



BYFORD INTERNATIONAL LIMITED

百富國際有限公司

(incorporated in the Cayman Islands with limited liability)

2005/2006 FIRST QUARTERLY REPORT

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

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This report, for which the directors (the “Directors”) of Byford International Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”), for the purpose of giving information with regard to the Company. 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 the Company announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 July 2005 (the “Reported Period”) together with comparative unaudited figures for the corresponding period in 2004 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 31 July 2005

		Three months ended 31 July	
		2005	2004
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
Turnover	4	7,802	11,318
Cost of sales		(3,983)	(6,150)
Gross profit		3,819	5,168
Selling and distribution costs		(947)	(2,003)
General and administrative expenses		(2,847)	(3,970)
Profit/(loss) from operations		25	(805)
Gain on disposal of a subsidiary		824	—
Finance costs		(136)	(264)
Profit/(loss) before taxation		713	(1,069)
Taxation (charge)/credit	5	(23)	113
Profit/(loss) for the period, attributable to equity holders of the Company		690	(956)
		HK cent	HK cent
Earnings/(loss) per share	6		
— Basic		0.3	(0.5)
— Diluted		0.3	(0.4)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 July 2005

	Share premium	Special reserve (Note (i))	Translation reserve	Accumulated profits/ (losses)	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)					
At 1 May 2004	18,428	7,206	152	2,437	28,223
Contribution from a minority shareholder/ director (Note (ii))	—	789	—	—	789
Dividend paid	—	—	—	(2,000)	(2,000)
Loss for the period	—	—	—	(956)	(956)
Exchange differences	—	—	(194)	—	(194)
At 31 July 2004	<u>18,428</u>	<u>7,995</u>	<u>(42)</u>	<u>(519)</u>	<u>25,862</u>
(Unaudited)					
At 1 May 2005	18,428	8,025	358	(1,458)	25,353
Profit for the period	—	—	—	690	690
Exchange differences	—	—	(71)	—	(71)
At 31 July 2005	<u>18,428</u>	<u>8,025</u>	<u>287</u>	<u>(768)</u>	<u>25,972</u>

Notes:

- (i) Special reserve represents the difference between the nominal value of the shares of D Byford Holdings Limited, which was the holding company of other group companies prior to a group reorganisation and the nominal value of the Company's shares issued for shares exchange at the time of the group reorganisation.
- (ii) Contribution from a minority shareholder/director represents the amount reimbursed by a minority shareholder, who is also a director of the Company, in respect of the exchange loss incurred by the Group upon settlement of a payable relating to the acquisition of trademarks.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 22 January 2003. The address of its registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies. The shares of the Company have been listed on the GEM since 27 June 2003.

Change of financial year end date

The financial year end date of the Company has been changed from 31 December to 30 April each year. The first set of audited financial statements issued after the change is for the 16 months ended 30 April 2005. This facilitates the preparation of consolidated financial statements of Roly International Holdings Ltd. ("Roly"), the Company's ultimate holding company, which include the consolidated financial statements of the Company.

2. Basis of preparation

These unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules applicable to quarterly results disclosure.

3. Principal accounting policies

The principal accounting policies adopted in preparing the condensed consolidated financial statements of the Group are consistent with the accounting policies used in the preparation of the annual financial statements of the Group for the sixteen months ended 30 April 2005.

4. Turnover

4.1 Turnover — by business segments

	Three months ended 31 July	
	2005	2004
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Sales of goods	6,494	10,291
Royalties income	1,308	1,027
	<u>7,802</u>	<u>11,318</u>

4.2 Turnover — by geographical segments

	Three months ended 31 July	
	2005	2004
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Malaysia	1,455	4,210
Singapore	3,876	4,208
Dubai	933	1,676
Others	1,538	1,224
	<u>7,802</u>	<u>11,318</u>

5. Taxation (charge)/credit

	Three months ended 31 July	
	2005	2004
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
The charge comprises:		
Malaysia income tax	—	(12)
Singapore income tax	(23)	125
	<u>(23)</u>	<u>113</u>

The Malaysia income tax and Singapore income tax are calculated at rates of 28% (2004: 28%) and 20% (2004: 20%), respectively, on the assessable profits of the Group arising in the respective jurisdiction during the periods.

