



# BYFORD INTERNATIONAL LIMITED

## 百富國際有限公司\*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8272

### INTERIM REPORT 2008/2009

## 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.

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*This 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 GEM of the Stock Exchange (“**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

## Condensed Consolidated Financial Statements

The board of directors (“**Board**”) of the Company announces the unaudited consolidated results of the Company and its subsidiaries (together the “**Group**”) for the three months and the six months ended 31 October 2008 together with the comparative unaudited figures for the previous corresponding period as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and six months ended 31 October 2008

	<i>Notes</i>	Three months ended 31 October		Six months ended 31 October	
		<b>2008</b> <b>(Unaudited)</b> <b>HK\$'000</b>	2007 (Unaudited) HK\$'000 (Restated)	<b>2008</b> <b>(Unaudited)</b> <b>HK\$'000</b>	2007 (Unaudited) HK\$'000 (Restated)
Turnover	3	<b>4,809</b>	2,404	<b>7,324</b>	8,185
Cost of sales		<b>(1,287)</b>	–	<b>(1,296)</b>	(2,134)
Gross profit		<b>3,522</b>	2,404	<b>6,028</b>	6,051
Other income		<b>10</b>	1,078	<b>42</b>	1,124
Selling and distribution costs		<b>(319)</b>	(195)	<b>(875)</b>	(1,038)
General and administrative expenses		<b>(4,706)</b>	(3,059)	<b>(8,833)</b>	(6,373)
Equity-settled share-based payments		–	(68,088)	–	(68,088)
Gain on disposal of a subsidiary		–	651	–	651
Finance costs	4	<b>(32)</b>	–	<b>(65)</b>	–
Loss before tax		<b>(1,525)</b>	(67,209)	<b>(3,703)</b>	(67,673)
Income tax expense	5	<b>(45)</b>	(26)	<b>(47)</b>	(32)
Loss for the period, attributable to equity holders of the Company	6	<b>(1,570)</b>	(67,235)	<b>(3,750)</b>	(67,705)
Dividend	7	–	10,000	–	10,000
Loss per share	8	<b>HK cent</b>	HK cent	<b>HK cent</b>	HK cent
– basic		<b>(0.08)</b>	(3.36)	<b>(0.19)</b>	(3.39)
– diluted		<b>N/A</b>	N/A	<b>N/A</b>	N/A

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 October 2008

	Notes	31 October 2008 (Unaudited) HK\$'000	30 April 2008 (Audited) HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	9	1,213	1,335
Trademarks		15,522	17,525
Total non-current assets		16,735	18,860
<b>Current assets</b>			
Trade receivables	10	1,855	1,737
Prepayments, deposits and other receivables		1,196	1,939
Bank balances and cash		3,143	5,442
Total current assets		6,194	9,118
<b>Total assets</b>		22,929	27,978
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	12	2,002	2,002
Reserves		8,933	14,785
Total equity		10,935	16,787
<b>Non-current liabilities</b>			
Borrowings – due after one year		1,000	1,000
Obligation under finance lease – due after one year		83	133
Total non-current liabilities		1,083	1,133
<b>Current liabilities</b>			
Trade payables	11	354	810
Accruals and other payables		4,443	3,133
Obligation under finance lease – due within one year		100	100
Derivative financial instruments – warrants		6,000	6,000
Tax liabilities		14	15
Total current liabilities		10,911	10,058
<b>Total liabilities</b>		11,994	11,191
<b>Total equity and liabilities</b>		22,929	27,978

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 October 2008

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Share options reserve <i>HK\$'000</i>	Special reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 May 2007 (audited)	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
Loss for the period	–	–	–	–	–	(67,705)	(67,705)
Currency translation differences	–	–	–	–	(473)	–	(473)
At 31 October 2007 (unaudited)	2,000	18,428	68,088	8,023	2,506	(79,914)	19,131
At 1 May 2008 (audited)	2,002	20,676	68,088	8,023	3,554	(85,556)	16,787
Loss for the period	–	–	–	–	–	(3,750)	(3,750)
Currency translation differences	–	–	–	–	(2,102)	–	(2,102)
At 31 October 2008 (unaudited)	2,002	20,676	68,088	8,023	1,452	(89,306)	10,935

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

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 October 2008

	Six months ended 31 October	
	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Net cash generated from/(used in) operating activities	(2,160)	6,091
Net cash generated from investing activities	13	3,153
Net cash used in financing activities	(55)	(10,112)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,202)	(868)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	5,442	4,180
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(97)	22
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3,143	3,334
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	3,143	3,334

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 October 2008

## 1. GENERAL INFORMATION

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 address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the address of its principal place of business in Hong Kong is Unit 1505-1510, 15/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong. The shares of the Company have been listed on GEM of 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 British Virgin Islands, has become the ultimate holding company of the Company.

