consolidation financial statements, no binding agreement has been reached. Details of the potential sale are set out in the announcement of the Company dated 22 January 2013 and 26 February 2013.

OPINION ON INDEPENDENT AUDITOR'S REPORT

Extracts from the report of the independent auditor of the Company, JH CPA Alliance Limited, are set out as below:

Basis of Disclaimer of Opinion

Limitation of Scope

1. *Royalty fee income*

    On 14 January 2010, the Group entered into a sponsorship and co-operation agreement (the "Agreement") with an independent third party. Pursuant to the Agreement, the Group agreed to enter into further agreements with the independent third party for the use of the Birmingham Football Club's (the "BCFC") logo to manufacture sportswear (the "Sportswear") during the five football seasons for the period from August 2010 to May 2015, and in return, the independent third party will pay, subject to further mutual agreements, a royalty fee to the Group. The royalty, subject to the said mutual agreements, is to be calculated at a certain percentage to be determined based on the performance of "BCFC" in the English Premier League or in the UEFA Cup tournaments and by reference to the aggregate amount of the net sales prices of the Sportswear sold.

    Following the relegation of BCFC from the English Premier League in the 2010/2011 football season, the independent third party has early terminated the agreement. No information was provided by the independent third party in relation to the royalty fee for the respective periods. Up to the date of this report, the Group and the independent third party are in the process of negotiating the royalty fee for the respective periods.

    The Group has not recognised any royalty fee income generated from the usage of the BCFC logo. There was no adequate system of internal control at the material time on which we could rely on for the purposes of our audit. There were no other satisfactory evidence available to us to ascertain the amount and there were no alternative procedure that we could perform to satisfy ourselves as to the completeness of the recorded turnover for the year ended 30 June 2011.

2. *Amounts due to directors*

    Included in the amounts due to directors in the statements of financial position as at 30 June 2011 is an amount due to Hui Ho Leuk, Vico ("Mr. Hui") of approximately HK$5,765,000. Mr. Hui resigned as director of the Company on 1 July 2012. We were unable to obtain sufficient evidence to verify the amount and repayment terms of this amount. There were no other satisfactory audit procedures including direct confirmation that we could perform to satisfy ourselves as to whether this amount was fairly stated in the statements of financial position as at 30 June 2011.

Any adjustments that might have been found to be necessary in respect of the above figures would have a significant consequential effect on the financial positions of the Group as at 30 June 2011, and the loss and cash flows of the Group for the year then ended and the related disclosures in the consolidated financial statements.

Fundamental Uncertainty Relating to the Going Concern Basis

As explained in Note 3 to the consolidated financial statements, which indicates that the Group incurred a consolidated loss attributable to owners of the Company of approximately HK$612,054,000 for the year ended 30 June 2011, and had a consolidated net current liabilities of approximately HK$386,405,000 and a capital deficiency of approximately HK$117,677,000 as at 30 June 2011, the consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on future funding available and the favorable outcome from selling of player's registration.

The consolidated financial statements do not include any adjustments that would result from the unavailability of future funding. We consider that appropriate disclosures have been made. However, the uncertainty surrounding the outcomes of future funding available and the revenue from the sale of player's registration raises significant doubt about the Group's ability to continue as a going concern.

The consolidated financial statements do not include any adjustments that may be necessary should the future funding be available. We consider that appropriate disclosures have been made in the consolidated financial statements concerning this situation, but we consider that this fundamental uncertainty relating to whether the going concern basis is appropriate is so extreme that we have disclaimed our opinion.

Disclaimer of Opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs and the material uncertainty relating to the going concern basis as described above, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2011, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the year ended 30 June 2011, the Group recorded a consolidated turnover of approximately HK$781 million, representing an increase of 34% compared to the consolidated turnover of approximately HK$582 million in the fifteen months ended 30 June 2010. 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 net loss before taxation for the year ended 30 June 2011 amounted to approximately HK$785 million (fifteen months ended 30 June 2010: net loss of approximately HK$432 million). The expense for the year included the impairment loss on goodwill of approximately HK$24 million (fifteen months ended 30 June 2010: approximately HK$400 million), the amortisation of intangible assets of approximately HK$166 million (fifteen months ended 30 June 2010: approximately HK$293 million), impairment loss of intangible assets of approximately HK$567 million (fifteen months ended 30 June 2010: Nil) and the staff costs of approximately HK$562 million (fifteen months ended 30 June 2010: approximately HK$451 million). The loss of the Group for the current year was mainly due to a very significant impairment loss on the intangible assets.