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

6. Earnings/(loss) per share

	Three months ended 31 July	
	2005	2004
	(Unaudited)	(Unaudited)
Earnings/(loss) for the period attributable to equity holders of the Company (HK\$'000)	<u>690</u>	<u>(956)</u>
Number of shares		
Weighted average number of ordinary shares for basic earnings/(loss) per share (Note (i))	<u>200,000,000</u>	<u>200,000,000</u>
Weighted average number of ordinary shares for diluted earnings/(loss) per share (Note (ii))	<u>200,000,000</u>	<u>214,313,384</u>

Notes:

- (i) The calculations of the basic earnings/(loss) per share are based on the Group's results for the period attributable to equity holders of the Company and on the weighted average number of shares of the Company that was issued during the three months ended 31 July 2005.
- (ii) The calculations of the diluted earnings/(loss) per share are based on the Group's results for the period attributable to equity holders of the Company and on the weighted average number of 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.

There are no outstanding share options as at 31 July 2005 under the Company's share option schemes and accordingly there is no dilutive effect on earnings for the three months ended 31 July 2005.

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover

The Group's turnover reduced by 31.1% for the three months ended 31 July 2005 (the "Reported Period") to HK\$7,802,000 compared to the three months ended 31 July 2004. The reduction was a result of the disposal of a wholly-owned Malaysian subsidiary Byford Marketing (M) Sdn. Bhd. ("BMM"), details of which are disclosed in a circular to shareholders dated 8 July 2005. Following the disposal, sales in Malaysia decreased by 65.4% to HK\$1,455,000 in the Reported Period compared to HK\$4,210,000 in the corresponding period in 2004.

Profit/(loss) from operation

Operating profit for the Reported Period stood at HK\$25,000 compared to an operating loss of HK\$805,000 for the corresponding period in 2004 as a result of the following contributing factors:

- royalties income for the Reported Period increased by HK\$281,000 or 27.4% compared to the corresponding period in 2004 as a result of certain licensees of the Group achieved higher sales due to the improved market environment in which our licensees operate as well as better collaboration with them. Included in 2004 were allowances given to licensees of HK\$185,000 and the 2004 comparatives before these allowances would have been HK\$1,212,000 compared to HK\$1,308,000 in 2005;
- gross profit margin increased to 48.9% in 2005 from 45.7% in 2004. Gross profit margin from sales of goods, excluding royalties income, fell slightly by 1.5% as a result of provisions to write down inventory to net realisable value pursuant to the disposal of BMM. The trading gross profit margin for Singapore was slightly higher by 2.7% as there were lower export sales in 2005 that contributed a lower gross margin in the sales mix;
- selling and distribution costs as a percentage of turnover reduced to 12.1% in 2005 compared to 17.7% in 2004. In absolute terms, selling and distribution costs reduced by HK\$1,056,000. Major reductions include salaries of HK\$341,000, transport of HK\$64,000 in connection with disposal of BMM; specific bad debt provision of HK\$310,000 included in 2004; reduction in advertising and promotion by HK\$215,000 as a result of one-off promotional activities and the opening of three new sales counters in Malaysia in 2004; and

- general and administrative expenses as a percentage of turnover increased to 36.5% in 2005 compared to 35.1% in 2004 as a result of reduced turnover from the disposal of BMM. In absolute terms, administrative expenses decreased by HK\$1,123,000. Main reasons include as there were one-off non-recurring exceptional costs incurred by the Company for the appointment of independent financial advisers and related legal costs in connection with circular to shareholders dated 28 July 2004 of HK\$317,000 in relation to the general offer for the Company's shares; reduction in Directors' emoluments of HK\$402,000, rental savings of HK\$112,000, reductions in traveling and other expenses of HK\$162,000 as a result of the disposal of BMM; cost-savings arising from restructuring the Group following the acquisition by Roly in July 2004; reduction in amortization of trademark of HK\$232,000 as a result of change in accounting standard.

