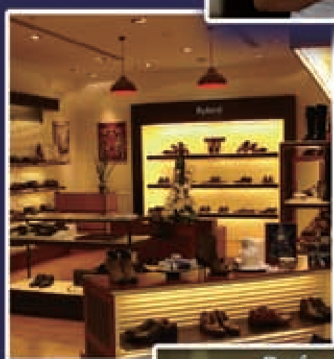
Annual Report 2007/2008



Byford
LONDON

BYFORD INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8272

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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 Stock Exchange takes no responsibility for the contents of this annual 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 annual report.

This annual report, for which the directors ("Directors") of Byford International Limited ("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 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 annual 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 annual report misleading; and (3) all opinions expressed in this annual report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Chan Lai Kwan Rainbow
(Chief Executive Officer)
Ms. Wong Yuet May Jeremy
Mr. Chan Fu Kei

Independent Non-Executive Directors

Mr. Chan Tak Yan
Mr. Chiu Kwok Wing Benedict
Mr. Orr Joseph Wai Shing

COMPANY SECRETARY

Ms. Man Tsz Sai Lavender *ACIS, ACS*

QUALIFIED ACCOUNTANT

Mr. Chow Shiu Ki *CPA*

COMPLIANCE OFFICER

Ms. Chan Lai Kwan Rainbow

AUDIT COMMITTEE

Mr. Orr Joseph Wai Shing
(Chairman of the committee)
Mr. Chan Tak Yan
Mr. Chiu Kwok Wing Benedict

REMUNERATION COMMITTEE

Mr. Chan Tak Yan
(Chairman of the committee)
Mr. Chiu Kwok Wing Benedict
Mr. Orr Joseph Wai Shing

AUTHORISED REPRESENTATIVES

Ms. Chan Lai Kwan Rainbow
Ms. Man Tsz Sai Lavender

AUDITOR

SHINEWING (HK) CPA Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1505-1510
15/F., Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

The Bank of Bermuda (Cayman) Limited
P.O. Box 513 GT
Strathvale House, North Church Street
George Town, Grand Cayman
Cayman Islands
British West Indies

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Rooms 1901-02
Fook Lee Commercial Centre, Town Place
33 Lockhart Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Fubon Bank (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited

WEBSITE ADDRESS

www.donaldbyford.com

STOCK CODE

8272

FINANCIAL HIGHLIGHTS

	12 months ended 30 April 2008 HK$'000	12 months ended 30 April 2007 HK$'000	16 months ended 30 April 2006 HK$'000
Results			
Revenue	**14,570**	31,833	29,346
EBITDA (Note)	**(73,169)**	247	(336)
Loss for the year/period	**(73,347)**	(151)	(600)

	At 30 April 2008 HK$'000	At 30 April 2007 HK$'000	At 30 April 2006 HK$'000
Assets and Liabilities			
Total assets	**27,978**	35,146	32,353
Total liabilities	**11,191**	5,925	4,606
Net assets	**16,787**	29,221	27,747

Note: EBITDA represents operating (loss)/profit before depreciation and amortisation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Revenue

For the year ended 30 April 2008 ("Reporting Period"), the Group's revenue reduced by HK$17,263,000 or 54% to HK$14,570,000 as compared to HK$31,833,000 in last corresponding year ("Prior Period"). The Group's revenue is composed of two business segments namely, Sales of goods and Licensing. The decrease was mainly due to the disposal of a principal subsidiary, Byford Marketing (S) Pte. Ltd. ("BMS") on 18 June 2007, which was involved in the Sales of goods comprising mainly men's innerwear, socks and apparel.

Sales of goods

Revenue from Sales of goods during the Reporting Period was HK$4,808,000 as compared to HK$23,527,000 in Prior Period, representing a decrease of 80%. The drop was mainly due to the disposal of BMS in June 2007, revenue of BMS was consolidated into the Group up to the completion date of 18 June 2007 for the amount of HK$3,663,000, as compared to the amount of HK$23,527,000 in Prior Period.

Licensing income

Royalty income from licensing during the Reporting Period increased by HK$1,456,000 or 18% to HK$9,762,000 as compared to HK$8,306,000 in Prior Period. Despite our disposal of Baby-Q trademark in July 2007, a growth in royalty income was recorded, which was mainly contributed by the effective marketing and promotion efforts of our licensees leading to the increasing popularity of our Byford brand, especially in the markets of Hong Kong and PRC.

Loss for the year

Loss before tax for the Reporting Period was HK$73,280,000, as compared to profit of HK$5,000 in Prior Period. Net loss for the Reporting Period was HK$73,347,000 as compared to loss of HK$151,000 in Prior Period. The increase in loss was mainly resulted from the following factors:

– Gross profit from Sales of goods decreased by HK$8,232,000 to HK$1,458,000 as compared to HK$9,690,000 in Prior Period due to the disposal of BMS during the Reporting Period.

– A one-time charge of HK$68,088,000 share-based payment relating to the grant of share options to certain directors.

– Initial expenses on exploration of potential investing opportunities in the pharmaceutical industry for the amount of HK$766,000 was incurred during the Reporting Period, no revenue was generated so far.

A profit warning announcement was issued on 22 July 2008 in view of the significant increase in loss for the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

On 15 October 2007, the Company entered into a placing agreement with Excalibur Securities Limited ("Placing Agent"), to place 200,000,000 non-listed warrants on a fully underwritten basis at the issued price of HK$0.015 each. On 26 October 2007, the Company entered into a supplemental agreement with the Placing Agent to increase the number of warrants to be issued and placed to 400,000,000 warrants. Subscription price of the warrants was HK$1.2 per subscription share. Details of these transactions were disclosed in the Company's announcements dated 15 October 2007 and 26 October 2007. The warrants were then issued and placed on 13 December 2007, net placing proceeds of HK$5,850,000 was received by the Company. Up to the Reporting Period end, 2,000,000 warrants were exercised, 2,000,000 ordinary shares were then issued and total proceeds of HK$2,400,000 was received by the Company.

The Group ended the Reporting Period with net bank balances and cash of HK$5,442,000. The group's current ratio stood at 0.91 as at 30 April 2008, as compared with 2.6 as at 30 April 2007. The decrease in current ratio was mainly resulted from the recognition of the fair value of warrants issued during the Reporting Period for the amount of HK$6,000,000 in current liabilities. Gearing ratio, computed by dividing borrowings and finance lease obligations by total equity, stood at 7.3% as at 30 April 2008, as compared to 0% as at 30 April 2007. The increase was due to the arrangement of a finance lease for the purchase of plant and equipment and a short-term loan for general working capital.

CAPITAL STRUCTURE

Share subdivision

Pursuant to an ordinary resolution passed on 29 October 2007, with effect from 30 October 2007, one share of HK$0.01 each in the issued and unissued share capital of the Company was subdivided into 10 shares of HK$0.001 each. The authorized share capital of the Company will remain at HK$10,000,000 but divided into 10,000,000,000 subdivided shares of HK$0.001 each.

Increase in authorized share capital

Pursuant to an ordinary resolution passed on 29 October 2007 and upon share sub-division became effective, the authorized share capital of the Company was increased from HK$10,000,000 divided into 10,000,000,000 Shares of HK$0.001 each to HK$50,000,000 divided into 50,000,000,000 Shares of HK$0.001 each by the creation of 40,000,000,000 new Shares of HK$0.001 each.

Exercise of warrants

In December 2007 and January 2008, a total of 2,000,000 shares of HK$0.001 each with an exercise price of HK$1.20 per warrant were allotted and issued upon the exercise of subscription rights attaching to the warrants.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

On 14 June 2007, D Byford Holdings Limited, a wholly owned subsidiary of the Company, and EUT Marketing (S) Pte. Ltd. entered into a conditional sale and purchase agreement in relation to the disposal of 100% equity interests ("Disposal") in BMS, a company incorporated in Singapore, a wholly owned subsidiary of D Byford Holdings Limited, at a consideration of S$1,355,456 (approximately HK$6,809,000) (subject to adjustment). The Disposal constitutes a major transaction for the Company. Completion of the Disposal took place on 18 June 2007. The Group will continue to be engaged in the brand management and licensing business after the Disposal. *(Details of the Disposal are set out in the announcement of the Company dated 22 June 2007 and the circular of the Company dated 30 July 2007)*.

On 20 July 2007, Upper Run, the ultimate holding company of the Company, entered into a sale and purchase agreement with each of Pacific Genius Group Limited, Mr. Chai Sing Hong and Mr. Md Wira Dani Bin Abdul Daim in relation to the acquisition of an aggregate of 149,254,990 shares of the Company, representing approximately 74.63% of the issued share capital of the Company. According to Rule 26.1 of the Hong Kong Code on Takeovers and Mergers ("Takeovers Code"), Upper Run has made a mandatory unconditional general offer ("Offer") for all the issued shares of the Company not already owned by it and parties acting in concert with it. The Offer closed on 7 September 2007 *(Details of the Offer are set out in the composite offer and response document dated 17 August 2007)*.

On 20 July 2007, the Company agreed to procure its wholly owned subsidiaries to sell and Wonderful World (HK) Limited agreed to purchase various "Baby-Q" and related trademarks legally and beneficially owned by certain wholly owned subsidiaries of the Company subject to and upon the terms and conditions of the related agreement for sale and purchase ("Trade Mark Disposal Agreement"). The entering into of the Trade Mark Disposal Agreement constituted a special deal ("Special Deal") under Rule 25 of the Takeovers Code and a connected and discloseable transaction for the Company. The Securities and Futures Commission granted its consent to the entering into of the Trade Mark Disposal Agreement on 30 August 2007 and the relevant independent shareholders' approval was also obtained by the Company on 3 September 2007. The Board considers that the Group can save costs on managing the relevant brandnames and concentrate on the brand management and licensing business of the "*Byford*" brandname by disposing of the trade marks. *(Details of the Special Deal are set out in the composite offer and response document dated 17 August 2007)*.

HUMAN RESOURCES

As at 30 April 2008, the Group employed a total of 17 employees, as compared to 36 employees as at 30 April 2007. The decrease was mainly due to the disposal of BMS during the Reporting Period. The Group is committed to attract people with the skill set necessary to grow its business for the long-term by offering competitive remuneration package based on individual experience, knowledge and performance.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECT AND OUTLOOK

In 2007, it was a fruitful year for "*Byford*" brand, it characterized by ongoing new developments in many parts of the world: outerwear launch in Moscow and China, shoes and bags launch in China, new launch of *Byford* in Saudi Arabia, new business partner for men's outerwear and underwear in Taiwan and men's leather goods for Indonesia. With the joint efforts with all our reliable and experience partners, Byford has entered into a new era.

2008 was one of the key milestones in Byford history whereas we made the very first step to launch the Byford outerwear program via our licensee with Byford mono brand shop in Shanghai and the very first Byford shoes and bags shop in Shenzhen.

While increasing exclusive boutique and identity counters in high-end shopping malls and department stores is the first priority choice to work with our business partner as it helps to promote brand image and reach the affluent customers. We foresee there will be more than twenty points of sales for Byford to be established in Far East region in 2008. With a number of new POS to open in 2008, the Directors believe the Group will be able to achieve greater economies of scale and brace the performance of sales whereas a significant growth of business is expected.

The Group will continue to focus on the brand management and licensing of the "*Byford*" brand name. The Byford brand continues to grow globally as lifestyle brand with an important luxury component. Strategic expansion into new categories are important, yet untapped markets, have allowed for further development and intensification across the ever-expanding portfolio of Byford brand products.

