



BYFORD INTERNATIONAL LIMITED

百富國際有限公司

(incorporated in the Cayman Islands with limited liability)

FIRST QUARTERLY REPORT 2004

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (“THE STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM. The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid reports in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors of Byford International Limited (“the Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“the GEM Listing Rules”) for the purpose of giving information with regard to Byford International Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The Board of Directors (“The Board”) of Byford International Limited (“The Company”) announces the unaudited consolidated results of the Company and its subsidiaries (The “Group”) for the three months ended 31st March, 2004 together with comparative unaudited figures for the corresponding period in 2003 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31ST MARCH, 2004

		Three months ended 31st March,	
	<i>Notes</i>	2004 (unaudited) <i>HK\$'000</i>	2003 (unaudited) <i>HK\$'000</i>
Turnover	3	12,151	13,181
Cost of sales		<u>(6,728)</u>	<u>(7,148)</u>
Gross profit		5,423	6,033
Other operating income		395	70
Selling and distribution costs		(1,700)	(1,483)
Administrative expenses		(3,424)	(2,752)
Amortisation on trademarks		<u>(230)</u>	<u>(230)</u>
Profit from operations		464	1,638
Finance costs		<u>(165)</u>	<u>(346)</u>
Profit before taxation		299	1,292
Taxation	4	<u>(145)</u>	<u>(92)</u>
Profit for the period		<u>154</u>	<u>1,200</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	6		
— Basic		<u>0.0770</u>	<u>0.7604</u>
— Diluted		<u>0.0737</u>	<u>N/A</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31ST MARCH, 2004

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the condensed consolidated financial statements are consistent with the accounting policies used in the preparation of the Group's annual financial statements for the year ended 31st December, 2003.

3. TURNOVER

Turnover represents the net amounts received and receivable for goods sold, less returns and allowances, and royalties income received and receivable, net of withholding tax, during the period.

4. TAXATION

Three months ended 31st March,	
2004	2003
(unaudited)	(unaudited)
HK\$'000	HK\$'000

The charge comprises:

Malaysia income tax	12	12
Singapore income tax	133	80
	<hr/>	<hr/>
	145	92
	<hr/>	<hr/>

The Malaysia income tax and Singapore income tax are calculated at a rate of 28% (2003: 28%) and 20% (2003: 22%), respectively, on the assessable profits of the Group arising in the respective jurisdictions during both periods.

The Group's income neither arises in, nor is derived from, Hong Kong and is therefore not subject to Hong Kong Profits Tax.

5. DIVIDEND

The directors do not recommend the payment of a dividend for the three months ended 31st March, 2004 (2003: Nil).

6. EARNINGS PER SHARE

	Three months ended 31st March,	
	2004	2003
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Earnings for the purpose of calculating earnings per share	<u>154</u>	<u>1,200</u>
Number of shares:		
Weighted average number of shares for the purpose of basic earnings per share (<i>Note</i>)	200,000,000	157,800,000
Weighted average number of shares for the purpose of diluted earnings per share (<i>Note</i>)	<u>208,936,013</u>	<u>N/A</u>

Note:

The calculation of the basic earnings per share for the three months ended 31st March, 2004 and the corresponding period is based on the Group's profit for the periods and on the weighted average number of shares of the Company that have been issued throughout the respective periods.

The calculation of the diluted earnings per share for the three months ended 31st March, 2004 is based on the Group's profit for the period and on the weighted average number of the shares of the Company (after taking into account of the dilutive effect of the number of shares issuable under the share option scheme of the Company). No diluted earnings per share for the three months ended 31st March, 2003 is presented as there is no dilutive potential ordinary share in issue.