Finance costs

Finance costs continued to fall by 48.5% to HK\$136,000 in the Reported period due to the continuing repayment of term loan and securing alternative funding from Hong Kong at more favourable rates.

Net profit/(loss)

Profit before taxation stood at HK\$713,000 for the Reported Period as compared to a loss before taxation of HK\$1,069,000 for the corresponding period in 2004 mainly as a result of increase in royalties income, gain on disposal of BMM, reduction in selling and distribution cost and administrative expenses relating to the disposal of BMM against the loss of gross margin contribution from BMM. The tax charge for the Reported Period relates to a charge for Singapore tax compared to a tax credit in 2004. Profit after tax was HK\$690,000 for the Reported Period compared to a loss after tax of HK\$956,000 for the corresponding period in 2004.

Liquidity and financial resources

The Group used HK\$10,122,000 in its operations mainly as a result of increase in inventories of HK\$323,000, decrease in trade receivables of HK\$322,000, increase in other receivable, deposits and prepayment of HK\$8,981,000, increase in payments to trade payables of HK\$829,000 and increase in payments to other payables and accruals of HK\$294,000.

The Group ended the Reported Period with bank balances and cash of HK\$2,737,000.

The Group's current ratio as at 31 July 2005 was maintained at similar level at 1.76 compared to 1.60 as at 31 July 2004. As compared with last financial year ended as at 30 April 2005, debtor days improved to 67 days from 91 days while creditor days stood at 53 days. The improvements arose as a result of the disposal of BMM. The Group's gearing ratio reduced to 18.8% as at 31 July 2005 compared to 21.8% as at 30 April 2005.

Major movements in the condensed consolidated cash flow statement between 30 April 2005 and 31 July 2005 resulting in the net cash and cash equivalents of HK\$2,737,000 as at 31 July 2005 are as follows:

- operating loss before movement in working capital of HK\$18,000;
- gain on disposal of BMM of HK\$824,000;
- increase in inventories of HK\$323,000;
- decrease in trade receivables of HK\$322,000;
- increase in other receivables, deposits and prepayments of HK\$8,981,000;
- proceeds from disposal of BMM of HK\$12,210,000;
- decrease in trade payables of HK\$829,000;
- decrease in accruals and other payables of HK\$294,000; and
- taxation paid of HK\$32,000.

During the Reported Period, the Company disposed of BMM and this disposal had the following effects:

	<i>HK\$'000</i>
Fixed assets	167
Deferred tax	277
Inventories	5,615
Trade receivables	5,724
Other debtors, deposits and prepayments	218
Trade payables	(717)
Other creditors and accruals	(29)
Finance lease obligations	(36)
Bank loans	(250)
	<hr/>
Net assets disposed	10,969
Costs of disposal	417
	<hr/>
	11,386
Gain on disposal	824
	<hr/>
Proceeds from disposal of BMM	12,210
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As at 31 July 2005, total bank borrowings of HK\$6,108,000 were outstanding and the Group has trademarks and assets with net book value of HK\$27,143,000 was pledged as security for its banking facilities amounting to HK\$19,423,000. The Group's working capital position is strong with its net cash position of HK\$2,737,000 and unutilised banking facilities of HK\$13,315,000 which is sufficient for its present requirements. There has been no major capital expenditure during the Reported Period.

Use of proceeds from new listing

	<i>Actual usage for the three months ended 31 July 2005 HK\$'000</i>
Brand building	186
Developing new license territories	67
Developing new distribution markets	57
Integrated global sourcing ("IGS")	15
	<hr/>
	325
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BUSINESS REVIEW

Disposal of BMM

On 10 June 2005, D Byford Holdings Limited (“D Byford”), a wholly-owned subsidiary of the Company entered into a share sale agreement with an independent third party to dispose of 100% interests in BMM at a consideration of approximately HK\$12.2 million. The disposal was completed on 20 July 2005 and a disposal gain of approximately HK\$0.8 million was recorded. Details of this major transaction are set out in the announcement of the Company dated 17 June 2005 and a circular dated 8 July 2005.