The Group will also continue to seek and identify unique international brands with character and market potential to form distribution and equity partnerships.

While keeping abreast with the licensing business, the Group has also put in resources to further develop the garment business with some reputable overseas buying companies and the Directors believe that such platform of business is expected to have an increase in contribution in the coming year.

Moreover, the Directors have always been active in seeking investment opportunities. On 23 October 2007, Super League Investments Limited, a wholly-owned subsidiary of the Company, entered into a Memorandum of Understanding with a vendor of Wisdom First Investments Limited in relation to the intended acquisition of a pharmaceutical and related business. The Directors believe the intended acquisition will provide a good opportunity for the Group to diversify its business. The investigation is in the final stage of obtaining and analyzing relevant information in relation to the intended acquisition.

Although the economy in 2008 is full of challenge, the core businesses of Byford are still optimistic. Our vision is to continue to focus on our core businesses and to maintain a pragmatic expansion strategy to gain the best return for our investors.

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE

EXECUTIVE DIRECTORS

Ms. Chan Lai Kwan Rainbow, aged 48, has been an executive director and the chief executive officer of the Group since 22 November 2007. Ms. Chan has over 18 years of management experience in timepieces and jewelry field, including manufacturing and distribution, sales and marketing, focus on brand building and establishment of multi-international brand in Hong Kong, Macau and the People's Republic of China at the retail sector. Prior to joining the Group, Ms. Chan held the capacity as the chief executive officer of a multi-trade business company in Hong Kong.

Ms. Wong Yuet May Jeremy, aged 46, joined the Group as an executive director and the chief executive officer of the Group on 7 September 2007. She then resigned as the chief executive officer of the Group but retaining her role as executive director of the Group with effect from 22 November 2007. Ms. Wong has more than 11 years of designs and product development experience in garment business. She has extensive experience in product development and fabric sourcing for textile in garment and home textile. Ms. Wong is currently in charge of the product development department of a home textile company.

Mr. Chan Fu Kei, aged 28, has been the executive director of the Group since 2 May 2008. Prior to joining the Group, he served in a global event marketing company as Project Design Manager. He was responsible for planning and promoting of the main theme of events and create market image with the exhibition team. Mr. Chan graduated from the Chinese University of Hong Kong and obtained a Bachelor Degree in Mechanical Engineering. He is responsible for formulating suitable strategies for the Company to expand its business networks with his solid experience in marketing and project design and creating market image with the exhibition team.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Tak Yan, aged 54, has been the independent non-executive director of the Group since 7 September 2007. He has over 20 years of experience in transportation and logistics management and 16 years of experience in the banking industry with Shanghai Commercial Bank Limited and BNP Paribas, Hong Kong Branch. Mr. Chan is currently a General Manager of a PRC-HK container tractor company and a Deputy General Manager of a logistic company. He holds a Master of Business Administration degree from the University of Ballarat, Australia, a Diploma in Management Studies from The Hong Kong Management Association ("HKMA") and The Hong Kong Polytechnic University and a Diploma in Occupational Health & Safety from the Open University of Hong Kong. Mr. Chan is an associate member of HKMA.

Mr. Chiu Kwok Wing Benedict, aged 48, has been the independent non-executive director of the Group since 7 September 2007. He is currently a senior partner of Chiu, Szeto & Cheng, Solicitors and his major areas of practices are civil and criminal litigation, intellectual properties, China trade, commercial law and conveyancing. Mr. Chiu completed the Common Professional Examination and Law Society Final Examination from Law Society Final Examination in England. He holds a Master of Law degree in Chinese and Comparative Law from City University of Hong Kong, a Diploma in Chinese Law from the University of East Asia, Macau and a Bachelor of Arts (Honours) degree from The University of Hong Kong.

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE

Mr. Orr Joseph Wai Shing, aged 48, has been the independent non-executive director of the Group since 7 September 2007. He is an independent non-executive director of BM Intelligence International Limited, whose shares are listed on the GEM of the Stock Exchange. Mr. Orr is an executive director of his CPA firm "Joseph Orr & Associates, CPA" in the USA. Mr. Orr was an independent non-executive director of Artfield Group Limited, a company listed on the Main Board of the Stock Exchange. In the past 2l years, he worked for multinational companies including Time Warner, Baker & McKenzie, EDAW and Hyatt International as well as professional firm KPMG. Mr. Orr is a certified public accountant in Washington, USA and members of the Hong Kong Institute of Certified Public Accountants, American Institute of Certified Public Accountants and CPA Australia. He holds a MBA from Kellogg School of Management, Northwestern University and the Hong Kong University of Science and Technology, a Master of Arts degree in International Business and International Finance Management from the University of Reading, a Bachelor of Arts (Hons) degree in Accounting and Finance from Middlesex University and a Professional Diploma in PRC corporate tax and auditing from Zhongshan University.

SENIOR MANAGEMENT

Mr. Chow Shiu Ki, aged 40, has been appointed the qualified accountant of the Company since 25 February 2008. He is a fellow member of The Association of Chartered Certified Accountants and an associate member of The Hong Kong Institute of Certified Public Accountants. Mr. Chow has accumulated over 20 years of experience in auditing, accounting and corporate finance areas, and he has worked for various private and listed companies at senior management level. Mr. Chow is also an independent non-executive director of each of ZZNode Technologies Company Limited (stock code: 2371) and Intelli-Media Group (Holdings) Limited (stock code: 8173), both companies are listed on the Stock Exchange.

CORPORATE GOVERNANCE REPORT

The Company has applied the principles and, save as disclosed herein, has complied with the code provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 15 of the GEM Listing Rules throughout the year ended 30 April 2008.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry to all Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by Directors during the year ended 30 April 2008.

BOARD OF DIRECTORS

The overall management of the Company's business is vested in the Board which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All Directors should make decisions objectively in the interests of the Company. The Board has the full support by the chief executive officer and senior management to discharge its responsibilities.

The Board currently comprises three executive Directors and three independent non-executive Directors. The composition of the Board and the committees are given below and their respective responsibilities are discussed in the CG Report.

Board of Directors	Audit Committee	Executive Committee	Remuneration Committee
Executive Directors			
Ms. Chan Lai Kwan Rainbow *(Chief Executive Officer)* (appointed on 22 November 2007)		✓	
Ms. Wong Yuet May Jeremy (appointed on 7 September 2007)		✓	
Mr. Chan Fu Kei (appointed on 2 May 2008)		✓	
Ms. Fong Man Julisa (appointed on 7 September 2007 and resigned on 23 April 2008)		✓	
Mr. Wang Lu Yen (resigned on 7 September 2007)		✓	✓
Mr. Norman Janelle (resigned on 7 September 2007)		✓	
Mr. Chai Sing Hong (deceased on 8 August 2007)		✓	
Mr. Lin Jui Hsien Jacob (resigned on 7 September 2007)		✓	
Non-executive Director			
Mr. Md Wira Dani Bin Abdul Daim (resigned on 7 September 2007)			
Independent Non-executive Directors			
Mr. Chan Tak Yan (appointed on 7 September 2007)	✓		✓
Mr. Chiu Kwok Wing Benedict (appointed on 7 September 2007)	✓		✓
Mr. Orr Joseph Wai Shing (appointed on 7 September 2007)	✓		✓
Mr. Chow Chi Kiong (resigned on 7 September 2007)	✓		✓
Mr. Yue Kwai Wa Ken (resigned on 7 September 2007)	✓		
Mr. Liew Swee Yean Ivan (resigned on 7 September 2007)	✓		✓

CORPORATE GOVERNANCE REPORT

Biographical details of the Directors as at the date of this CG Report are set out on pages 9 to 10 of this annual report.

The Board members have no financial, business, family or other material/relevant relationships with each other.

The Board meets regularly to discuss the Company's affairs and operations. During the financial year ended 30 April 2008, the Board held 4 regular Board meetings (within the meaning of the CG Code) at approximately quarterly interval and 23 Board meetings which were convened when board-level decisions on particular matters were required. The Directors attended those meetings in person, by phone or through other electronic means of communication. The attendance record of each member of the Board during the year ended 30 April 2008 is set out below:

Name of Director	Attended/Eligible to attend
Executive Directors	
Ms. Chan Lai Kwan Rainbow *(Chief Executive Officer)* (appointed on 22 November 2007)	11/11
Ms. Wong Yuet May Jeremy (appointed on 7 September 2007)	22/23
Mr. Chan Fu Kei (appointed on 2 May 2008)	1/1
Ms. Fong Man Julisa (appointed on 7 September 2007 and resigned on 23 April 2008)	18/18
Mr. Wang Lu Yen (resigned on 7 September 2007)	3/3
Mr. Norman Janelle (resigned on 7 September 2007)	3/3
Mr. Chai Sing Hong (deceased on 8 August 2007)	1/2
Mr. Lin Jui Hsien Jacob (resigned on 7 September 2007)	3/3
Non-executive Director	
Mr. Md Wira Dani Bin Abdul Daim (resigned on 7 September 2007)	1/3
Independent Non-executive Directors	
Mr. Chan Tak Yan (appointed on 7 September 2007)	19/23
Mr. Chiu Kwok Wing Benedict (appointed on 7 September 2007)	10/23
Mr. Orr Joseph Wai Shing (appointed on 7 September 2007)	19/23
Mr. Chow Chi Kiong (resigned on 7 September 2007)	3/3
Mr. Yue Kwai Wa Ken (resigned on 7 September 2007)	3/3
Mr. Liew Swee Yean Ivan (resigned on 7 September 2007)	3/3

During the regular meetings of the Board, the Directors discuss and formulate the overall strategies of the Group, review and monitor the business and financial performances and discuss the quarterly, half-yearly and annual results, as well as discuss and decide on other significant matters.

Each of the current independent non-executive Directors has entered into a service contract with the Company with a fixed term of office for 1 year. Such service contracts will be automatically renewable for successive terms of one year unless terminated by either party by one month written notice to the other party and is subject to rotation and re-election provisions in the articles of association of the Company.

Each of the independent non-executive Director has confirmed in writing his annual confirmation on independence as required by the rule 5.09 of the GEM Listing Rules. The Company considers all such Directors to be independent.

In accordance with the articles of association of the Company ("Articles"), (i) all Directors will be subject to retirement by rotation once every three years and new Directors appointed by the Board to fill a causal vacancy shall be subject to re-election by shareholders at the first general meeting after appointment; and (ii) one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to one-third but not less than one-third), shall retire from office by rotation and being eligible, offer themselves for re-election at each annual general meeting and that any new Director appointed by the Board during the year shall hold office until the next following annual general meeting after appointment, and he/she shall be eligible for re-election at that meeting.

The Board recommended the re-appointment of the Directors standing for re-election at the forthcoming annual general meeting of the Company. The Company's circular dated on or about 30 July 2008 will contain detailed information of the Directors standing for re-election.

CHAIRMAN/CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

The changes of the chairman/chairperson and the chief executive officer of the Group during the year are as follow:

(i) On 7 September 2007, Mr. Wang Lu Yen and Mr. Norman Janelle resigned as the chairman and the chief executive officer of the Group respectively. On the same date, Ms. Fong Man Julisa and Ms. Wong Yuet May Jeremy were appointed as the chairperson and the chief executive officer of the Group respectively.

(ii) On 22 November 2007, Ms. Wong Yuet May Jeremy resigned as the chief executive officer of the Group and replaced by Ms. Chan Lai Kwan Rainbow.

(iii) on 23 April 2008, Ms. Fong Man Julisa resigned as the chairperson of the Group and since then the position of chairman remains vacant. As at the date of this annual report, the position of the chairman of the Group is vacant and the Company is still identifying a suitable candidate to fill the vacancy.