7. RESERVES

	Share premium HK\$'000	Special reserve HK\$'000	Translation reserve HK\$'000	Accumulated (losses) profits HK\$'000	Total HK\$'000
At 1st January, 2003	—	—	(126)	(4,570)	(4,696)
Profit for the period	—	—	—	1,200	1,200
At 31st March, 2003	—	—	(126)	(3,370)	(3,496)
At 1st January, 2004	18,428	7,205	(126)	3,502	29,009
Effect of exchange differences arising from translation of financial statements of overseas subsidiaries and net gain not recognised in the income statement	—	—	288	—	288
Profit for the period	—	—	—	154	154
At 31st March, 2004	18,428	7,205	162	3,656	29,451

The special reserve represents the difference between the nominal value of the shares of D Byford Holdings Limited, which was the holding company of other members of the Group prior to the Group Reorganisation and the nominal value of the Company's shares issued for share exchange at the time of the Group Reorganisation.

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover

Byford International Limited has maintained satisfactory progress compared to prior period with overall turnover of the Group for the three months ended 31st March, 2004 ("the Reported Period") reduced by 7.81% year on year to HK\$12,151,000 as a result of seasonal sales movements and re-scheduling of IGS sales shipments.

Byford continues to place emphasis on market awareness of its products in Asia and Greater China, and to this effect, will continue to sponsor suitable promotional events.

Operating profit

Operating profit for the Reported Period reduced to HK\$154,000 compared to HK\$1,200,000 as a result of the following contributing factors:

- Selling and distribution costs have increased slightly at 13.99% compared to 11.25% for 2003 as turnover in this quarter has reduced compared to prior period causing the percentage to increase;
- Administrative expenses have increased by HK\$672,000 at 28.18% (2003: 20.88%) of turnover as a result of additional costs incurred on quarterly report on GEM and other compliance costs.

Finance costs

Finance costs have continued to fall by 52.31% to HK\$165,000 as a result of the stronger balance sheet of the Company.

Net profit

Profit before taxation reduced to HK\$299,000 from HK\$1,292,000 and profit after tax margin on sales decreased to 1.27% from 9.10% mainly as a result of contribution from sales of discontinuing activities in 2003, decreased gross margins and higher administrative expenses due to quarterly compliance costs. The effective tax rate was 48.49% for the Reported Period compared to 7.12% due to a small over provision of taxation. Profit after tax decreased to HK\$154,000 compared to HK\$1,200,000. The Group's EBITDA decreased to HK\$921,000 from HK\$1,996,000.

Liquidity and Financial Resources

During the Reported Period, the Group's operating cash flows before working capital movements decreased by HK\$1,149,000 to HK\$921,000 mainly as a result of the decrease in profit before taxation to HK\$299,000 from HK\$1,292,000. The Group had HK\$105,000 from its operations mainly as a result of decreased inventories of HK\$232,000, decreased trade receivables of HK\$1,264,000, increased payments made to other receivable, deposit and prepayment of HK\$561,000, payments to trade suppliers of HK\$801,000 and payments to other payables and accruals of HK\$857,000. The Group ended the three month period with bank balances and cash of HK\$3,746,000 and bank overdraft of HK\$3,758,000 leaving net cash and cash equivalents of HK\$12,000 and has unutilised banking facilities of HK\$9,047,000.

The Group's current ratio continues to improve to 1.94 from 0.62. Debtor days increased to 136 from 79 as a result of peak sales period during the last quarter ended 31st December, 2003 while creditor days improved to 75 compared to 87.

The Group's gearing ratio improved to 17.5% from 88.4%.

At the Reported Period end, total bank borrowings of HK\$7,329,000 were outstanding and the Group had trademarks and assets pledged as security for its banking facilities and trust receipts from trade finance. There has been no major capital expenditure during the Reported Period.

Use of Proceeds from IPO

	Actual usage from Jan 04 to March 04 HK\$'000
Brand building	324
Developing new license territories	11
Developing new distribution markets	146
Integrated global sourcing	87
Repayment of bank loans	—
	<hr/>
	568

BUSINESS REVIEW

Trading

During the Reported Period, the Group achieved total trading revenues of HK\$12,151,000 as compared to HK\$13,181,000 for the same period last year. The 7.81% decline in revenue is mainly attributable to seasonal sales movements and re-scheduling of IGS sales shipments.