Royalties income

Byford, as a global brand, will continue to aim to have an increased brand awareness and market acceptance of its products across Asian countries with a focus on Greater China, and to this effect, will continue to pursue its branding, advertising and sponsorship programmes. *Byford* recently in July 2005 participated in the licensing show in Hong Kong in order to raise the profile of its brand and attract quality licensees to become its partners on a global basis.

Royalties income for the Reported Period increased by HK\$281,000 or 27.4% compared to the corresponding period in 2004 as a result of certain licensees of the Group achieved higher sales due to the improved market environment in which our licensees operate as well as better collaboration with them. Included in 2004 were allowances given to licensees of HK\$185,000 and the 2004 comparatives before these allowances was HK\$1,212,000 compared to HK\$1,308,000 in 2005. The Group is evaluating proposals from potential licensees in other product areas. During the Reported Period, the Group has continued to extend the geographical network of its licensees.

Sales of goods

During the Reported Period, the Group’s revenue from the sales of goods was HK\$6,494,000, approximately 36.9% lower as compared to HK\$10,291,000 for the same period last year. The decrease in revenue was mainly due to the disposal of BMM.

Sales of goods from geographical segments for Malaysia declined by 65.4% as a result of the disposal of BMM. Turnover from Singapore and Dubai decreased by 7.9% and 44.3% respectively as compared to the same period in 2004. The reduction in Singapore’s turnover was due to the cancellation of a planned sales event whilst historically, Dubai’s purchase pattern varies for the same period year to year.

Business objectives

Details of the Group's business objectives are set out in the paragraph headed "Statement of Business Objectives" (the "Business Objectives") under the section headed "Future plans and prospects" in the prospectus of the Company dated 23 June 2003. Save as disclosed above, the Company had no other investment plans as at 31 July 2005.

Comparison between Business Objectives and actual business growth

<i>Business Objectives</i>	<i>Actual progress as at 31 July 2005</i>
Brand building	The Group is embarking on an aggressive brand building drive and to this aim participated in the licensing show in Hong Kong in July 2005.
Developing new license territories	The Group has secured a new licensee for Thailand and Vietnam and continues to identify quality new licensees through its participation in licensing shows. The Group has also executed a non-exclusive export right to a licensee into Russia.
Developing new distribution markets	The Group is exploring opportunities to extend its product range to cover outerwear, shoes and travel luggage in Greater China.
Integrated global sourcing ("IGS")	Theme collections are being upgraded for the Group's international IGS customers. The new collections, Easy to Wear (Loungewear) and Signature Underwear thereafter have been released.
Customer relationship management ("CRM")	The Company is reviewing its CRM requirements in view of the disposal of its distribution in Malaysia and its change in focus to managing brands and related royalties income.

Outlook

The Group will continue to raise the profile of its brands through relevant marketing activities, such as event sponsorships, to further promote the *Byford* and *Baby-Q* brand names. The Group is utilising appropriate profile programs, such as Shanghai International Licensing Show to be held in Shanghai in October 2005.

In addition, the Group is planning to establish retail exposure through the setting up of suitable outlets serving as a window to North and South Asia. We are revamping our identity in Singapore by upgrading selected outlets to reflect our brand image. Further, we will explore the setting up of a *Baby-Q* outlet in Singapore to introduce this alphabet baby brand to Singapore as well as explore opportunities to utilise IGS to distribute to our licensees in Middle-East and Indonesia.

In order to strengthen the Group's licensing division, the Group has on 1 September 2005 appointed a CEO for Global Brands & Retailing and a Global Licensing Director to increase its focus on effectively operating its brand and licensing business.