AUDIT COMMITTEE

The Company established an audit committee on 10 June 2003 with revised written terms of reference adopted on 27 June 2005 in compliance with the GEM Listing Rules. The audit committee has three members comprising the three independent non-executive Directors of the Company, namely Mr. Orr Joseph Wai Shing (chairman of the audit committee), Mr. Chan Tak Yan and Mr. Chiu Kwok Wing Benedict (Mr. Chow Chi Kiong, Mr. Yue Kwai Wa Ken and Mr. Liew Swee Yean Ivan resigned as members of the audit committee with effect from 7 September 2007). The primary duties of the audit committee are to review the Company's annual reports and accounts, interim reports and quarterly results announcements and to provide advice and comments thereon to the Board. The members of the audit committee meet regularly with the external auditor and the Company's management to review and supervise of the Company's reporting. The audit committee is also responsible for monitoring integrity of financial statements of the Company and the Company's annual reports and accounts, half-year reports and quarterly reports, and to review significant financial reporting judgments contained therein.

Individual attendance of each committee member at these meetings is as follows:

Name of Director	Attended/Eligible to attend
Mr. Orr Joseph Wai Shing (Chairman) (appointed on 7 September 2007)	4/4
Mr. Chan Tak Yan (appointed on 7 September 2007)	4/4
Mr. Chiu Kwok Wing Benedict (appointed on 7 September 2007)	4/4
Nr. Chow Chi Kiong (Chairman) (resigned on 7 September 2007)	1/1
Mr. Yue Kwai Wa Ken (resigned on 7 September 2007)	1/1
Mr. Liew Swee Yean Ivan (resigned on 7 September 2007)	1/1

The audit committee has reviewed the Group's audited results for the year ended 30 April 2008.

There was no disagreement between the Board and the audit committee on the selection, appointment, resignation or dismissal of the external auditors during the year.

REMUNERATION COMMITTEE

The Company established a remuneration committee on 10 September 2004 with written terms of reference adopted on 27 June 2005 which deal clearly with its authority and duties, in accordance with the requirement of the CG Code contained in Appendix 15 of the GEM Listing Rules. The remuneration committee has three members, the majority of which are independent non-executive Directors, namely Mr. Chan Tak Yan (chairman of the remuneration committee), Mr. Chiu Kwok Wing Benedict and Mr. Orr Joseph Wai Shing (Mr. Liew Swee Yean Ivan, Mr. Chow Chi Kiong and Mr. Wang Lu Yen resigned as members of the remuneration committee with effect from 7 September 2007). The principal responsibilities of the remuneration committee include making recommendations on and approving the remuneration policy and structure for all remuneration of directors and senior management.

The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions. The Remuneration Committee has also been delegated with the powers and authorities to implement the share option scheme of the Company.

During the year under review, the Remuneration Committee reviewed and approved the remuneration packages of the executive Directors and senior management and no Directors were involved in deciding his/her own remuneration.

EXECUTIVE COMMITTEE

The Company established an executive committee on 10 September 2004 with written terms of reference adopted which deal clearly with its authority and duties. The executive committee consists of all executive Directors, namely Ms. Chan Lai Kwan Rainbow (chairman of the executive committee) and Ms. Wong Yuet May Jeremy (Mr. Wang Lu Yen, Mr. Norman Janelle, and Mr. Lin Jui Hsien Jacob resigned as members of the executive committee with effect from 7 September 2007 and Mr. Chai Sing Hong deceased on 8 August 2007). The Board has delegated the day-to-day management and operation functions of the Group to the executive committee save to the extent that certain powers and autahorities are reserved to the remuneration committee or the full Board.

NOMINATION OF DIRECTORS

The Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive Directors. In this respect, the Company has not established a nomination committee. The Company currently does not have any plans to set up the nomination committee considering small size of the Board.

COMMUNICATION WITH SHAREHOLDERS

The Company has disclosed all necessary information to the shareholders of the Company in accordance with the GEM Listing Rules and reported the Company's performance through various communication tools. These include annual and extraordinary general meetings, quarterly and annual reports, various notices, announcements and circulars.

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS AND AUDITOR'S REMUNERATION

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group. In preparing the financial statements, the generally accepted accounting standards in Hong Kong have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements. The auditor's responsibilities are set out in the Independent Auditor's Report.

INTERNAL CONTROL

The Board has overall responsibility for the establishment, maintenance and review of the Group's system of internal control. The Board has conducted a review of, and is satisfied with the effectiveness of the system of internal control of the Group.

EXTERNAL AUDITORS

Messrs. PricewaterhouseCoopers ("PwC") was re-appointed as the auditors of the Group at the annual general meeting held on 22 August 2007 and resigned on 16 May 2008. SHINEWING (HK) CPA Limited ("SHINEWING") was first appointed as auditor of the Company following the resignation of PwC and the appointment of SHINEWING was approved at the extraordinary general meeting held on 30 June 2008. The remuneration in respect of services provided by PwC and SHINEWING for the Company for the year ended 30 April 2008.

	2008	2007
	HK$'000	HK$'000
Auditor's remuneration		
– PwC	**–**	400
– SHINEWING	**300**	–

CONCLUSION

The Board believes that good corporate governance can safeguard the effective allocation of resources and protect shareholders' interest. The management will try to maintain, strengthen and improve the standard and quality of the Group's corporate governance.

REPORT OF DIRECTORS

The directors of the Company ("Directors") present this report together with the audited financial statements of Byford International Limited ("Company") and its subsidiaries (together the "Group") for the year ended 30 April 2008.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 35 to the consolidated financial statements.

MANDATORY UNCONDITIONAL GENERAL OFFER

On 20 July 2007, Upper Run Investments Limited ("Upper Run") entered into a sale and purchase agreement with each of Pacific Genius Group Limited, Mr. Chai Sing Hong and Mr. Md Wira Dani Bin Abdul Daim (together, the "Vendors"), pursuant to which Upper Run agreed to purchase and the Vendors agreed to sell an aggregate of 149,254,990 shares of the Company, representing approximately 74.63% of the then issued share capital of the Company, details of which were set out in the announcement of the Company dated 27 July 2007.

According to the rule 26.1 of the Hong Kong Code on Takeovers and Mergers, Upper Run was obliged to make mandatory unconditional general offer ("Offer") of all the issued shares of the Company ("Offer Shares") not already owned by it and parties acting in concert with it. As at the close of the Offer on 7 September 2007, there were no valid acceptance of any share of the Company tendered under the Offer, Upper Run and parties acting in concert with it was interested in 149,254,990 shares of the Company, representing approximately 74.63% of the then issued share capital of the Company. Details of the Offer were set out in the composite offer and response document dated 17 August 2007 issued jointly by the Company and Upper Run.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 April 2008 are set out in the consolidated income statement on pages 26.

The Company declared a special dividend of HK$0.05 per share on 14 September 2007. The relevant information is disclosed in Note 14 to the consolidated financial statements.

The Directors do not recommend the payment of a final dividend for the year ended 30 April 2008 (2007: Nil).

SEGMENT INFORMATION

An analysis of the Group's performance by principal activities and geographical locations of operations for the year ended 30 April 2008 is set out in Note 9 to the consolidated financial statements.

REPORT OF DIRECTORS

PLANT AND EQUIPMENT

Details of movements in plant and equipment during the year ended 30 April 2008 are set out in Note 17 to the consolidated financial statements.

SHARE OPTION SCHEME

Detailed disclosures relating to the Company's Share Option Scheme are set out in Note 28 to the consolidated financial statements.

SHARE CAPITAL AND WARRANTS

Details of movements in the Company's share capital, warrants and share options during the year, together with the reasons therefor, are set out in Note 27 and Note 29 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group during the year ended 30 April 2008 are set out in the consolidated statement of changes in equity on page 29.

DISTRIBUTABLE RESERVES

As at 30 April 2008, the Company had no reserve available for distribution to shareholders (2007: Nil).

DIRECTORS

The Directors who held office during the year and up to the date of this annual report are:

Executive Directors

Ms. Chan Lai Kwan Rainbow (Chief Executive Officer)	(appointed on 22 November 2007)
Ms. Wong Yuet May Jeremy	(appointed on 7 September 2007 and ceased to set as the Chief Executive Officer on 22 November 2007)
Mr. Chan Fu Kei	(appointed on 2 May 2008)
Ms. Fong Man Julisa	(appointed as Chairperson on 7 September 2007 and resigned on 23 April 2008)
Mr. Wang Lu Yen	(resigned on 7 September 2007)
Mr. Norman Janelle	(resigned on 7 September 2007)
Mr. Chai Sing Hong	(deceased on 8 August 2007)
Mr. Lin Jui Hsien Jacob	(resigned on 7 September 2007)

Non-executive Director

Mr. Md Wira Dani Bin Abdul Daim	(resigned on 7 September 2007)

Independent non-executive Directors

Mr. Chan Tak Yan	(appointed on 7 September 2007)
Mr. Chiu Kwok Wing Benedict	(appointed on 7 September 2007)
Mr. Orr Joseph Wai Shing	(appointed on 7 September 2007)
Mr. Chow Chi Kiong	(resigned on 7 September 2007)
Mr. Yue Kwai Wa Ken	(resigned on 7 September 2007)
Mr. Liew Swee Yean Ivan	(resigned on 7 September 2007)

In accordance with the articles 86(3) of the Company's Articles of Association, Ms. Chan Lai Kwan Rainbow, Ms. Wong Yuet May Jeremy, Mr. Chan Fu Kei, Mr. Chan Tak Yan, Mr. Chiu Kwok Wing Benedict and Mr. Orr Joseph Wai Shing will retire as Directors at the forthcoming annual general meeting and, being eligible, offer themselves for re-election as Directors.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received written confirmations from each of its independent non-executive Directors in respect of their independence during the year and all independent non-executive Directors are still being considered to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 9 to 10 of the annual report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has any service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

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

As at 30 April 2008, the interests and short positions and 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 ("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 rule 5.46 of the GEM Listing Rules, were as follows:

(1) Long positions in the shares of the Company

Name of Director	Capacity	No. of shares or underlying shares held (Note 2)	Approximate percentage of the Company's issued share capital
Wong Yuet May Jeremy (Note 1)	Beneficial Owner	20,000,000	0.99%

Note:

1. Ms. Wong Yuet May Jeremy, an executive director, was deemed to be interested in 20,000,000 shares which would fall to be issued upon exercise of the 20,000,000 share options of the Company under the Share Option Scheme.

2. Interest in the shares or underlying shares of equity derivatives was long position. Underlying shares are share options granted to the director pursuant to the Share Option Scheme, details of which are set out on Note 28.

(2) Share Options

Pursuant to the Share Option Scheme, a Director was granted share options to subscribe for shares of the Company, details of which as at 30 April 2008 were as follow:

					Movements of Options during the year			
Name of Director	Date of grant	Exercise price per Share HK$	Exercise period	As at 01/05/2007	Exercised	Granted	Lapsed	As at 30/04/2008
Wong Yuet May Jeremy	27/10/2007	2.320	27/10/2007 – 27/10/2010	–	–	20,000,000	–	20,000,000

Save as disclosed above, as at 30 April 2008, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or 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 notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the paragraph headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES", at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or their respective spouse or minor children to acquire such rights in any other body corporate.