Turnover from geographical segments excluding discontinuing operations for Malaysia, Singapore and export to Dubai under IGS achieved stable growth rates of 6.5% and turnover from Singapore and Dubai declined by 6.1% and 41.9% respectively.

Licensing

During the Reported Period, the Group has continued the implementation of the new Byford corporate identity and further extended its direction and monitoring of all aspects of the brand's international visual presentation. With the increase in Byford brand awareness and consumer following, the Group's royalty income grew by 15.6% to HK\$1,392,000.

As a result of the re-shaping of the business, the Group has been able to identify a number of potential new markets in South-East Asia and in the Middle East. Further to this effort, the Group is in advanced stages towards the appointment of new business and licensing partners in these territories during the course of this year.

Business Objectives

Details of the Group's business objectives are set out in the section headed "Statement of Business Objectives" in the Prospectus. Save as disclosed above, the Company had no other investment plan as at 31st December, 2003.

Comparison between Business Objectives and actual business growth

Business Objectives stated in the Prospectus

Actual progress as at 31st March, 2004

Brand building

The Group is continuing in its efforts to implement the new Byford corporate identity and further extend its direction and monitoring of all aspects of the brand's international visual presentation.

Developing new license territories

The Group is continuing in its efforts to research and seek new licensees particularly in Asia and the Middle East.

Developing new distribution markets

The Group is continuing in its efforts to research and explore business opportunities in new distribution markets.

**Business Objectives
stated in the Prospectus**

**Actual progress as
at 31st March, 2004**

Integrated Global Sourcing

The Group is increasing its efforts to widen the licensee participation of IGS and has begun discussions to introduce new products ranges for the IGS platform.

Customer relationship management

The Company is reviewing the viability of its CRM program with the IGS system with suitable vendors for an integrated solution.

Outlook

Looking ahead to the year of 2004, the Group is concurrently developing various strategic business relationships globally. Firstly, the Group is in the advanced stage of appointing a potential business partner in Southeast Asia and a potential licensee in the Middle East as well as expanding the license territory of an existing licensee. This will further expand the Group's footprint in these lucrative regions. Secondly, the Group has begun exploratory discussions with distributors and retailers to increase its brand recognition in North America. The management is optimistic that they will be able to see significant progress in these negotiations by 2nd quarter of 2004.

In respect of its sourcing operations, the Group will continue to leverage its IGS platform to maximize the benefits of its sourcing capabilities. With IGS in place, it is expected that the IGS platform will facilitate additional orders from the Group's licensees and thus, corresponding sales through IGS will increase. In the future, the Group will continue to further enhance the features of the IGS platform and explore the possibility to introduce product extensions and new product ranges through the IGS platform.

For its brand building efforts, the Group will continue to carry out relevant marketing activities, such as event sponsorships, to further promote the Byford brand name.

With its well-developed sourcing and distribution network coupled with its brand management expertise, the Group is confident that it has the optimal business model to extend its Byford product range, gain further worldwide brand recognition and explore avenues to strategically assist in distributing additional consumer products in Asia.

OTHER INFORMATION

Corporate Governance

The Group is committed to implementing good corporate governance and transparency in its financial statements. With this goal in mind, the Group has engaged its auditors, Messrs Deloitte Touche Tohmatsu to review its first quarterly results and subsequent quarterly report. In addition, the Group has two independent non-executive directors who are qualified accountants, Messrs. CHOW Chi-Kiong, Vincent and YUE Kwai Wa, Ken who continue to form the Audit Committee. The bio-data of these directors are shown in the Directors' Profile section below.

Human Resources

At 31st March, 2004, the Group employed a total of 91 employees (2003: 83). The Group is committed to attracting, developing and retaining its people and offers competitive remuneration packages with bonuses and employee share options based on individual performance, experience and industry norms.

Dividend

The Directors do not recommend the payment of a dividend for the three months ended 31st March, 2004 (2003: Nil).