Business Review and Prospects

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

Football Operation Business

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

BCP Group contributed a turnover of approximately HK$778 million to the Group's turnover for the year. It contributed a profit before additional depreciation for revalued property and amortisation of intangible assets of approximately HK$56 million and a net loss of approximately HK$687 million to the Group's loss for the year (fifteen months ended 30 June 2010: approximately HK$5 million).

Going forward, given the relegation from the Premier League for the season ending 2010/2011, the BCP Group's revenue will shrink enormously due to the extinction of the Premier League broadcasting income. The BCP Group's operation will require careful strategic planning to ensure high end earning football players are off loaded and to reduce overall costs whilst to generate new streams of revenue suitable for the expected environment in the Championship.

The BCP Group will endeavor to secure a promotion back to the Premier League in the season 2011/2012.

Entertainment and Media Business

In the year ended 30 June 2011, the Group recorded a turnover of approximately HK$0.2 million (fifteen months ended 30 June 2010: approximately HK$2 million) relating to entertainment and media services in the Group's overall turnover.

Dividend

No dividend was paid or proposed for the year ended 30 June 2011 (fifteen months ended 30 June 2010: Nil), nor has any dividend been proposed since the end of reporting date.

Financial Review

Liquidity and Financial Resources

The current ratio (current assets to current liabilities) of the Group as at 30 June 2011 was 14.92% (2010: 19.37%) and the gearing ratio (borrowings in long term portion to equity and non-current liabilities) of the Group as at 30 June 2011 was 104.12% (2010: 25.28%). The ratio of total liabilities to total assets of the Group as at 30 June 2011 was 119.51% (2010: 72.68%).

As at 30 June 2011, the cash and bank balances of the Group amounted to approximately HK$8 million, representing a decrease of 50% compared to the cash and bank balances of approximately HK$16 million as at the last financial period end.

As at 30 June 2011, the borrowings (including current portion and long term portion) of the Group amounted to approximately HK$180 million (2010: HK$78 million), representing bank overdraft and bank loans in the United Kingdom and other borrowings in Hong Kong.

Capital Raising

(i) On 22 March 2011, the Company raised approximately HK$87,000,000, after expenses by issuing 450,000,000 shares by placements at subscription prices HK$0.2 each to provide additional working capital of the Group, resulting in additional amount of approximately HK$4,500,000 and HK$82,500,000 standing in the share capital and share premium account respectively.

(ii) On 4 May 2011, the Company raised approximately HK$49,000,000, after expenses by issuing 250,000,000 shares by placements at subscription prices of HK$0.2 and to provide additional working capital of the Group, resulting in additional amount of approximately HK$2,500,000 and HK$46,500,000 standing in the share capital and share premium account respectively.

Foreign Exchange Exposure

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

Pledge of Group's Asset

At 30 June 2011, the Group has the freehold land and buildings with the carrying value of approximately £23 million (equivalent to approximately HK$271 million) pledged for bank borrowings and the general banking facilities granted to the Group. The secured bank borrowings of the Group of approximately HK$8 million are also secured by unlimited multilateral guarantees given by certain of its subsidiaries in the Group.

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

Commitment

	2011	2010
	HK$'000	*HK$'000*
Commitments for the acquisition of property, plant and equipment		
— contracted for but not provided	—	634

Contingent liabilities

Under the terms of contracts with other football clubs in respect of the player transfers, additional player transfer cost would become payable if certain specific performance conditions are met. The maximum amount not provided that could be payable in respect of the transfers up to 30 June 2011 was approximately HK$21,268,000 (equivalent to £1,706,000). At the end of the reporting period and up to the date of approval of the consolidated financial statements, none of these amounts has become crystallise.

No outstanding litigation at the end of the reporting period was noted in the Company.

Events After the Reporting Period

(i) Subsequent to the end of the reporting period, the football registrations of two players were contracted for sale during the winter transfer window in January 2013 and the said transfers are expected to completed in August 2013. The terms of the agreement are confidential between the two parties and are therefore not disclosed.

(iii) The Group have been approached by some prospective buyers to explore the possibility of purchasing BCP Group. At the date of issuance of these consolidation financial statements, no binding agreement has been reached. Details of the potential sale are set out in the announcement of the Company dated 22 January 2013 and 26 February 2013.

