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## **Byford International Limited**

**百富國際有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8272)**

### **MEMORANDUM OF UNDERSTANDING**

The Board is pleased to announce that on 23 October 2007, the Purchaser and the Vendor entered into a Memorandum, under which, it is proposed that the Purchaser will acquire and the Vendor will sell such number of the issued share capital of the Vendor Company as may be agreed between the Vendor and the Purchaser by good faith negotiation, subject to and upon the terms and conditions of the Formal Acquisition Agreement on the basis of the Memorandum.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules. The Company will comply with the applicable provisions of the GEM Listing Rules in relation to the Proposed Acquisition should it be materialized. Further announcement(s) will be made in respect of the Formal Acquisition Agreement and/or the development of the Proposed Acquisition as and when appropriate in compliance with the GEM Listing Rules.

**The Board wishes to emphasize that no binding agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement. As the Proposed Acquisition may or may not be entered into, Shareholders and investors are urged to exercise caution when dealing in the securities of the Company.**

### **THE MEMORANDUM OF UNDERSTANDING**

#### **Background**

On 23 October 2007, the Purchaser and the Vendor entered into a Memorandum, under which, it is proposed that the Purchaser will acquire and the Vendor will sell such number of the issued share capital of the Vendor Company as may be agreed between the Vendor and the Purchaser by good faith negotiation, subject to and upon the terms and conditions of the Formal Acquisition Agreement on the basis of the Memorandum. The Vendor is a third party independent of the Company and the connected persons (as defined in the GEM Listing Rules) of the Company and is not a connected person (as defined in the GEM Listing Rules) of the Company.

The Memorandum is not intended to be legally binding between the parties in relation to the Proposed Acquisition. The final terms of the Formal Acquisition Agreement (which is expected to be entered into by no later than 90 days from the date of the Memorandum) have yet to be negotiated and finalized.

**The Board wishes to emphasize that no binding agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement. As the Proposed Acquisition may or may not be entered into, Shareholders and investors are urged to exercise caution when dealing in the securities of the Company.**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules. The Purchaser will comply with the applicable provisions of the GEM Listing Rules in relation to the Proposed Acquisition should it be materialized. Further announcement(s) will be made by the Company when the Company signs the Formal Acquisition Agreement or when there is material development on the Proposed Acquisition.

### **Reasons for the Proposed Acquisition**

The Group is principally engaged in brand management and licensing business. The Vendor Group is principally engaged in pharmaceutical and related business in the PRC.

The Directors have always been active in seeking investment opportunities. While keeping abreast with the core businesses, the Directors would look into investments, irrespective of whether they are in line with the principal businesses, in order to increase the value of Company, which is in the interests of Company and the Shareholders as a whole.

The Proposed Acquisition involves the intended acquisition of a pharmaceutical and related business and the entering into of the Memorandum, the Directors believe, provides a good opportunity for the Group to diversify its business, which is in the commercial interest of the Group in the long run. The Directors consider that the terms of the non-binding Memorandum are fair and reasonable and on normal commercial terms and that the Proposed Acquisition is in the interests of Company and the Shareholders as a whole.

### **Consideration**

Under the Memorandum, the consideration for the Proposed Acquisition will be determined by good faith negotiation between the Vendor and the Purchaser. The consideration may be satisfied by the Purchaser in cash or by procuring allotment and issue of new shares of, or to issue convertible bonds carrying rights to convert into new shares of, or to issue promissory notes of the Company or a combination of any of the above.

### **Conditions Precedent and Completion**

Completion of the Proposed Acquisition will be conditional on, among other things:

1. the Purchaser being satisfied with the results of the due diligence review to be conducted by the Purchaser;
2. if required, the Shareholders passing at an extraordinary general meeting of the Company an ordinary resolution approving the Formal Acquisition Agreement and the transactions contemplated thereunder; and
3. all necessary approvals, consents, licenses and authorization required to be obtained on the part of the Vendor and the Purchaser in relation to the Formal Acquisition Agreement and the transactions contemplated hereunder having been obtained.

The Memorandum does not constitute a legally-binding commitment on the part of the Company in respect of the Proposed Acquisition. The Proposed Acquisition will be subject to the execution and completion of the Formal Acquisition Agreement.

## **Exclusivity**

For a period of 90 days commencing from the date of the Memorandum, the Vendor will procure that any member of the Vendor Group and its respective directors, officers, employees, representatives and agents will not, directly or indirectly, to (i) solicit, initiate or encourage inquiries or offers from; or (ii) initiate or continue negotiations or discussions with or furnish any information to; or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Purchaser with respect to the sale or other disposition of the Sale Shares or any part thereof or any other shares of any member of the Vendor Group or create any options or rights to acquire any type of securities of any member of the Vendor Group.

## **DEFINITIONS**

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Board”	the board of Directors
“Company”	Byford International Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“Formal Acquisition Agreement”	the legally binding agreement for the sale and purchase of the Sale Shares (in form and substance satisfactory to the Purchaser) which may be entered into between the Vendor and the Purchaser in relation to the Proposed Acquisition
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Memorandum”	the memorandum of understanding for the sale and purchase of the Sale Shares
“PRC”	the People’s Republic of China
“Proposed Acquisition”	the proposed acquisition of a pharmaceutical and related business by the Purchaser, as contemplated under the Memorandum

“Purchaser”	Super League Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Sale Shares”	such number of the issued share capital of the Vendor Company as may be agreed between the Vendor and the Purchaser by good faith negotiation
“Shareholder(s)”	holder(s) of ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Ms. Yeung Chiu Lan Cherry
“Vendor Company”	Wisdom First Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Vendor
“Vendor Group”	Vendor Company and its subsidiaries
“%”	per cent.

By Order of the Board  
**Man Tsz Sai Lavender**  
*Company Secretary*

Hong Kong, 23 October 2007

*As at the date of this announcement, Ms. Fong Man Julisa and Ms. Wong Yuet May Jeremy are executive Directors, and Mr. Chan Tak Yan, Mr. Chiu Kwok Wing Benedict and Mr. Orr Joseph Wai Shing are independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of its publication and the Company’s website at [www.donaldbyford.com](http://www.donaldbyford.com).*

\* *for identification purpose only*