Sponsor's Interest

Pursuant to the agreement dated 23rd June, 2003 entered into between the Company and Kingston Corporate Finance Limited ("Kingston"), Kingston will receive a fee for acting as the Company's retained sponsor for the period commencing 27th June, 2003 and expiring on 31st December, 2005 (being the last day of the second full financial year of the Company after its listing on the Growth Enterprise Market). As at 31st March, 2004, none of Kingston, its directors, employees and their associates had any interest in the securities of the Company or any member of the Group, or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any member of the Group.

Audit Committee

The Company has established an audit committee with written terms of reference based upon the guidelines recommended by the Hong Kong Society of Accountants. The primary duties of the audit committee are the review and supervision of the Company's financial reporting process and internal control systems. The audit committee comprised two independent non-executive Directors of the Company, namely Mr. Chow Chi Kiong, Vincent and Mr. Yue Kwai Wa, Ken. The audit committee has reviewed with management, the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited consolidated first quarterly financial statements for the period ended 31st March, 2004.

The Audit Committee met on 12th May, 2004 to review and consider this quarter's results with the auditors and to recommend to the Board for its approval of these results.

Competing Interest

For the Reported Period, the Directors' are not aware of any business or interest of the Directors, the management shareholders and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

DIRECTORS' PROFILE

Executive Directors

Mr. Chai Sing Hong, aged 37, has been the Chairman, chief executive officer and executive Director of the Company since August 1999 and he is also the compliance officer of the Group. Mr. Chai is responsible for providing strategic planning as well as overall development and management to the Group. He has more than 12 years of experience in operating regional apparel manufacturing and marketing businesses in Malaysia and Singapore.

Ms. Chai Sing Fai, Jane, aged 45, has been an executive Director of the Group since August 1999. Ms. Chai is responsible for the administration of the Group and participates in the strategic planning and development of the Group. Ms. Chai has been a member of the Institute of Chartered Secretaries and Administrators of England and Wales since August 1987 and has more than 10 years of experience in managing the administration and operations of companies in Malaysia and Singapore. Ms. Chai is a sister of Mr. Chai Sing Hong.

Mr. Peter C. Duncan, aged 54, is an executive Director of the Group, Chief Executive of DBS(E) and head of the Group's licensing team. He was engaged by the Group in June 2001. Mr. Duncan is responsible for the overall operation and planning of DBS(E) and participates in the strategic planning and development of the Group. Mr. Duncan is a graduate of Cambridge University and presents lectures on brand licensing and marketing at Nottingham Trent University, England. Mr. Duncan has approximately 30 years of experience in the international apparel industry. Prior to joining the Group, Mr. Duncan held key management positions in the major international apparel companies such as Viyella Menswear and Coats Viyella International Brand Marketing. Mr. Duncan was also responsible for the successful introduction of the Byford Brandname to Asia in the 1980s.

Non-Executive Directors

Mr. Choong Khuat Leok, aged 42, is a non-executive Director. Mr. Choong qualified as a chartered accountant in the United Kingdom and practised in the accountancy profession since then until February 2003. He brings with him over 19 years' experience in the corporate finance, assurance and advisory services lines.

Mr. Choong served as a member of the Hong Kong Society of Accountants' Auditing Standards Committee from 1993 to 1999 and is currently a fellow member of the Institute of Chartered Accountants in England and Wales, an associate and practising member of the Hong Kong Society of Accountants, a member of the Hong Kong Securities Institute and was an investment representative under the Hong Kong Securities Ordinance from March 2001 to February 2003.

Mr. Choong is an accountancy graduate of the London Guildhall University (formerly the City of London Business School) with a post-graduate MBA degree awarded by the J.L. Kellogg School of Management at Northwestern University and The Hong Kong University of Science and Technology. Mr. Choong joined the Group in March 2003.