PURCHASE, SALE OF REDEMPTION OF SECURITIES OF THE COMPANY

During the year ended 30 June 2011, neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

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 Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 30 June 2011 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 all non-executive director and independent non-executive Directors ("INEDs") are not appointed for specific terms. According to the provisions of the Company's Articles of Association, however, 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.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the full set of Model Code set out in Appendix 10 of the Listing Rules as the code of the conduct for securities transactions by directors (the "Model Code"). The prohibitions on securities dealing and disclosure requirements in the Model Code apply to specified individuals including the Group's senior management and also persons who are privy to price sensitive information of the Group. Having made specific enquiry of all directors, the Board confirms that the directors of the Company have complied with the Model Code regarding directors' securities transactions during the year and up to the date of this announcement.

AUDIT COMMITTEE

The Audit Committee comprises of two independent non-executive directors, namely Mr. Chang Kin Man (resigned on 31 May 2011), Mr. Yau Yan Ming, Raymond (Chairman of the Audit Committee), Mr. Zhou Han Ping (disqualified on 11 January 2013) and Mr. Wong Ka Chun, Carson (appointed on 25 June 2012).

The main duties of the Audit Committee include the following:

— To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, compliance officer or external auditors before submission to the Board;

— To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors;

— To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee held two meetings during the year ended 30 June 2011 including the review the financial results and reports, financial reporting and compliance procedures, and the re-appointment of the external auditors. The Board has not taken any different view from that of the Audit Committee regarding the selection, appointment, resignation or dismissal of external auditors.

The Company's annual results for the year ended 30 June 2011 were reviewed by the Audit Committee.

REMUNERATION COMMITTEE

The Board established a Remuneration Committee which comprises two independent non-executive directors and one executive director, namely Mr. Chang Kin Man (resigned on 31 May 2011), Mr. Yau Yan Ming, Raymond, Mr. Zhou Han Ping (disqualified on 11 January 2013), Mr. Chan Shun Wah (appointed on 5 April 2012) and Mr. Wong Ka Chun, Carson (appointed on 25 June 2012) up to the date of this report. Mr. Yau Yan Ming, Raymond is the chairman of the Committee.

The primary objectives of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The Remuneration Committee normally meets annually for reviewing the remuneration policy and structure and determination of the annual remuneration packages of the executive directors and the senior management and other related matters. The Remuneration Committee shall consult the Board about these recommendations on remuneration policy and structure and remuneration packages.

Emolument Policy

The directors are paid fees in line with market practice. The Group adopted the following main principles of determining the directors' remuneration:

— No individual should determine his or her own remuneration;

— Remuneration should be broadly aligned with companies with who the Group competes for human resources;

— Remuneration should reflect performance.

In addition to the basic salaries, a share option scheme is adopted for rewarding good performers as well as retaining talented staff for the continual operation and development of the Group.

NOMINATION COMMITTEE

The Board established a Nomination Committee which comprises two independent non-executive directors and one executive director, Mr. Chang Kin Man (resigned on 31 May 2011), Mr. Yau Yan Ming, Raymond, Mr. Zhou Han Ping (disqualified on 11 January 2013), Mr. Chan Shun Wah (appointed on 5 April 2012) and Mr. Wong Ka Chun, Carson (appointed on 25 June 2012) up to the date of this report. It is chaired by Mr. Yau Yan Ming, Raymond. The terms of reference of the Nomination Committee have been reviewed with reference to the Code.

The Nomination Committee is responsible for reviewing the Board composition, developing and formulating relevant procedures for nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessment of the independence of the independent non-executive directors. The Nomination Committee carries out the process of selecting and recommending candidates for directorships by making reference to the skills, experience, professional knowledge and personal integrity of such individuals, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process when necessary.

The Nomination Committee is also responsible for considering and approving the appointment of its members and making recommendations to shareholders on directors standing for re-election, providing sufficient biographical details of directors to enable shareholders to make an informed decision on the re-election and where necessary, nominate and appoint directors to fill casual vacancies. The chairman may in conjunction with the other directors from time to time review the composition of the Board with particular regard to ensuring that there is an appropriate number of directors on the Board independent of management.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This 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 annual report of the Company for the year ended 30 June 2011 containing all information required by the Listing Rules will be dispatched to the Shareholders of the Company and made available on the above websites in due course.

By Order of the Board
BIRMINGHAM INTERNATIONAL HOLDINGS LIMITED
Yeung Ka Sing, Carson
Executive Director and Chairman

Hong Kong, 15 March 2013

As at the date hereof, the executive directors of the Company are Mr. Yeung Ka Sing, Carson, Mr. Peter Pannu, Mr. Ma Shui Cheong, Mr. Chan Shun Wah, Ms. Wong Po Ling, Pauline and Mr. Cheung Kwai Nang and the independent non-executive directors are Mr. Yau Yan Ming, Raymond and Mr. Wong Ka Chun, Carson.