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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)

MEMORANDUM OF UNDERSTANDING

This announcement is made pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that on 20 February 2014 (after trading hours), Round Soar (a wholly-owned subsidiary of the Company) and the Vendors entered into the Memorandum of Understanding in relation to the Proposed Acquisition whereby Round Soar intends to acquire from the Vendors the entire equity interest in the Target Company. The Target Company holds a 65% interest in PetroPro, PT, a company which carries on the business of the provision of technical services to oil and gas companies and distribution of oil and gas software in Indonesia.

The consideration for the Proposed Acquisition is HK\$52,000,000.

The Proposed Acquisition, if materialised, may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, no formal agreement in relation to the Proposed Acquisition has been entered into and the Proposed Acquisition may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when making any decision related to dealing in the shares of the Company.

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THE MEMORANDUM OF UNDERSTANDING

Date: 20 February 2014

Parties: (i) Round Soar

(ii) Mr. Kenny Tse and Mr. Tse Sun Ming

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendors are Independent Third Parties.

Major terms of the Memorandum of Understanding

The principal terms of the Memorandum of Understanding are set out below:

(i) Interest to be acquired

It is proposed that the Group will acquire the entire equity interests in the Target Company. Upon completion of the Proposed Acquisition, the Purchaser shall beneficially own the entire issued share capital of the Target Company and indirectly own not less than 65% of the equity interests of PetroPro, PT.

(ii) Consideration

The consideration of the Proposed Acquisition is HK\$52,000,000. One half shall be payable within one month after completion of the Proposed Acquisition and the balance shall be payable within two months after completion of the Proposed Acquisition.

(iii) Conditions Precedent

Completion of the Definitive Agreement is expected to be conditional upon the satisfaction of the following:

- (i) the passing by the shareholders of the Company (if necessary) of a resolution to approve the Definitive Agreement and the transactions contemplated thereunder;
- (ii) all licence, consent, approval, authorisation, permission, waiver, order or exemption of the Stock Exchange and the Securities and Futures Commission (if necessary) and all filings with any relevant governmental or regulatory authorities and other relevant third parties in Hong Kong, Indonesia or Cayman Islands or elsewhere which are required or appropriate for the entering into and the implementation of the Definitive Agreement having been given or made; all waiting periods required under the laws of Hong Kong, Indonesia, Cayman Islands or any other relevant jurisdictions having expired or terminated; and all applicable statutory or other legal obligations having been complied with;

- (iii) receipt by the Purchaser of a valuation report from an independent third party valuer showing the fair value of the Target Company and its subsidiary being not less than HK\$80,000,000;
- (iv) written documents showing the Target Company is the legal and beneficial owner, free from encumbrances etc. of PetroPro, PT, as to 65% as at the date of the Definitive Agreement and as at completion of the Definitive Agreement;
- (v) all necessary licences, approvals, consents in respect of the Proposed Acquisition and the transaction contemplated thereunder having been obtained;
- (vi) the Purchaser being satisfied with the results of its due diligence exercise in its sole opinion.

(iv) Non-Binding Nature of the Memorandum of Understanding

The terms set out in the Memorandum of Understanding are not legally binding and are subject to further negotiations between Round Soar and the Vendors.

INFORMATION ON THE TARGET COMPANY

The Target Company is incorporated in the British Virgin Islands with limited liability. PetroPro, PT is principally engaged in provide supporting service to oil and gas projects/companies and distribution of oil and gas software in Indonesia.

REASONS FOR AND BENEFIT OF THE PROPOSED ACQUISITION

The Target Company currently has a strong reputation in Indonesia and a fast-growing Oil and Gas products and services business. This agreement will allow Round Soar to gain a foothold in Indonesia in this sector and provide the Group with a products and services portfolio in the oil sector in Indonesia resulting in a more diversified income to the Group which is in the interest of the Company and its shareholders as a whole. In essence, PetroPro, PT is the marketing and technical representative for many international oil and gas products and services companies in Indonesia. The services include, inter alia, IHS E&P interpretation applications, geological modeling, imaging technology, plus other seismic processing and pipeline management software applications. PetroPro, PT is also the marketing and technical support representative for a major seismic acquisition provider in Indonesia.

GENERAL

Where a formal and legally binding agreement is entered into, the Proposed Acquisition may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. All the terms and conditions of the Proposed Acquisition are still subject to further negotiations between the parties.

Further announcement will be made by the Company as and when appropriate, if necessary, pursuant to the Listing Rules.

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DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	board of Directors
“Company”	Birmingham International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Definitive Agreement”	the final and binding agreement to be executed by the parties of the Memorandum of Understanding in respect of the Proposed Acquisition
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) and their ultimate beneficial owners are third parties independent from and not acting in concert with any of the Company and their concert parties, are independent of and not connected with any of the Company, their respective subsidiaries, their respective directors, chief executives, substantial shareholders, and their respective associates, and are not otherwise connected persons of the Company (as defined under the Listing Rules and/or the Hong Kong Code on Takeovers and Mergers, as applicable)
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange

“PetroPro, PT”	a company incorporated in Indonesia and owned as to 65% by the Target Company and 35% by Mrs. Setio, an Independent Third Party
“Proposed Acquisition”	the possible acquisition of the entire equity interest in the Target Company by Round Soar
“Round Soar” or “the Purchaser”	Round Soar Global Limited, a wholly-owned subsidiary of the Company
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Ultramax Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and owned by the Vendors in equal shares
“Vendors”	collectively Mr. Tse Kenny and Mr. Tse Sun Ming
“%”	per cent.

By Order of the Board
BIRMINGHAM INTERNATIONAL HOLDINGS LIMITED
Chen Liang
Executive Director

Hong Kong, 20 February 2014

As at the date hereof, the executive directors of the Company are Mr. Cheung Shing, Mr. Peter Pannu, Mr. Ma Shui Cheong, Mr. Chan Shun Wah, Mr. Cheung Kwai Nang, Mr. Chen Liang and Mr. Panagiotis Pavlakis and the independent non-executive directors are Mr. Wong Ka Chun, Carson, Mr. Gao Shi Kui, Mr. Liu Enxue and Mr. Li Hanguo.