Mr. Md Wira Dani Bin Abdul Daim, aged 26, was appointed by the Company as a non-executive Director on 4th May, 2004. Mr. Wira has an honours degree from Wolfson College at Cambridge University, United Kingdom. He brings with him a wide business network in Asia-Pacific and has been a consultant to a major infrastructure and public utility group in Malaysia. He is currently involved in property development and investment. Mr. Wira will endeavour to assist the Company in sourcing, procuring and extending its business network by means of suitable business, financial or strategic alliances.

Independent Non-Executive Directors

Mr. Chow Chi Kiong, Vincent, aged 56, was appointed by the Company as a Director in May 2003. Mr. Chow has been a member of the American Institute of Certified Public Accountants and New York State Society of Certified Public Accountants since 1983. He has more than 30 years of experience in investment banking, banking, capital markets, private banking operations, fund management and business liquidations. Mr. Chow holds a Bachelor of Business Administration and an associate in Applied Science degree, both from the Pace University, New York. He is also an Associate Member of the Hong Kong Securities Institute. Mr. Chow has worked as a financial controller in the banking and investment banking industry in Hong Kong for 6 years.

Mr. Yue Kwai Wa, Ken, aged 38, was appointed by the Company as a Director in May 2003. He is a director of WinKas Company Limited, a financial and management consulting services company in Hong Kong. Prior to joining WinKas Company Limited, he worked in Dao Heng Securities Limited in various roles including compliance and finance between 1998 and 2002. He also worked at the Regulation Division of the Stock Exchange from June to September 1998. He worked in the accounting and audit field from 1993 to 1997 and is an associate member of the American Institute of Certified Public Accountants.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st March, 2004, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.40 to 5.58 of the GEM Listing Rules were as follows:

Long positions in shares of the Company

Name	Type of interest	Number of issued shares held	% of issued share capital
Mr. Chai Sing Hong	Personal and Corporate (<i>Note 1</i>)	124,082,043	62.04%
Ms. Chai Sing Fai, Jane	Personal	13,717,957	6.86%
Mr. Wira Dani Daim	Corporate (<i>Note 2</i>)	8,500,000	4.25%

Notes:

1. Donald Byford & Sons Pte. Limited, a company incorporated in Singapore holds 620,426 shares of HK\$0.01 each in the Company ("Shares"), representing 0.31% of the entire issued share capital of the Company. It is legally and beneficially owned as to 90% by Mr. Chai Sing Hong and 10% by Ms. Chai Sing Fai, Jane and accordingly, Mr. Chai Sing Hong is deemed to be interested in the Shares held by Donald Byford & Sons Pte. Limited under the SFO. Mr. Chai Sing Hong through his shareholding interest in Donald Byford & Sons Pte. Limited, also constitutes a substantial shareholder of the Company (as the term shall be defined in the GEM Listing Rules).
2. Skyline Agents Limited, a company incorporated in the British Virgin Islands, holds 8,500,000 Shares, representing 4.25% of the entire issued share capital of the Company. It is legally and beneficially wholly owned by Mr. Wira Dani Daim; accordingly he is deemed to be interested in the Shares held by Skyline Agents Limited under the SFO.

Long positions in underlying shares of the Company

The Company has adopted two share option schemes, namely the Employee Share Option Scheme and the Pre-IPO Share Option Scheme as defined in the prospectus dated 23rd June, 2003 issued by the Company.

Under the terms of the Employee Share Option Scheme adopted by the Company on 10th June, 2003, the Board or its duly authorised committee (the "Committee") may, at its absolute discretion, grant, inter alia, any employees, directors, shareholders, distributors and suppliers and such other persons whom the Board or the Committee considers to have contributed or will contribute to the Group options to subscribe for the Shares. The Employee Share Option Scheme became effective upon the listing of the Company's shares on GEM on 27th June, 2003. No options had been granted under the Employee Share Option Scheme as at 31st March, 2004.

In recognition of the contribution of certain directors and employees of the Group to the growth of the Group and/or the listing of the Shares on GEM, the Company adopted the Pre-IPO Share Option Scheme on 10th June, 2003. Pursuant to the

terms of the Pre-IPO Share Option Scheme, options to subscribe for 20,000,000 Shares were granted to 4 directors of the Company and 5 employees of the Group on 10th June, 2003, at an exercise price of HK\$0.30 per Share.

