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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)

PLACING OF NON-LISTED WARRANTS SUPPLEMENTAL AGREEMENT

Financial adviser to the Company

VEDA | CAPITAL
智略資本

Placing Agent

Excalibur


Reference is made to the announcement of the Company dated 15 October 2007 in relation to the Placing. On 26 October 2007, the Company and the Placing Agent entered into a Supplemental Agreement to increase the number of Warrants to be issued and placed pursuant to the Placing Agreement to 40,000,000 (or 400,000,000 upon the Share Subdivision becoming effective) Warrants.

Reference is made to the announcement of the Company dated 15 October 2007 (“**Announcement**”) in relation to the Placing. Unless the context otherwise requires, terms used in this announcement shall have the same meaning as those defined in the Announcement.

The Company has been advised by the Placing Agent that demands for the Warrants have remained high. In view of that, on 26 October 2007, the Company and the Placing Agent entered into a supplemental agreement (“**Supplemental Agreement**”) to increase the number of Warrants to be issued and placed under the Placing Agreement from originally 20,000,000 (or 200,000,000 upon the Share Subdivision becoming effective) Warrants to 40,000,000 (or 400,000,000 upon the Share Subdivision becoming effective) Warrants (“**Amended Warrants**”). Subject only to such variation of the terms of the Placing Agreement and save as mentioned in this announcement, all of the terms of the Placing Agreement remain unchanged.

MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The Subscription Shares to be issued upon full exercise of the Amended Warrants will be subject to the Specific Mandate to be obtained at the EGM.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to all of the Amended Warrants to be issued. No listing of the Amended Warrants will be sought on the Stock Exchange or any other stock exchanges.

USE OF PROCEEDS

It is expected that the net proceeds to be raised under the Placing as amended by the Supplemental Agreement will be approximately HK\$5.7 million (with a net issue price of approximately HK\$0.1425 (or HK\$0.01425 upon the Share Subdivision becoming effective) per Amended Warrant), which will be utilized by the Group as its general working capital.

Assuming full exercise of the subscription rights attaching to the Amended Warrants, it is expected that HK\$480 million will be raised. The net proceeds of approximately HK\$479 million (with a net subscription price of approximately HK\$11.975 (of HK\$1.1975 upon the Share Subdivision becoming effective) per Amended Warrant) will be utilized by the Group for its general working capital and as funds for future development of the existing business of the Group and other business when investment opportunities arise. Save for the entering into a memorandum of understanding with an Independent Third Party regarding a proposed acquisition of a pharmaceutical and related business as detailed in the announcement of the Company dated 23 October 2007, the Company did not have any specific development and investment plans as at the date of this announcement.

CHANGES OF SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 200,000,000 Shares in issue. The shareholding structure of the Company before and after the full exercise of the subscription rights attaching to the Amended Warrants (assuming full exercise of the Amended Warrants and no Shares are further issued or repurchased) are as follows:

	As at the date of this announcement		Assuming full exercise of the subscription rights attaching to the Amended Warrants	
	No. of Shares	Approximate percentage (%)	No. of Shares	Approximate percentage (%)
Upper Run Investments Limited (<i>Note 1</i>)	149,254,990	74.63	149,254,990	62.19
Public Shareholders:				
The Placees (<i>Note 2</i>)	–	–	40,000,000	16.67
Other public Shareholders	50,745,010	25.37	50,745,010	21.14
Total	<u>200,000,000</u>	<u>100.00</u>	<u>240,000,000</u>	<u>100.00</u>

Notes:

1. Upper Run Investments Limited, incorporated in the British Virgin Islands, is a wholly and beneficially owned by Ms. Chan Yuen Fan Winky.
2. It is expected that none of the Placees will become a substantial shareholder of the Company upon full exercise of the Amended Warrants.

IMPLICATIONS UNDER THE GEM LISTING RULES

Pursuant to Rule 21.02(1) of the GEM Listing Rules, the Subscription Shares to be issued on exercise of the Amended Warrants must not, when aggregated with all other equity securities remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Amended Warrants are issued. Options granted under share option schemes which comply with Chapter 23 of the GEM Listing Rules are excluded for the purpose of such limit. As at the date of this announcement, there are no securities with subscription rights outstanding and not yet exercised. Assuming full exercise of the subscription rights attaching to the Amended Warrants, 40,000,000 (or 400,000,000 upon the Share Subdivision becoming effective) Subscription Shares, representing (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all of the Subscription Shares, assuming no Shares are further issued or repurchased. Accordingly, the issue of the Amended Warrants will be in compliance with Rule 21.02(1) of the GEM Listing Rules.

By Order of the Board
Byford International Limited
Man Tsz Sai Lavender
Company Secretary

Hong Kong, 26 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 for at least seven days from the date of its publication and the Company's website at www.donaldbyford.com.

* *for identification purpose only*