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

As at 30 April 2008, the following persons or companies other than directors and chief executive of the Company, had interests or short positions (directly or indirectly) in the Company's shares or underlying shares were recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name of shareholders	**Capacity**	Note	**Number of issued shares held**	**Approximate percentage of issued share capital**
Upper Run	Beneficial owner	1	1,250,099,900	62.44%
Ms. Chan Yuen Fan Winky ("Ms. Chan")	Interest through controlled corporation	1	1,250,099,900	62.44%
Chow Tai Fook Nominee Limited ("Chow Tai Fook")	Beneficed owner	2	110,000,000	5.5%
Dr. Cheng Yu Tung ("Dr. Cheng")	Interest through controlled corporation	2	110,000,000	5.5%
Ms. Leong Angela On Kei	Beneficial owner		110,000,000	5.5%

Notes:

1. These shares are beneficially owned by Upper Run, a company incorporated in the British Virgin Islands, whose entire issued share capital is wholly and beneficially owned by Ms. Chan. Accordingly, Ms. Chan is deemed to be interested in the 1,250,099,900 shares in which Upper Run is interested.

2. These shares are beneficially owned by Chow Tai Fook, a company incorporated in Hong Kong, whose entire issued share capital is wholly and beneficially owned by Dr. Cheng. Accordingly, Dr. Cheng is deemed to be interested in the 110,000,000 shares in which Chow Tai Fook is interested.

REPORT OF DIRECTORS

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken during the year are provided under Note 32 to the consolidated financial statements. These related party transactions fall under the definition of continuing connected transactions, but are exempt from the reporting, announcement and independent shareholders' approval requirements, under Chapter 20 of the GEM Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in Note 32 to the consolidated financial statements, no contracts of significance in relation to the Group's business to which the Company, any of its holding companies, fellow subsidiaries or subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year under review.

CONTRACT OF SIGNIFICANCE

During the year, the Group did not enter into any contract of significance with its controlling shareholders or any of its subsidiaries.

During the year, no contract of significance for the provision of services to the Group by a controlling shareholder or any of its subsidiaries was made.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 30 April 2008, the five largest customers of the Group accounted for approximately 65.4% (2007: 59.87%) of the Group's total sales and the five largest suppliers accounted for approximately 78.7% (2007: 81.82%) of the Group's total purchases. In addition, the largest customer accounted for approximately 38.5% (2007: 16.56%) of the Group's total sales and the largest supplier accounted for approximately 27.6% (2007: 22.84%) of the Group's total purchases.

COMPETING INTERESTS

For the year ended 30 April 2008, 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.

SUBSEQUENT EVENTS

Appointment of Director

As announced by the Company on 2 May 2008, Mr. Chan Fu Kei was appointed as an executive Director on 2 May 2008.

Change of Auditor

As announced by the Company on 19 May 2008, the Company proposed to appoint SHINEWING (HK) CPA Limited as its auditor to fill the casual vacancy arising from the resignation of Messrs. PricewaterhouseCoopers effective 16 May 2008. An ordinary resolution was duly passed by the shareholders of the Company by way of show of hands at the extraordinary general meeting of the Company held on 30 June 2008 approving the change.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed Securities during the year under review.

PRE-EMPTIVE RIGHTS

There are no provisions for the exercise of any pre-emptive rights under the Articles or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

MATERIAL LITIGATION

Neither the Company nor its subsidiaries was involved in any material litigation or arbitration during the year ended 30 April 2008.

PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float required under the GEM Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 11 to 16 of the annual report.

AUDITOR

Messrs. PricewaterhouseCoopers ("PwC") were re-appointed as the auditor of the Company at the annual general meeting held on 22 August 2007 and resigned on 16 May 2008. SHINEWING (HK) CPA Limited ("SHINEWING") was first appointed as auditor of the Company following the resignation of PwC and the appointment of SHINEWING was approved at the extraordinary general meeting held on 30 June 2008.

The financial statements have been audited by SHINEWING who retire and, being eligible, offer themselves for re-appointment.

By Order of the Board

Chan Lai Kwan Rainbow
Executive Director and Chief Executive Officer

Hong Kong, 23 July 2008

INDEPENDENT AUDITOR'S REPORT

SHINEWING (HK) CPA Limited
16/F., United Centre
95 Queensway, Hong Kong

TO THE SHAREHOLDERS OF
BYFORD INTERNATIONAL LIMITED
百富國際有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Byford International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 26 to 80, which comprise the consolidated balance sheet as at 30 April 2008, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards issued by International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 30 April 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Ip Yu Chak
Practising Certificate Number: P04798

Hong Kong
23 July 2008

CONSOLIDATED INCOME STATEMENT

For the year ended 30 April 2008

	Notes	2008 HK$'000	2007 HK$'000 (Restated)
Revenue	8	**14,570**	31,833
Cost of sales		**(3,350)**	(13,837)
Gross profit		**11,220**	17,996
Other income	10	**1,222**	153
Selling and distribution costs		**(1,989)**	(5,131)
General and administrative expenses		**(16,289)**	(13,007)
Equity-settled share-based payments		**(68,088)**	–
Gain on disposal of a subsidiary	33	**651**	–
Finance costs	11	**(7)**	(6)
(Loss) profit before tax		**(73,280)**	5
Income tax expense	12	**(67)**	(156)
Loss for the year, attributable to equity holders of the Company	13	**(73,347)**	(151)
Dividend	14	**10,000**	–
Loss per share	15		
– basic		**(3.67) cents**	(0.01) cents
– diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

As at 30 April 2008

	Notes	2008 HK$'000	2007 HK$'000
ASSETS			
Non-current assets			
Plant and equipment	17	**1,335**	421
Trademarks	18	**17,525**	19,266
Total non-current assets		**18,860**	19,687
Current assets			
Inventories	19	**–**	4,954
Trade receivables	20	**1,737**	5,591
Prepayments, deposits and other receivables	21	**1,939**	497
Amount due from fellow subsidiary	32(c)	**–**	237
Bank balances and cash	22	**5,442**	4,180
Total current assets		**9,118**	15,459
Total assets		**27,978**	35,146

CONSOLIDATED BALANCE SHEET

As at 30 April 2008

	Notes	2008 HK$'000	2007 HK$'000
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	27	2,002	2,000
Reserves		14,785	27,221
Total equity		16,787	29,221
Non-current liabilities			
Deferred tax liabilities	26	–	53
Borrowings – due after one year	24	1,000	–
Obligation under finance leases – due after one year	25	133	–
Total non-current liabilities		1,133	53
Current liabilities			
Trade payables	23	810	2,891
Accruals and other payables		3,133	2,917
Obligations under finance leases – due within one year	25	100	–
Derivative financial instruments – warrants	29	6,000	–
Tax liabilities		15	64
Total current liabilities		10,058	5,872
Total liabilities		11,191	5,925
Total equity and liabilities		27,978	35,146

The consolidated financial statements on page 26 to 80 were approved and authorised for issue by the Board of Directors on 23 July 2008 and are signed on its behalf by:

Chan Lai Kwan Rainbow
Director

Wong Yuet May Jeremy
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2008

	Share capital	Share premium	Share options reserve	Special reserve	Translation reserve	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 May 2006	2,000	18,428	–	8,023	1,354	(2,058)	27,747
Loss for the year	–	–	–	–	–	(151)	(151)
Exchange differences arising on translation of foreign operations	–	–	–	–	1,625	–	1,625
At 30 April 2007 and 1 May 2007	2,000	18,428	–	8,023	2,979	(2,209)	29,221
Special dividend paid	–	–	–	–	–	(10,000)	(10,000)
Recognition of equity-settled share-based payments	–	–	68,088	–	–	–	68,088
Expenses of issue of warrants	–	(150)	–	–	–	–	(150)
Issue of ordinary shares upon exercise of warrants (Note 27(c))	2	2,398	–	–	–	–	2,400
Exchange differences arising on translation of foreign operations	–	–	–	–	575	–	575
Loss for the year	–	–	–	–	–	(73,347)	(73,347)
At 30 April 2008	2,002	20,676	68,088	8,023	3,554	(85,556)	16,787

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

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 April 2008

	Notes	2008 HK$'000	2007 HK$'000
OPERATING ACTIVITIES			
(Loss) profit before tax		**(73,280)**	5
Adjustments for:			
Finance costs		**7**	6
Interest income		**(152)**	(153)
Gain on disposal of a subsidiary		**(651)**	–
Gain on disposal of a trademark		**(1,025)**	–
Depreciation of plant and equipment		**104**	236
Loss on disposal of plant and equipment		**10**	32
Net foreign exchange loss on operating activities		**14**	173
Equity-settled share-based payments		**68,088**	–
Operating cash flows before movements in working capital		**(6,885)**	299
Increase in inventories		**(391)**	(1,037)
Increase in trade receivables		**(1,487)**	(389)
(Increase) decrease in prepayment, deposits and other receivables		**(1,769)**	485
Decrease (increase) in amount due from fellow subsidiary		**237**	(101)
Increase in trade payables		**2,388**	922
Increase in accruals and other payables		**454**	624
Cash (used in) generated from operations		**(7,453)**	803
Income tax paid		**(93)**	(146)
NET CASH (USED IN) FROM OPERATING ACTIVITIES		**(7,546)**	657
INVESTING ACTIVITIES			
Interest received		**152**	153
Purchase of plant and equipment		**(1,064)**	–
Proceeds from disposal of a subsidiary	33	**6,809**	–
Proceeds from disposal of a trademark	18(b)	**4,200**	–
Proceeds from disposal of plant and equipment		**–**	18
NET CASH FROM INVESTING ACTIVITIES		**10,097**	171
FINANCING ACTIVITIES			
Proceeds from borrowings		**1,000**	–
Proceeds from issue of warrants (net of issue expenses)		**5,850**	–
Procees from issue of shares upon exercise of warrants		**2,400**	–
Dividend paid		**(10,000)**	–
Repayments of obligations under finance leases		**(67)**	(44)
Interest paid		**(7)**	(6)
NET CASH USED IN FINANCING ACTIVITIES		**(824)**	(50)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,727**	778
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**4,180**	3,365
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE		**(465)**	37
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		**5,442**	4,180

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Byford International Limited (the "Company") was incorporated in the Cayman Islands on 22 January 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information to the annual report. The shares of the Company have been listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 27 June 2003.

With effect from 20 July 2007, Upper Run Investments Limited, a private investment holding company incorporated in the BVI has become the ultimate holding company of the Company.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company is an investment holding company. The principal activities of the Company's subsidiaries (together with the Company referred to as the "Group") are set out in Note 35.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group in the light of its net current liabilities of approximately HK$940,000 as at 30 April 2008. The Directors are satisfied that, the liquidity of the Group can be maintained in the coming year taking into consideration the arrangements which include, but not limited to, the followings:

(a) Upper Run Investments Limited, being the ultimately holding company of the Group has agreed to provide adequate financial support of up to HK$5,000,000 to the Group to enable it to meet in full all its financial obligations as they fall due in the foreseeable future; and

(b) AMS Capital Limited, the existing creditor of the Group, has agreed to provide adequate financial support to the Group to enable it to meet in full all its financial obligations as they fall due in the foreseeable future.

On the basis that ongoing support from the ultimately holding company and other creditors will continue to be in place, the Directors consider that the Group will have sufficient working capital to finance its operations in the foreseeable future. Accordingly, the Directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current year, the Group has applied, for the first time, a number of new standard, amendment and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB that are effective for the Group's financial year beginning 1 May 2007.