Details of such options granted to the Directors under the Pre-IPO Share Option Scheme are as follows:

Name of grantee	Date of grant	Number of underlying Shares	Outstanding as at 27th June, 2003 and 31st Dec., 2003	Percentage of the issued share capital of the Company as at the date hereof
Mr. Chai Sing Hong	10th June, 2003	14,000,000	14,000,000	7%
Ms. Chai Sing Fai, Jane	10th June, 2003	2,000,000	2,000,000	1%
Mr. Peter C. Duncan	10th June, 2003	1,000,000	1,000,000	0.50%
Mr. Choong Khuat Leok	10th June, 2003	1,666,666	1,666,666	0.83%

The period during which the options granted pursuant to the Pre-IPO Share Option Scheme is exercisable is as follows:

Date When Option May be exercised	Percentage of Shares comprised in the option which is exercisable
1. 12 months after 27th June, 2003	Up to 25%
2. 15 months after 27th June, 2003	Up to 50%
3. 21 months after 27th June, 2003	Up to 75%
4. 27 months after 27th June, 2003	Up to 100%

Save as disclosed above, as at 31st March, 2004, none of the directors or chief executive of the Company had interests and short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to pursuant to Rules 5.40 to 5.58 of the GEM Listing Rules.

PERSONS WITH INTERESTS IN THE COMPANY WHICH ARE DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

So far as the directors or chief executive of the Company are aware, as at 31st March, 2004, the persons or companies (not being a director or chief executive of the Company) who had interests or short positions (directly or indirectly) in the Shares or underlying Shares which are required to be kept under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Long positions in Shares of the Company

Name	Capacity	Type of interest	Number of issued shares held	% of issued share capital
YST International Investment Fund	Beneficial owner	Other	12,000,000	6.00%
JAIC International (Hong Kong) Limited	(Note 1)	Other	12,000,000	6.00%
Japan Asia Investment Co. Ltd.	(Note 2)	Other	12,000,000	6.00%
Takefuji Corporation	(Note 3)	Other	12,000,000	6.00%
Chan Wai Yee	(Note 4)	Other	124,082,043	62.04%

Notes:

1. JAIC International (Hong Kong) Limited holds 1 unit in YST International Investment Fund representing approximately 8.33% of the entire issued units of YST International Investment Fund but is the investment manager of YST International Investment Fund and accordingly is deemed interested in the 12,000,000 Shares held by YST International Investment Fund under the SFO.
2. Japan Asia Investment Co. Ltd. holds 1 unit in YST International Investment Fund representing approximately 8.33% of the entire issued units of YST International Investment Fund but is the investment manager of YST International Investment Fund and accordingly is deemed interested in the 12,000,000 Shares held by YST International Investment Fund under the SFO.
3. Takefuji Corporation (a company listed on the First Section of The Tokyo Stock Exchange, Inc. and London Stock Exchange Plc.) holds 10 units in YST International Investment Fund representing approximately 83.33% of the entire issued units of YST International Investment Fund and accordingly is deemed interested in the 12,000,000 Shares held by YST International Investment Fund under the SFO.
4. Ms. Chan Wai Yee is deemed to be interested in the 124,082,043 Shares in which Mr. Chai Sing Hong, her spouse is interested under the SFO.

Long positions in underlying shares

Ms. Chan Wai Yee is deemed to be interested in 14,000,000 underlying shares of the Company by virtue of the options granted to her spouse, Mr. Chai Sing Hong to subscribe for 14,000,000 Shares pursuant to the Pre-IPO Share Option Scheme.

Save as disclosed above, as at 31st March, 2004, no person (not being a director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which are required to be kept under the provisions of Divisions 2 and 3 of the SFO.

By order of the Board of
Byford International Limited
Chai Sing Hong
Chairman and CEO

Hong Kong, 14th May, 2004