The Group is planning to leverage its IGS platform to maximise the benefits of its sourcing capabilities as a separate profit centre based in Singapore. This impetus will allow management to effectively allocate resources based on the profitability of its individual operating divisions in order to grow Group revenue and profitability. The IGS platform allows the Group to facilitate the securing of new licensees or distributors in new territories for its existing and new product extensions as it provides a mature product range readily available to shorten the licensees' set up time. The Group is further exploring opportunities to extend this to its *Baby-Q* branded products.

The Group's trading operation will focus on distributing its own brands, namely *Byford* and *Baby-Q*. With the establishment of retail exposure in Hong Kong, China and Singapore, the Group aims to raise the profile of its brands to achieve sales growth through sales to different market segments by providing a different and more focused offering. Management has begun to locate new licensees to extend its product range beyond innerwear and sock into outerwear, shoes and travel luggage and to expand its geographical coverage into growth markets currently not represented by *Byford* and *Baby-Q*.

Following the disposal of BMM in Malaysia, the Group is able to focus strategically on its core activities of its brand and licensing business to drive the Group's future growth. To complement its revised strategic focus, the Group is aggressively pursuing opportunities to acquire more brands that will complement its portfolio of brands to transform the Group into a global brand powerhouse.

Dividend

The Directors do not recommend the payment of dividend for the Reported Period (2004: Nil).

Sponsor's interest

On 9 September 2005, the Company entered into an agreement with Cazenove Asia Limited ("Cazenove"), whereby Cazenove will receive a fee for acting as the Company's continuing sponsor for the period commencing on 1 July 2005 and expiring on 31 July 2006. As at 31 July 2005, none of Cazenove, its directors, employees and their associates (as defined in Note 3 to Rule 6.35 of the GEM Listing Rules) 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 Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) and the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules. 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 now comprises three independent non-executive Directors, namely Messrs. Chow Chi Kiong (chairman of the audit committee), Yue Kwai Wa, Ken and Chong Tao Boon, Vincent. 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 financial statements for the Reported Period.

The audit committee met on 5 and 12 September 2005 to review and consider these quarterly results with management and to recommend to the Board for its approval of the 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 in 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.

Purchase, sale or redemption of securities

During the Reported Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

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

As at 31 July 2005, 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 Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO); or which are required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules were as follows:

(1) Long positions in the shares of the Company

Name of Directors	Capacity	Number of issued shares held	Approximate percentage of shareholding as at 31 July 2005
Wang Lu Yen	Interest of controlled corporation (<i>Note 1</i>)	134,609,990	67.30%
Chai Sing Hong	Beneficial owner	12,045,000	6.02%
Md. Wira Dani Bin Abdul Daim	Interest of controlled corporation (<i>Note 2</i>)	2,500,000	1.25%

Notes:

- As at 31 July 2005, Mr. Wang Lu Yen, Mrs. Wang Liaw Bin Bin, the wife of Mr. Wang Lu Yen, and Megastar Holdings Limited, a company controlled by Mr. Wang Lu Yen, held approximately 34.58% of the issued share capital of Roly International Holdings Ltd. ("Roly"). Roly, the ultimate holding company of the Company, through Pacific Genius Group Limited ("PGGL"), held 134,609,990 shares, representing approximately 67.30% of the issued share capital of the Company. Mr. Wang Lu Yen is thus deemed, by virtue of the SFO, to be interested in all the shares of the Company in which Roly is interested.

2. As at 31 July 2005, Skyline Agents Limited, a company incorporated in the British Virgin Islands, held 2,500,000 shares, representing 1.25% of the issued share capital of the Company. It is legally and beneficially owned by Mr. Md. Wira Dani Bin Abdul Daim. Accordingly, he is deemed to be interested in the shares of the Company held by Skyline Agents Limited by virtue of the SFO.