IFRS 1 (Amendment)	Capital Disclosures
IFRS 7	Financial Instruments: Disclosures
IFRIC 7	Applying the Restatement Approach under International Accounting Standard ("IAS") 29 Financial Reporting in Hyperinflationary Economies
IFRIC 8	Scope of IFRS 2
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 10	Interim Financial Reporting and Impairment
IFRIC 11	IFRS 2: Group and Treasury Share Transactions

The adoption of the new IFRSs had no material effect on how the results and financial position for the current and prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

IFRSs (Amendments)	Improvements to IFRSs[5]
IAS 1 (Revised)	Presentation of Financial Statements[1]
IAS 23 (Revised)	Borrowing Costs[1]
IAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
IAS 32 & IAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
IFRS 1 & IAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[5]
IFRS 2 (Amendments)	Vesting Conditions and Cancellations[1]
IFRS 3 (Revised)	Business Combinations[2]
IFRS 8	Operating Segments[1]
IFRIC 12	Service Concession Arrangements[3]
IFRIC 13	Customer Loyalty Programmes[4]
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

[1] Effective for annual periods beginning on or after 1 January 2009.
[2] Effective for annual periods beginning on or after 1 July 2009.
[3] Effective for annual periods beginning on or after 1 January 2008.
[4] Effective for annual periods beginning on or after 1 January 2008.
[5] Effective for annual periods beginning on or after 1 January 2009 except the amendments to IFRS 5, effective for annual periods beginning on or after 1 July 2009.

The Directors anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of value-added tax, rebates and discounts on the following basis:

(i) Sales of goods

Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(ii) Licensing income

Licensing income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(iii) Interest income

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(c) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of item of plant and equipment over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method, at the following rates per annum:

Furniture, fixtures and office equipment	10% – 25%
Motor vehicles	20%

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Plant and equipment *(Continued)*

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(d) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as the leasor
Royalty income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Group as the leasee
Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term and benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(e) Foreign currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Hong Kong dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Hong Kong dollars using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the Group's foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

(f) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(g) Trademarks

Trademarks that have an indefinite life are carried at historical cost less accumulated impairment, if any, and are tested annually for impairment and when there is indication of impairment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(h) Impairment loss of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Cost comprises the direct costs of merchandise and charges that have been incurred in bringing the inventories to their present location and condition, and excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

(j) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Taxation *(Continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(k) Employee benefits

(i) Pension obligations

Group companies operate defined contribution plans which are generally funded through payments to trustee-administrated funds.

A defined contribution plan is a pension plan under which the Group pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(k) Employee benefits *(Continued)*

(iii) Bonus plan

The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(l) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past events, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to the present value where the effect is material.

(m) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Group's financial assets represent mainly the loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Trade and other receivables, amount due from fellow subsidiary, bank balances and cash that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(m) Financial assets *(Continued)*

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or

– default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade and other receivables, amount due from fellow subsidiary, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(m) Financial assets *(Continued)*

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(n) Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

The Group's financial liabilities represent the other financial liabilities.

Other financial liabilities

Other financial liabilities, including trade and other payables, obligations under finance leases and borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognized on an effective interest basis.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(o) Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

(p) Share-based payments

Equity-settled share-based payments to employees

The fair value of services received is determined by reference to the fair value of the share options at the grant date.

For grants of share options which are conditional upon satisfying specified vesting conditions, the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve). The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

The followings are the key estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(a) Estimated impairment of trademarks

Trademarks are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of cash-generating units have been determined based on income approach calculations. These calculations require the use of judgements and estimates.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(a) Estimated impairment of trademarks *(Continued)*

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the income statement.

(b) Estimated impairment for doubtful debts

The Group makes impairment for doubtful debts based on an assessment of the recoverability of trade receivables and other receivables. Impairment is applied to trade receivables and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of receivables and doubtful debt expenses in the period in which such estimate has been changed.

(c) Valuation of derivative financial instruments-warrants

The fair value of derivative financial instruments-warrants is subject to the limitation of the Black-Scholes-Merton Option Pricing Model and the uncertainty in estimates used by management in the assumptions. The estimates include limited early exercise behaviour, expected interval and frequency of open exercise periods in the warrant life, and other relevant parameters of the valuation model.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Categories of financial instruments

	2008 HK$'000	2007 HK$'000
Financial assets		
Loans and receivables		
Trade receivables	**1,737**	5,591
Other receivables	**1,630**	497
Amount due from fellow subsidiary	**–**	237
Bank balances and cash	**5,442**	4,180
	8,809	10,505
Financial liabilities		
Other financial liabilities at amortised cost		
Trade payables	**810**	2,891
Other payables	**890**	2,917
Borrowings	**1,000**	–
Obligation under finance leases	**233**	–
	2,933	5,808
Derivative financial instruments – warrants	**6,000**	–
	8,933	5,808

(b) Financial risk management objectives and polices

The Group's major financial instruments include trade and other receivables, amount due from fellow subsidiary, bank balances and cash, trade and other payables, borrowings and obligations under finance leases. Details of these financial instruments are disclosed in respective notes. The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk), credit risk, liquidity risk and fair value risk. The board of directors reviews and agrees policies for managing each of these risks and are summarised below.

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Financial risk management objectives and polices *(Continued)*

Market risk

Interest rate risk

The Group's exposure to fair value interest rate risk relates primarily to bank balances and other borrowings (see Notes 22 and 24 for detail). The Group has not entered into any interest rate hedging contracts. The directors monitor the Group's exposure on continuing basis and will consider hedging interest rate risk should the need arise.

Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases which expose the Group to foreign currency risk. The management is aware of the possible exchange appreciation in United Stated Dollars, United Arab Emirates Dirhams, United Kingdom Pounds, Malaysian Ringgit and Singapore Dollars in the future although the currency risk exposure is immaterial. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
United States Dollars	**225**	1,340	**1082**	30
United Arab Emirates Dirhams	**102**	93	**–**	–
United Kingdom Pounds	**2,366**	–	**–**	51
Malaysian Ringgit	**180**	653	**643**	34
Singapore Dollars	**20**	10,111	**314**	3,550

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Financial risk management objectives and polices *(Continued)*

Market risk *(Continued)*

Currency risk *(Continued)*

The following table details the Group's sensitivity to a reasonably possible change of 5% in exchange rate of foreign currencies against Hong Kong dollar while all other variables are held constant. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at each balance sheet date for a 5% change in foreign currency rates.

	Increase (decrease) in profit for the year			
	If HKD weakens against foreign currencies		If HKD strengthens against foreign currencies	
	2008 HK$'000	2007 HK$'000	**2008 HK$'000**	2007 HK$'000
United States Dollars	**15**	(66)	**(15)**	66
United Arab Emirates Dirhams	**(5)**	(5)	**5**	5
United Kingdom Pounds	**(118)**	3	**118**	(3)
Malaysian Ringgit	**23**	(31)	**(23)**	31
Singapore Dollars	**15**	(328)	**(15)**	328

A change of 5% in exchange rate of foreign currencies against HKD does not affect other components of equity.

Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 30 April 2008 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated balance sheet. The Group's credit risk is primarily attributable to its trade receivables as they spread all over the world. The turnover by geographic segments is disclosed in Note 9. The marketing team is responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debt with the help from the finance team. In addition, regular reports are produced for each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management considers that the Group's credit risk can be reduced. The concentration of credit risk is limited due to the customer base being large and unrelated.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Financial risk management objectives and polices *(Continued)*

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due. The Group measures and monitors its liquidity through the maintenance of adequate level of liquid assets to ensure the availability of sufficient cash flows to finance the Group's operations.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows
	HK$'000	HK$'000	HK$'000	HK$'000
2008				
Non-derivative financial liabilities				
Trade payables	810	–	–	810
Other payables and accruals	890	–	–	890
Borrowings – due after one year	–	1,240	–	1,240
Obligations under finance leases	111	111	36	258
	1,811	1,351	36	3,198
2007				
Non-derivative financial liabilities				
Trade payables	2,891	–	–	2,891
Other payables	2,917	–	–	2,917
	5,808	–	–	5,808

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Financial risk management objectives and polices *(Continued)*

Fair value risk

The fair value of financial assets and financial liabilities are determined as follows:

The fair value of financial assets and financial liabilities (including derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

7. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to equity holders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 24 and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

8. REVENUE

	2008 HK$'000	2007 HK$'000
Sales of goods	**4,808**	23,527
Licensing income	**9,762**	8,306
	14,570	31,833

9. SEGMENTAL INFORMATION

Primary reporting format - business segments

For the year ended 30 April 2008, the Group was organised on a worldwide basis into two main business segments, namely:

(i) Sales of men's innerwear, socks and apparel ("Sales of goods"); and

(ii) Licensing of the Group's trademarks relating to Byford branded men's innerwear, socks and apparel in return for royalty income ("Licensing").

9. SEGMENTAL INFORMATION *(Continued)*

The segment information by business for the years ended 30 April 2008 and 30 April 2007 are as follows:

For the year ended 30 April

	Sales of goods		Licensing		Total	
	2008 HK$'000	2007 HK$'000	2008 HK$'000	2007 HK$'000	2008 HK$'000	2007 HK$'000
Total segment revenue	4,808	23,527	9,952	9,204	14,760	32,731
Inter-segment revenue	–	–	(190)	(898)	(190)	(898)
Revenue	4,808	23,527	9,762	8,306	14,570	31,833
Intra-segment sales are charged at prevailing market rates						
Segment results	(1,235)	(134)	540	2,521	(695)	2,387
Unallocated corporate expenses					(5,141)	(2,376)
Equity-settled share-based payments					(68,088)	–
Gain on disposal of a subsidiary					651	–
Finance costs					(7)	(6)
Income tax expense					(67)	(156)
Loss for the year					(73,347)	(151)
As at 30 April						
Assets and liabilities						
Segment assets	1,006	10,463	21,189	23,710	22,195	34,173
Unallocated corporate assets					5,783	973
Total assets					27,978	35,146
Segment liabilities	813	3,463	1,936	1,485	2,749	4,948
Unallocated corporate liabilities					8,442	977
Total liabilities					11,191	5,925
Other information						
Segment capital expenditures	8	–	7	–	15	–
Unallocated corporate capital expenditures					1,349	–
					1,364	–
Segment depreciation	13	211	15	15	28	226
Unallocated corporate depreciation						
– owned assets					44	10
– assets held under finance lease					32	–
					104	236
Unallocated loss on disposal of plant and equipment					10	32
Unallocated equity-settled share-based payments					68,088	–
Gain on disposal of a trademark	–	–	1,025	–	1,025	–
Gain on disposal of a subsidiary	(651)	–	–	–	(651)	–

Segment assets consist primarily of plant and equipment, trademarks, inventories, receivables and operating cash.

Segment liabilities comprise operating liabilities.

9. SEGMENTAL INFORMATION *(Continued)*

Capital expenditures comprise additions to plant and equipment. Depreciation comprises depreciation of plant and equipment.

Unallocated assets and liabilities represent assets and liabilities not dedicated to a particular segment, consist primarily of corporate assets and liabilities.

Secondary Reporting Format – Geographical Segments

The Group's two business segments operate in four main geographical locations, even though they are managed on a worldwide basis.

The following table provides an analysis of the Group's revenue, carrying amount of segment assets and capital expenditures by geographical locations.

	Revenue		Total assets		Capital expenditures	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Malaysia	**3,932**	1,152	**21,147**	20,312	**7**	–
Singapore	**849**	18,013	**42**	13,861	**–**	–
Dubai	**1,578**	5,270	**–**	–	**–**	–
Hong Kong, Macau & PRC	**6,993**	4,592	**6,789**	969	**1,357**	–
Others	**1,218**	2,806	**–**	4	**–**	–
	14,570	31,833	**27,978**	35,146	**1,364**	–

Revenue is based on the location of customers. Carrying amount of segment assets and capital expenditures are based on the location of those assets.

10. OTHER INCOME

	2008	2007
	HK$'000	HK$'000
Interest income	**152**	153
Gain on disposal of a trademark	**1,025**	–
Others	**45**	–
	1,222	153

11. FINANCE COSTS

	2008 HK$'000	2007 HK$'000
Interest on finance lease	**7**	6

12. INCOME TAX EXPENSE

	2008 HK$'000	2007 HK$'000
The charge comprises:		
Current tax		
– Hong Kong	**–**	–
– other jurisdictions	**86**	119
	86	119
(Over) underprovision in prior years		
– Hong Kong	**–**	–
– other jurisdictions	**(19)**	37
	(19)	37
Deferred tax	**–**	–
	67	156

The Company is an exempted company incorporated in the Cayman Islands, as such, it is not liable for taxation in the Cayman Islands on its non-Cayman Islands income.

No Hong Kong profits tax was provided as the Group had no assessable profits arising in or deriving from Hong Kong. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

12. INCOME TAX EXPENSE *(Continued)*

The tax on the Group's (loss) profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2008 HK$'000	2007 HK$'000
(Loss) profit before tax	(73,280)	5
Tax at the domestic income tax rate of 17.5% (2007: 17.5%)	(12,824)	1
Effect of different tax rates of subsidiaries operating in other jurisdictions	827	53
Tax effect of income not taxable for tax purpose	(21)	(1,535)
Tax effect of expense not deductible for tax purpose	11,946	1,652
Utilisation of tax loss previously not recognised	205	–
Tax effect of tax losses not recognised	(47)	(52)
(Over) under provision in prior years	(19)	37
	67	156

13. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2008 HK$'000	2007 HK$'000
Depreciation of plant and equipment		
– owned assets	**72**	236
– assets held under finance leases	**32**	–
	104	236
Employee benefit expenses (Note 16)	**74,424**	9,231
Cost of inventories recognised as expenses	**3,350**	13,837
Operating lease payments in respect of office premises	**1,105**	751
Loss on disposal of plant and equipment	**10**	32
Net foreign exchange losses	**14**	291
Auditor's remuneration	**315**	400

14. DIVIDEND

	2008 HK$'000	2007 HK$'000
Ordinary shares:		
Special dividend, paid: HK$0.05 (2007: HK$ Nil) per share	**10,000**	–

The Company declared a special dividend of HK$0.05 per share on 14 September 2007. After taken into account of the share sub-division on 30 October 2007, the special dividend was diluted to HK$0.005 per share.

The Directors do not recommend the payment of a final dividend for the year ended 30 April 2008 (2007: Nil).

15. LOSS PER SHARE

	2008	2007
	HK$'000	HK$'000
Loss for the year, attributable to equity holders of the Company	73,347	151
	'000	'000 (Restated)
Weighted average number of ordinary shares in issue	2,000,628	2,000,000
Basic loss per share (HK cents)	3.67	0.01

Pursuant to the resolutions passed at the Extraordinary General Meeting held on 29 October 2007, the Company subdivided each of the existing and unissued shares of HK$0.01 each in the share capital of the Company into 10 shares of HK$0.001 each (the "Share Subdivision"). The Share Subdivision took place on 30 October 2007.

For the purpose of calculating the basic loss per share attributable to equity holders of the Company, the number of shares as increased by the Share Subdivision is taken for the whole year, regardless of the date in the year when the Share Subdivision took place. Comparative figure for 2007 is restated using the same increase number of shares.

No diluted loss per share has been presented for the year ended 30 April 2008 as the outstanding share options and warrant during the year had anti-dilutive effect on the basic loss per share.

No diluted profit per share had been presented for the year ended 30 April 2007 as there was no diluting event during the year.

16. EMPLOYMENT BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2008 HK$'000	2007 HK$'000
Salaries, bonuses and allowances	**6,083**	8,765
Pension costs – defined contribution plans	**87**	435
Staff welfare and benefits	**166**	31
Equity-settled share-based payments	**68,088**	–
	74,424	9,231

(a) The number of persons employed at the end of the year:

	2008	2007
Full time	**17**	36

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme ("MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its Hong Kong employees makes monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the Group's and the employees' contributions are subjected to a cap of HK$1,000 per month.

(b) As stipulated by rules and regulations in certain overseas countries, the Group contributes to retirement plans for its employees in the respective locations, which are defined contribution plans. The Group and its employees contribute approximately 6%-13% and 11%-20% respectively, of the employees' salary as specified by the local jurisdiction, and the Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

During the year ended 30 April 2008, the aggregate amount of the Group's contributions to the aforementioned pension schemes were approximately HK$87,000 (2007: HK$435,000). As at 30 April 2008, the Group was not entitled to any forfeited contributions to reduce the Group's future contributions (2007: Nil).

16. EMPLOYMENT BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

(Continued)

(c) Directors' emoluments

The emoluments of each director for the year ended 30 April 2008 is set out below:

Name of directors	Fees	Salary	Discretionary bonuses	Other benefits	Employer's contribution to pension scheme	Equity-settled share-based payments	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Executive directors							
Fong Man, Julisa (Notes (i) & (iv))	157	–	–	–	8	34,044	34,209
Wong Yuet May, Jeremy (Note (iv))	162	–	–	–	8	34,044	34,214
Chan Lai Kwan, Rainbow (Note (v))	261	–	–	–	5	–	266
Norman Janelle (Note (ii))	4	–	–	–	–	–	4
Wang Lu Yen (Note (ii))	4	–	–	–	–	–	4
Chai Sing Hong (Note (iii))	3	–	–	–	–	–	3
Lin Jui Hsien, Jacob (Note (ii))	4	–	–	–	–	–	4
Non-executive director							
MD Wira Dani Bin Abdul Daim (Note (ii))	4	–	–	–	–	–	4
Independent non-executive directors							
Chow Chi Kong (Note (ii))	28	–	–	–	–	–	28
Yue Kwai Wa, Ken (Note (ii))	28	–	–	–	–	–	28
Liew Swee Yean, Ivan (Note (ii))	28	–	–	–	–	–	28
Chan Tak Yan (Note (iv))	69	–	–	–	–	–	69
Chiu Kwok Wing, Benedict (Note (iv))	69	–	–	–	–	–	69
Orr Joseph Wai Shing (Note (iv))	69	–	–	–	–	–	69
	890	–	–	–	21	68,088	68,999

Notes:

(i) Resigned on 23 April 2008.
(ii) Resigned on 7 September 2007.
(iii) Passed away on 8 August 2007.
(iv) Appointed on 7 September 2007.
(v) Appointed on 22 November 2007.

16. EMPLOYMENT BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) *(Continued)*

(c) Directors' emoluments *(Continued)*

The emoluments of each director for the year ended 30 April 2007 is set out below:

Name of directors	Fees	Salary	Discretionary bonuses	Other benefits	Employer's contribution to pension scheme	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Executive directors						
Wang Lu Yen	12	–	–	–	–	12
Norman Janelle (Note (i))	12	1,300	715	–	–	2,027
Chai Sing Hong	12	–	–	–	–	12
Lin Jui Hsien, Jacob	12	–	–	–	–	12
Non-executive director						
Md Wira Dani Bin Abdul Daim	12	–	–	–	–	12
Alternate director						
Choong Khuat Leok (Note (ii))	–	192	64	80	3	339
Independent non-executive directors						
Chow Chi Kiong	80	–	–	–	–	80
Yue Kwai Wa, Ken	80	–	–	–	–	80
Liew Swee Yean, Ivan	80	–	–	–	–	80
	300	1,492	779	80	3	2,654

Notes:

(i) Appointed on 1 May 2006.
(ii) Resigned on 31 July 2006.

For the two years ended 30 April 2008 and 30 April 2007, no emoluments have been paid by the Group to any directors of the Company as an inducement to join or upon joining the Group, or as compensation for loss of office.

No director waived his emoluments in the two years ended 30 April 2008 and 30 April 2007.

16. EMPLOYMENT BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

(Continued)

(d) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2007: one) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2007: four) individuals during the year are as follows:

	2008	2007
	HK$'000	HK$'000
Salaries and allowances	**2,154**	2,295
Discretionary bonuses	**63**	181
Pension costs – defined contribution plans	**20**	105
	2,237	2,581

The emoluments fell within the following bands:

	Number of individuals	
	2008	2007
HK$Nil – HK$1,000,000	**3**	4

For the years ended 30 April 2008 and 30 April 2007, no emoluments were paid by the group to the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as a compensation for loss of office.

17. PLANT AND EQUIPMENT

	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost			
At 1 May 2006	2,168	1,804	3,972
Exchange adjustment	105	(11)	94
Disposal	(86)	–	(86)
At 30 April 2007 and 1 May 2007	2,187	1,793	3,980
Exchange adjustment	8	–	8
Additions	625	739	1,364
Disposal of a subsidiary	(2,055)	(1,793)	(3,848)
Disposals	(13)	–	(13)
At 30 April 2008	752	739	1,491
Accumulated depreciation			
At 1 May 2006	1,564	1,727	3,291
Exchange adjustment	80	(12)	68
Charge for the year	158	78	236
Written back on disposals	(36)	–	(36)
At 30 April 2007 and 1 May 2007	1,766	1,793	3,559
Exchange adjustment	4	–	4
Charge for the year	72	32	104
Written back on disposal of a subsidiary	(1,715)	(1,793)	(3,508)
Written back on disposals	(3)	–	(3)
At 30 April 2008	124	32	156
Carrying values			
At 30 April 2008	628	707	1,335
At 30 April 2007	421	–	421

The carrying values of plant and equipment includes an amount of approximately HK$443,000 (2007: HK$Nil) in respect of assets held under finance leases.

18. TRADEMARKS

	HK$'000
Cost	
At 1 May 2006	22,363
Exchange adjustment	1,524
At 30 April 2007 and 1 May 2007	23,887
Exchange adjustments	1,660
Disposal (Note (b))	(3,175)
At 30 April 2008	22,372
Amortisation	
At 1 May 2006	4,220
Exchange adjustment	401
At 30 April 2007 and 1 May 2007	4,621
Exchange adjustments	226
At 30 April 2008	4,847
Carrying values	
At 30 April 2008	17,525
At 30 April 2007	19,266

(a) Trademarks are allocated to the Group's cash-generating units identified according to country of operation and business segment. The trademarks are allocated in the segment of licensing and approximately HK$17,525,000 (2007: HK$16,136,000) and HK$Nil (2007: HK$3,130,000) under location of Malaysia and Singapore, respectively (Note 9).

The trademark was valued on 30 April 2008 by BMI Appraisals Limited ("BMI"), an independent qualified professional valuer, not connected with the Group. BMI has appropriate qualifications and recent experience in the valuation of similar trademark in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar trademark.

18. TRADEMARKS *(Continued)*

(a) *(Continued)*

The recoverable amount of a cash-generating unit is determined based on income approach calculations. The income approach calculation of trademarks is calculated using cash flow projections based on financial budgets approved by management covering a five-year period, and cash flows beyond the five-year period are extrapolated using estimated growth rate of approximately 3.5%.

Management determined financial budgets based on past performance and its expectations for the market development. The discount rates used in the income approach calculations of trademarks are approximately 17.09% (2007: 14.4% and 14.9%), which reflect specific risks relating to the relevant segment.

At 30 April 2007, the net carrying value of trademarks that had been pledged to a bank to secure banking facilities granted to the Group amounting to approximately HK$16,136,000. The charge had been released during the year ended 30 April 2008 (Note 31).