(2) Long positions in the shares of associated corporations

Name of associated corporations	Name of Directors	Capacity	Number of issued shares held	Approximate percentage of shareholding as at 31 July 2005
Roly (<i>Note 1</i>)	Wang Lu Yen	Beneficial owner	20,200,000	4.93%
		Interest of spouse (<i>Note 2</i>)	350,000	0.09%
		Interest of controlled corporation (<i>Note 3</i>)	121,243,500	29.56%
Roly	Lin Jui Hsien, Jacob	Beneficial owner	3,761,298	0.92%
Linmark Group Limited ("Linmark") (<i>Note 4</i>)	Wang Lu Yen	Beneficial owner	620,000	0.09%
		Interest of controlled corporation (<i>Note 5</i>)	437,340,000	66.70%

Notes:

1. As at 31 July 2005, Roly, the ultimate holding company of the Company, through PGGL, held 134,609,990 shares, representing approximately 67.30% of the issued share capital of the Company.
2. These shares in Roly were held by Mrs. Wang Liaw Bin Bin, the wife of Mr. Wang Lu Yen.
3. These shares in Roly were held by Megastar Holdings Limited, the entire issued share capital of which is owned by Mr. Wang Lu Yen. Mr. Wang Lu Yen is a director of Megastar Holdings Limited.

4. As at 31 July 2005, Roly, the ultimate holding company of Linmark, through RGS Holdings Limited, held 437,340,000 shares, representing approximately 66.70% of the issued share capital of Linmark.
5. These shares in Linmark were held by RGS Holdings Limited, the entire issued share capital of which is owned by Roly. As at 31 July 2005, Mr. Wang Lu Yen, Mrs. Wang Liaw Bin Bin, the wife of Mr. Wang Lu Yen, and Megastar Holdings Limited, a company controlled by Mr. Wang Lu Yen, held approximately 34.58% of the issued share capital of Roly. Mr. Wang Lu Yen is thus deemed, by virtue of the SFO, to be interested in all the shares of Linmark in which Roly is interested.

(3) Long positions in the underlying shares of associated corporations

Name of associated corporations	Name of Directors	Capacity	Number of underlying shares (as further comprised and detailed in (a), (b) and (c) below)
Roly	Wang Lu Yen	Beneficial owner	6,650,000
Roly	Wang Lu Yen	Interest of spouse	87,500
Roly	Wang Lu Yen	Interest of controlled corporation	30,310,875
Roly	Lin Jui Hsien, Jacob	Beneficial owner	7,915,324
Roly	Liu Tsun Kie	Beneficial owner	500,000
Roly	George Chen	Beneficial owner	1,000,000
Roly	King Jun Chih, Joseph	Beneficial owner	1,140,750
Linmark	King Jun Chih, Joseph	Beneficial owner	1,085,000

(a) *Rights to acquire shares of associated corporations*

Pursuant to the share option scheme of Roly, the ultimate holding company of the Company, certain Directors were granted share options to subscribe for shares of Roly, details of which as at 31 July 2005, were as follows:

Name of Directors	Date of grant	Number of share options to subscribe for shares of Roly as at 31 July 2005	Exercise period	Subscription price per share of Roly US\$
Wang Lu Yen	23/08/2004	1,600,000	23/08/2005 — 22/08/2010	0.248
Lin Jui Hsien, Jacob	21/08/2001	1,200,000	21/08/2002 — 20/08/2009	0.100
	07/03/2002	2,000,000	07/03/2004 — 06/03/2010	0.130
	22/11/2002	1,500,000	22/11/2003 — 21/11/2008	0.138
	09/05/2003	1,500,000	09/05/2004 — 08/05/2009	0.151
	30/03/2004	1,000,000	30/03/2005 — 29/03/2010	0.321
Liu Tsun Kie	23/08/2004	500,000	23/08/2005 — 22/08/2010	0.248
George Chen	30/03/2004	300,000	30/03/2005 — 29/03/2010	0.321
	23/08/2004	700,000	23/08/2005 — 22/08/2010	0.248
King Jun Chih, Joseph	22/11/2002	300,000	22/11/2003 — 21/11/2008	0.138
	09/05/2003	600,000	09/05/2004 — 08/05/2009	0.151
	30/03/2004	200,000	30/03/2005 — 29/03/2010	0.321