(b) On 20 July, 2007, the Group disposed the various "Baby-Q" and related trademarks registered in the People's Republic of China, Hong Kong and Taiwan with the carrying value of approximately HK$3,175,000 to Wonderful World (HK) Limited for a consideration of HK$4,200,000 and has recorded a gain of approximately HK$1,025,000 from the disposal.

19. INVENTORIES

	2008	2007
	HK$'000	HK$'000
Finished goods	–	4,954

20. TRADE RECEIVABLES

The credit terms granted to customers range from 30 to 90 days. The ageing analysis of trade receivables is as follows:

	2008 HK$'000	2007 HK$'000
0–30 days	1,733	2,500
31–60 days	–	1,633
61–90 days	–	1,252
91–120 days	–	202
121–180 days	4	2
181–365 days	–	2
Over 365 days	664	616
	2,401	6,207
Less: impairment loss recognised	(664)	(616)
	1,737	5,591

At each of the balance sheet date, the Group's trade receivables were individually determined to be impaired. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific impairment provision was recognised. The movement in the impairment loss of trade receivables is as follows:

	2008 HK$'000	2007 HK$'000
At 1 May	616	575
Exchange adjustment	48	41
At 30 April	664	616

20. TRADE RECEIVABLES *(Continued)*

The aging analysis of trade receivables that are past due but not impaired is as follow:

	2008 HK$'000	2007 HK$'000
Neither past due nor impaired	1,611	3,069
Over 90 days	122	2,520
91-180 days	4	2
	1,737	5,591

Receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Foreign currency trade receivables are denominated in the following currencies:

	2008 HK$'000	2007 HK$'000
Singapore dollars ("SGD")	–	3,400
Malaysian ringgit ("MYR")	664	–
United States dollars ("USD")	1,111	2,207
Others	105	93
	1,880	5,700

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Included in prepayment is an amount of HK$1,000,000 (2007: HK$Nil) which represented the amount paid to an independent third party in relation to the development of the pharmaceutical business.

22. BANK BALANCES AND CASH

	2008	2007
	HK$'000	HK$'000
Bank deposits with original maturity within three months	**2,329**	759
Cash at banks and in hand	**3,113**	3,421
	5,442	4,180

Foreign currency cash and cash equivalents are denominated in the following currencies:

	2008	2007
	HK$'000	HK$'000
SGD	**3**	1,106
MYR	**126**	496
USD	**1,164**	151
Pound Sterling	**775**	–
Others	**5**	–
	2,073	1,753

The effective interest rate on bank balances and bank deposits was 2.7% (2007: 4.5%) per annum. These deposits have an average maturity of fifteen days (2007: seven days).

23. TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	2008	2007
	HK$'000	HK$'000
0–30 days	**810**	1,661
31–60 days	**–**	845
61–90 days	**–**	385
	810	2,891

Foreign currency trade payables are denominated in the following currencies:

	2008	2007
	HK$'000	HK$'000
SGD	**–**	637
USD	**810**	1,241
	810	1,878

24. BORROWINGS

	2008 HK$'000	2007 HK$'000
Borrowing repayable after one year	1,000	–

As at 30 April 2008, the Group's borrowing is due to an independent third party. The balance is unsecured, bears interest at 12% per annum and will due on 17 April 2010.

25. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2008 HK$'000	2007 HK$'000	2008 HK$'000	2007 HK$'000
Amounts payable under finance leases				
Within one year	111	–	100	–
In more than one year but not more than two years	111	–	107	–
In more than two years but not more than three years	36	–	26	–
	258	–	233	–
Less: Future finance charges	(25)	–	–	–
Present value of lease obligations	233	–	233	–
Less: Amount due for settlement within one year shown under current liabilities			(100)	–
Amount due for settlement after one year			133	–

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 3 years. For the year ended 30 April 2008, the average effective borrowing rate was 3.5% (2007: Nil) p.a.. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

26. DEFERRED TAX

The followings are the major deferred tax (assets) liabilities recognised by the Group and movements thereon during the current and prior years:

	Accelerated tax depreciation	Estimated tax losses	Provisions	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 May 2006	**87**	–	**(37)**	50
Exchange adjustment	**4**	–	**(1)**	3
At 30 April 2007 and 1 May 2007	**91**	–	**(38)**	53
Disposal of a subsidiary	**(91)**	–	**38**	(53)
At 30 April 2008	**–**	–	**–**	–

At 30 April 2008, the Group has unused tax losses of approximately HK$266,000 (2007: HK$1,169,000) available for offset against future profits. No deferred tax asset has been recognised of such losses due to the unpredictability of future profit streams.

27. SHARE CAPITAL

	Number of shares '000	Amount HK$'000
Authorised:		
Ordinary shares of HK$0.01 each at 1 May 2006 and 30 April 2007	1,000,000	10,000
Share sub-divided (Note (a))	9,000,000	–
Increase in authorised share capital (Note (a))	40,000,000	40,000
Ordinary shares of HK$0.001 each at 30 April 2008	50,000,000	50,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each at 1 May 2006 and 30 April 2007	200,000	2,000
Share sub-divided (Note (a))	1,800,000	–
Issue of new shares upon exercise of unlisted warrants (Note (c))	2,000	2
Ordinary shares of HK$0.001 each at 30 April 2008	2,002,000	2,002

Notes:

(a) By an ordinary resolution passed at the extraordinary general meeting of the Company held on 29 October 2007, it was resolved that with effective from 30 October 2007:

(i) the nominal value of the shares issue was reduced from HK$0.01 each to HK$0.001 each by sub-divided the issued share capital to the extend of HK$0.0099 paid up on each of the issued shares ("Subdivision");

(ii) All the authorised share capital of the Company of HK$10,000,000 will be divided into 10,000,000,000 shares of HK$0.001 each in the share capital of the Company upon the Subdivision which rank pari passu with the then existing shares of the Company; and

(iii) the authorised share capital of the Company was increased to HK$50,000,000 divided into 50,000,000,000 shares of HK$0.001 each by creation of 40,000,000,000 shares of HK$0.001 each. The new shares rank pari passu with the existing shares of the Company.

Details of the above were set out in the circular of the Company dated 25 September 2007.

27. SHARE CAPITAL *(Continued)*

Notes: *(Continued)*

(b) On 15 October 2007, the Company entered into a placing agreement with Excalibur Securities Limited ("Placing Agent") to place 200,000,000 unlisted warrants on a fully underwritten basis at the issue price of HK$0.015 each. On 26 October 2007, the Company entered into a supplemental agreement with the Placing Agent to increase the number of warrants to be issued to 400,000,000. Subscription price of the warrants was HK$1.2 per subscription share. The warrants were then issued and placed on 23 December 2007, net placing proceeds of HK$5,850,000 was received by the Company. For the year ended 30 April 2008, 2,000,000 warrants were exercised with 2,000,000 ordinary shares being issued and total proceeds of HK$2,400,000 was received by the Company.

(c) On 24 December 2007 and 21 January 2008, 1,000,000 and 1,000,000 new shares of the Company were issued, respectively at the exercise price of HK$1.2 per share for upon the exercise of the aggregate of 2,000,000 unlisted warrants.

28. SHARE OPTION SCHEME

Pursuant to the written resolutions of the shareholders of the Company dated 10 June 2003, among others, a share option scheme namely, Employee Share Option Scheme, was adopted by the Company.

(a) Purpose of the Employee Share Option Scheme

The purpose of the Employee Share Option Scheme is to provide the people and the parties working for the interests of the Group with an opportunity to obtain an equity interest in the Company, thus linking their interests with the interests of the Group and thereby providing them with an incentive to work better for the interests of the Group.

(b) Participants of the Employee Share Option Scheme

Pursuant to the Employee Share Option Scheme, the board of directors ("Board") may, at its discretion, invite (i) employees of the Company (whether full-time or part-time) or any of its subsidiaries or associated companies; (ii) directors of the Company (whether executive directors, non-executive directors or independent non-executive directors) or directors of any of the subsidiaries or associated companies of the Group; (iii) suppliers of goods and/or services to the Company or any of its subsidiaries or associated companies; (iv) resellers, distributors, licensees, business collaborators, business consultants, joint venture or business partners, technical, financial, legal and other professional advisors engaged by the Company or any of its subsidiaries or associated companies; (v) substantial shareholders of each member of the Group; (vi) associates of directors or substantial shareholders of any of member of the Group, the subsidiaries or their associated companies; and (vii) the trustee of any trust pre-approved by the Board the beneficiary (or in case of discretionary trust, the discretionary objects) which includes any of the above-mentioned persons, to take up options to subscribe for shares of the Company.

28. SHARE OPTION SCHEME *(Continued)*

(c) Total number of shares available for issue under the Employee Share Option Scheme

The total number of shares of the Company which may by issued upon exercise of all options to be granted under the Employee Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 20,000,000 shares of the Company, which represents 10% of the total number of the shares of the Company in issue immediately following completion of the Placing (as defined in the Company's prospectus dated 23 June 2003). The maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Employee Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of shares of the Company in issue from time to time.

(d) Maximum entitlement of each participant

Pursuant to the Employee Share Option Scheme, the total number of shares of the Company issued and to be issued upon exercise of the options granted and to be granted pursuant to the Employee Share Option Scheme and any other share option schemes of the Company to each participant (including both exercised and outstanding options) in any 12 month period shall not exceed 1% of the total number of shares of the Company in issue.

(e) Time of exercise of options

Pursuant to the Employee Share Option Scheme, any option may be exercised in accordance with its terms at any time during a period of not more than ten years after the date on which an offer of the option is made to a grantee to be notified by the Board to each grantee and there is no minimum period for which an option must be held before it can be exercised.

(f) Acceptance of option

Pursuant to the Employee Share Option Scheme, HK$1.00 per offer of grant is payable by the grantee to the Company on acceptance of the option offer as consideration for the grant.

Pursuant to the Employee Share Option Scheme, the option must be accepted within 21 days from the date on which an offer of option is made to a grantee.

(g) Basis of determining the subscription price

The subscription price per share under the Employee Share Option Scheme shall be determined by the Board at its absolute discretion and notified to each grantee and shall be no less than the highest of:

(i) the closing price of the shares of the Company as stated in the daily quotation sheets issued by the Stock Exchange on the date on which an offer of the option is made to a grantee, which must be a Trading Day (as defined in the Employee Share Option Scheme);

28. SHARE OPTION SCHEME *(Continued)*

(g) Basis of determining the subscription price *(Continued)*

(ii) the average closing price of the shares of the Company as stated in the daily quotation sheets issued by the Stock Exchange for the five consecutive trading days immediately preceding the date on which an offer of the option is made to a grantee; and

(iii) the nominal value of a share of the Company.

(h) Remaining life of the Employee Share Option Scheme

The Employee Share Option Scheme will remain valid for a period of 10 years commencing on 10 June 2003 (save that the Company, by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Employee Share Option Scheme).

During the year ended 30 April 2008, options were granted on 27 October 2007. The estimated fair values of the options granted on that date are approximately HK$68,088,000.

For the year ended 30 April 2008

				Number of share options				
Directors	Exercisable period	Vesting period	Exercise price	Outstanding at 1 May 2007	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	Outstanding at 30 April 2008
Fong Man, Julisa (Note)	27 October 2007 – 27 October 2010	None	HK$2.32	–	20,000,000	–	–	20,000,000
Wong Yuet May, Jeremy	27 October 2007 – 27 October 2010	None	HK$2.32	–	20,000,000	–	–	20,000,000
				–	40,000,000	–	–	40,000,000

Note:

Fong Man, Julisa has resigned as director of the Company on 23 April 2008. The share options granted to her in her capacity as director was transformed to consultant of the Group.

28. SHARE OPTION SCHEME *(Continued)*

(h) Remaining life of the Employee Share Option Scheme *(Continued)*

The fair value was calculated using the Black-Scholes-Merton Option Pricing Model. The inputs into the model were as follows:

Closing share price on date of grant	HK$2.32
Exercise price	HK$2.32
Risk free rate	3.163%
Expected volatility	184.95%

Expected volatility was determined based on the historical stock prices of the Company as at the valuation dated under the same period as the expected life.

The Group recognised the total expense of approximately HK$68,088,000 for the year ended 30 April 2008 (2007: HK$Nil).

29. DERIVATIVE FINANCIAL INSTRUMENTS – WARRANTS

During the year ended 30 April 2008, the Company issued 400,000,000 warrants (after the Sub-division) ("Warrants") to nine individuals. The Warrants are exercisable at any time from the date of issue to 12 June 2009 at an exercise price of HK$1.2 per share, in integral multiples of 1,000,000 warrants for fully paid ordinary share of HK$0.001 each of the Company. As the Warrants may be settled other than by exchange of a fixed amount of cash for a fixed number of the Company's shares, the Warrants is classified as derivative financial instruments and measured at fair value with changes in fair value recognised in the consolidated income statement.

The fair value was calculated using the Black-Scholes-Merton Option Pricing Model. The inputs into the model were as follows:

Closing price of date of grant	HK$1.7
Nature of warrants	Call option
Dividend yield	N/A
Exercise price	HK$1.2
Expected life of option	274 days
Risk-free interest rate	0.9%
Expected volatility	43.61%

The risk free rates were determined with reference to the yield of the Hong Kong Exchange Fund Note with duration similar to the expected lives of the warrants, as extracted from Bloomberg.

The historical price volatilities of the share price of the Company were determined with reference to those of its comparable companies.

The fair value of the warrants as at 30 April 2008 was HK$6,000,000 which was equal to its subscription price.

As at 30 April 2008, 398,000,000 of Warrants are outstanding. Exercise in full of the outstanding Warrants would result in the issue of 398,000,000 additional shares with an aggregate subscription value of HK$477,600,000.

30. OPERATING LEASE ARRANGEMENT

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of the rented office premise which fall due are as follows:

	2008 HK$'000	2007 HK$'000
Within one year	**1,647**	195
In the second to fifth year inclusive	**2,021**	–
	3,668	195

Leases for rented office premises are negotiated for an average of five years and rentals are fixed for an average of three years.

The Group as lessor

Royalty income earned during the year was approximately HK$9,527,000 (2007: HK$8,306,000). The trademarks are expected to generate rental yields of 54% on an ongoing basis. All of the trademarks held have committed licensee for the next 5 years.

	2008 HK$'000	2007 HK$'000
Within one year	**9,955**	7,999
In the second to fifth years inclusive	**42,858**	36,213
After five years	**40,770**	51,097
	93,583	95,309

31. PLEDGE OF ASSETS

At 30 April 2007, there was a fixed and floating debenture over the assets of a subsidiary of the Company amounting to HK$10,463,000, which included inventories amounting to HK$4,954,000, trade receivables amounting to HK$3,802,000, bank balance and cash amounting to HK$1,106,000, plant and equipment amounting to HK$352,000 and other assets amounting to HK$249,000. In addition, there was a charge over the Group's trademark with a net book value amounting to HK$16,136,000 to cover banking facilities in the ordinary course of business. The above security and pledged of assets had been released during the year ended 30 April 2008.

32. RELATED PARTY TRANSACTIONS

(a) During the year, the Group had the following related party transactions:

Identity of related parties	Nature of transactions	2008 HK$'000	2007 HK$'000
Midway Enterprises (Guang Zhou) Ltd., a former fellow subsidiary (Note i)	Licensing income	–	450
Midway Enterprises (Guang Zhou) Ltd., a former fellow subsidiary (Note i)	Purchase	–	58
Wonderful World (HK) Ltd. (Note ii)	Disposal of trademark	4,200	–
Veda Capital Limited (Note iii)	Financial advisory expenses	2,000	–
BMS (Note iv)	Licensing income	190	898
Perfect Start Limited (Note v)	Consultancy fee	450	–
Veda Corporate Services Limited (Note iii)	Secretarial service expenses	176	–

Note i: Midway Enterprises (Guang Zhou) Ltd. is a subsidiary of Roly International Holdings Limited ("Roly"), a former ultimate holding company of the Group.

Note ii: Wonderful World (HK) Ltd is a wholly-owned subsidiary of Roly.

Note iii: Ms. Fong Man, Julisa, a former director of the Company is the director of Veda Capital Limited and Veda Corporate Services Limited.

Note iv: BMS is a former wholly-owned subsidiary of the Group and is a wholly-owned subsidiary of Roly.

Note v: Mr. Li Kin Hong, Pius, is the former director of Goldbox Company Limited, a wholly-owned subsidiary of the Company, is also a director of Perfect Start Limited.

(b) Key management compensation

	2008 HK$'000	2007 HK$'000
Salaries, bonuses and allowances	890	2,651
Equity-settled share-based payments	68,088	–
Pension costs – defined contribution plans	21	3
	68,999	2,654

32. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Balance with fellow subsidiary

The amount due from fellow subsidiary was unsecured, non-interest bearing and was repayable on demand.

33. DISPOSAL OF A SUBSIDIARY

On 18 June 2007, the Group disposed of its entire interest in Byford Marketing (S) Pte. Ltd, a wholly-owned subsidiary of the Group. The net assets of Byford Marketing (S) Pte Ltd at the date of disposal were as follows:

	At 18 June 2007
	HK$'000
Net assets disposed of:	
Plant and equipment	340
Inventories	5,345
Trade and other receivables	5,341
Other current assets	327
Bank balances and cash	8
Trade and other payables	(4,469)
Amounts due to related companies	(238)
Tax liabilities	(23)
Borrowings	(412)
Deferred tax liabilities	(53)
	6,166
Gain on disposal	651
Total consideration	6,817
Satisfied by:	
Cash	6,817
Net cash inflow arising from disposal:	
Cash consideration	6,817
Bank balances and cash disposed of	(8)
	6,809

33. DISPOSAL OF A SUBSIDIARY *(Continued)*

The impact of Byford Marketing (S) Pte. Ltd on the Group's results and cash flows in the current and prior periods is stated as follow:

	From the period from 1 May 2007 to 18 June 2007 HK$'000	For the year ended 30 April 2007 HK$'000
Revenue	3,663	23,527
Cost of sales	(2,501)	(14,718)
Gross profit	1,162	8,809
Other income	–	85
Selling and distribution costs	(729)	(4,320)
General and administrative expenses	(1,065)	(4,623)
Finance costs	–	(6)
Loss before tax	(632)	(55)
Income tax expense	–	–
Loss for the year	(632)	(55)

During the year, BMS contributed approximately HK$1,067,000 (2007: HK$666,000 inflow) to the Group's net operating cash outflows, received HK$Nil (2007: HK$1,657,000) in respect of investing activities and paid HK$Nil (2007: HK$812,000) in respect of financing activities.

34. MAJOR NON-CASH TRANSACTION

During the year ended 30 April 2008, the Group entered into a finance lease arrangement in respect of motor vehicle with a total capital value at the inception of the lease of HK$300,000 (2007: HK$Nil).

35. SUBSIDIARIES

Details of the subsidiaries at 30 April 2008 are as follows:

Name of subsidiaries	Class of share held	Place of incorporation/ establishment	Place of operation	Particular of issued share capital/paid up registered capital	Attributable equity interest of the Group	Principal activities
Direct subsidiary						
D Byford Holdings Limited	Ordinary	British Virgin Islands ("BVI")	BVI	US$141	100	Investment holding
Good Capital Investment Ltd.	Ordinary	BVI	BVI	US$1,000	100	Investment holding
Indirect subsidiary						
Byford IGS Limited	Ordinary	BVI	BVI	US$1	100	Dormant
D Byford Limited	Ordinary	BVI	BVI	US$1	100	Investment holding
Donald Byford & Sons Limited	Ordinary	England and Wales	England and Wales	£10	100	Dormant
Donald Byford & Sons Pte. Ltd.	Ordinary	Singapore	Singapore	S$2	100	Worldwide licensing
Donald Byford & Sons Sdn. Bhd.	Ordinary	Malaysia	Malaysia	RM2,440,000	100	Worldwide licensing
Bonus Point Holdings Limited	Ordinary	Hong Kong	Hong Kong	HK$1	100	Dormant
Goldbox Company Limited	Ordinary	Hong Kong	Hong Kong	HK$1	100	Corporate administration
Happy Crown Holdings Limited	Ordinary	BVI	BVI	US$1	100	Dormant
Hola Far East Limited	Ordinary	Hong Kong	Hong Kong	HK$100	100	Trading of apparel products
Magic Charming Investments Limited	Ordinary	BVI	BVI	US$1	100	Dormant
Super League Investments Limited	Ordinary	BVI	BVI	US$1	100	Business development

35. SUBSIDIARIES *(Continued)*

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

36. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorised for issue on 23 July 2008.

SUMMARY OF THE PUBLISHED RESULTS AND OF THE ASSETS AND LIABILITIES OF THE GROUP FOR THE LAST FIVE FINANCIAL YEARS/PERIOD

RESULTS

	12 months ended 31 December 2003 HK$'000	16 months ended 30 April 2005 HK$'000	12 months ended 30 April 2006 HK$'000	12 months ended 30 April 2007 HK$'000	**12 months ended 30 April 2008 HK$'000**
Revenue	51,689	63,147	29,346	31,833	**14,570**
Cost of sales	(25,487)	(35,099)	(13,808)	(13,837)	**(3,350)**
Gross profit	26,202	28,048	15,538	17,996	**11,220**
Other income	556	626	555	153	**1,222**
Selling and distribution costs	(5,987)	(9,315)	(4,893)	(5,131)	**(1,989)**
General and administrative expenses	(11,860)	(21,308)	(12,075)	(13,007)	**(16,289)**
Equity-settled share-based payment	–	–	–	–	**(68,088)**
Gain on disposal of a subsidiary	–	–	824	–	**651**
Finance costs	(990)	(975)	(385)	(6)	**(7)**
Profit/(loss) before income tax	7,921	(2,924)	(436)	5	**(73,280)**
Income tax (expense)/ credit	151	(36)	(164)	(156)	**(67)**
Profit/(loss) for the year/period	8,072	(2,960)	(600)	(151)	**(73,347)**
Dividend	2,000	–	–	–	**10,000**
Earnings/(loss) per share (HK cents)					
Basic	0.44	(0.15)	(0.03)	(0.01)	**(3.67)**
Diluted	0.44	(0.15)	(0.03)	N/A	**N/A**

SUMMARY OF THE PUBLISHED RESULTS AND OF THE ASSETS AND LIABILITIES OF THE GROUP FOR THE LAST FIVE FINANCIAL YEARS/PERIOD

ASSETS AND LIABILITIES

	At 31 December 2003 HK$'000	At 30 April 2005 HK$'000	At 30 April 2006 HK$'000	At 30 April 2007 HK$'000	**At 30 April 2008 HK$'000**
Total assets	49,946	42,359	32,353	35,146	**27,978**
Total liabilities	(18,937)	(15,006)	(4,606)	(5,925)	**(11,191)**
Net assets	31,009	27,353	27,747	29,221	**16,787**