- (b) Certain Directors were granted bonus warrants by Roly on 29 April 2004 to subscribe for shares of Roly, details of which as at 31 July 2005, were as follows:

Name of Directors	Capacity	Number of warrants to subscribe for shares of Roly as at 31 July 2005 (Note 1)	Exercise period	Subscription price per share of Roly S\$
Wang Lu Yen	Beneficial owner	5,050,000	29/04/2004 — 28/04/2009	0.75
Wang Lu Yen	Interest of spouse (Note 2)	87,500	29/04/2004 — 28/04/2009	0.75
Wang Lu Yen	Interest of controlled corporation (Note 3)	30,310,875	29/04/2004 — 28/04/2009	0.75
Lin Jui Hsien, Jacob	Beneficial owner	715,324	29/04/2004 — 28/04/2009	0.75
King Jun Chih, Joseph	Beneficial owner	40,750	29/04/2004 — 28/04/2009	0.75

Notes:

- Each warrant entitles the holder to subscribe for one share of Roly.
- These warrants in Roly were held by Mrs. Wang Liaw Bin Bin, the wife of Mr. Wang Lu Yen.
- These warrants in Roly were held by Megastar Holdings Limited, the entire issued share capital of which is owned by Mr. Wang Lu Yen. Mr. Wang Lu Yen is a director of Megastar Holdings Limited.

- (c) Pursuant to the share option scheme of Linmark, a fellow subsidiary of the Company, an alternate Director was granted share options to subscribe for shares of Linmark, details of which as at 31 July 2005, were as follows:

Name of Director	Date of grant	Number of share options to subscribe for shares of Linmark as at 31 July 2005	Exercise period	Subscription price per share of Linmark HK\$
King Jun Chih, Joseph	21/05/2002	525,000	21/05/2003 — 20/05/2008	2.550
	06/11/2002	240,000	06/11/2003 — 05/11/2008	1.600
	30/05/2003	170,000	30/05/2004 — 29/05/2009	2.125
	30/03/2004	150,000	30/03/2005 — 29/03/2010	2.975

Save as disclosed above, as at 31 July 2005, none of the directors and chief executives of the Company had any interests or 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) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO); or which are required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WITH INTERESTS IN THE COMPANY WHICH ARE DISCLOSEABLE UNDER SECTION 336 OF PART XV OF THE SFO

So far as the directors or chief executive of the Company are aware, as at 31 July 2005, the persons or corporations (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 of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who are substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the shares of the Company

Name	Capacity	Number of issued shares held	Approximate percentage of shareholding as at 31 July 2005
PGGL	Beneficial owner (<i>Note 1</i>)	134,609,990	67.30%
Roly	Interest of controlled corporation (<i>Note 2</i>)	134,609,990	67.30%
Chan Wai Yee	Interest of spouse (<i>Note 3</i>)	12,045,000	6.02%

Notes:

1. PGGL, incorporated in the British Virgin Islands, is a wholly-owned subsidiary of Roly. Roly is a company incorporated in Bermuda, the shares of which are listed on the Singapore Exchange Securities Trading Limited. Mr. Wang Lu Yen and his associates, are directly and indirectly holding approximately 34.58% of issued share capital of Roly. Accordingly, Roly and Mr. Wang Lu Yen are deemed to be interested in all shares of the Company held by PGGL.
2. The shares are beneficial owned by PGGL, a wholly-owned subsidiary of Roly. Roly is deemed to be interested in all shares of the Company held by PGGL.
3. Ms. Chan Wai Yee is the spouse of Mr. Chai Sing Hong. Ms. Chan Wai Yee is deemed to be interested in Mr. Chai Sing Hong's interest in the shares of the Company (as disclosed in the above paragraph headed "Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures").

Save as disclosed above, as at 31 July 2005, no person or corporation (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 fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are substantial shareholders as recorded in the register of substantial shareholders required to be kept by the Company under Section 336 of the SFO.

By Order of the Board of
Byford International Limited
Choong Khuat Leok
Company Secretary

Hong Kong, 12 September 2005