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

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and on the historical cost basis except for certain financial instruments, which are measured at fair values. The principal accounting policies applied in the preparation of these condensed consolidated financial information are consistent with those applied in the preparation of the consolidated financial statements of the Company for the year ended 30 April 2008.

### 3. SEGMENTAL INFORMATION

#### Primary reporting format – Business segments

The following table provides an analysis of the Group's segmental information by business segments:

	Six months ended 31 October			
	Turnover		Segment result	
	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Sale of goods	1,483	3,663	(1,152)	(449)
Licensing	5,841	4,522	364	2,590
	7,324	8,185	(788)	2,141
Unallocated corporate expenses			(2,850)	(2,377)
Equity-settled share-based payments			–	(68,088)
Gain on disposal of a subsidiary			–	651
Finance costs			(65)	–
Income tax expense			(47)	(32)
Loss for the period			(3,750)	(67,705)



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 October 2008

### 3. SEGMENTAL INFORMATION *(Continued)*

#### Secondary reporting format – Geographical segments

The following table provides an analysis of the Group's turnover by geographical locations.

	Six months ended 31 October	
	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Malaysia	991	477
Singapore	586	3,446
Dubai	574	1,012
Hong Kong, Macau and the People's Republic of China ("PRC")	4,613	2,783
Others	560	467
	<b>7,324</b>	<b>8,185</b>

Turnover is based on the location of customers.

### 4. FINANCE COSTS

	Six months ended 31 October	
	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Interest on finance lease	5	—
Other loan interest	60	—
	<b>65</b>	<b>—</b>

## 5. INCOME TAX EXPENSE

	Six months ended 31 October	
	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
The charge comprises:		
Current tax		
– other jurisdictions	44	32
Underprovision in prior years		
– other jurisdictions	3	–
	47	32

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 period at the rates of taxation prevailing in the countries in which the Group operates.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 October 2008

### 6. LOSS FOR THE PERIOD

	Six months ended 31 October	
	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Loss for the period has been arrived at after charging/(crediting):		
Depreciation of plant and equipment		
– owned asset	85	26
– assets held under finance leases	47	–
	132	26
Employee benefit expenses		
– equity-settled share-based payments	–	68,088
– other employee benefit expenses	3,001	3,205
	3,001	71,293
Operating lease payments in respect of office premises	855	279
Interest income	(25)	(118)
Gain on disposal of trademarks	–	(1,006)

### 7. DIVIDEND

	Six months ended 31 October	
	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Special dividend paid	–	10,000

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

The Directors do not recommend the payment of interim dividend for the six months ended 31 October 2008 (2007: Nil).

## 8. LOSS PER SHARE

The calculation of basic loss per share is based on the following:

	Three months ended 31 October		Six months ended 31 October	
	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Loss for the period, attributable to equity holders of the Company	(1,570)	(67,235)	(3,750)	(67,705)
Weighted average number of ordinary shares in issue	2,002,000	2,000,000	2,002,000	2,000,000
Basic loss per share (HK cents)	(0.08)	(3.36)	(0.19)	(3.39)

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 period, regardless of the date in the period when the Share Subdivision took place.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 October 2008

No diluted loss per share has been presented for the period ended 31 October 2008 as the outstanding share options and warrants during the period had anti-dilutive effect on the basic loss per share.

No diluted loss per share has been presented for the period ended 31 October 2007 as the outstanding share options during the period had anti-dilutive effect on the basic loss per share.

### 9. MOVEMENTS IN PLANT AND EQUIPMENT

During the six months ended 31 October 2008, the Group acquired plant and equipment for the amount of HK\$12,000 (2007: HK\$94,000).

### 10. TRADE RECEIVABLES

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

	31 October 2008 (Unaudited) HK\$'000	30 April 2008 (Audited) HK\$'000
0 to 30 days	1,657	1,733
31 to 60 days	124	—
61 to 90 days	71	—
91 to 120 days	3	—
121 to 180 days	—	4
181 to 365 days	—	—
Over 365 days	588	664
	<b>2,443</b>	<b>2,401</b>
Less: impairment loss recognized	<b>(588)</b>	<b>(664)</b>
	<b>1,855</b>	<b>1,737</b>

## 11. TRADE PAYABLES

The aging analysis of trade payables is as follows:

	31 October 2008 (Unaudited) HK\$'000	30 April 2008 (Audited) HK\$'000
0 to 30 days	354	810
31 to 60 days	—	—
	<b>354</b>	<b>810</b>

## 12. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.001 each at 31 October 2008 and 30 April 2008	50,000,000	50,000
Issued and fully paid:		
Ordinary shares of HK\$0.001 each at 31 October 2008 and 30 April 2008	2,002,000	2,002

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 October 2008

### 13. OPERATING LEASE COMMITMENTS

#### The Group as lessee

The Group has commitments for future minimum lease payments under non-cancellable operating leases in respect of the rented office premises which fall due as follows:

	<b>31 October 2008 (Unaudited) HK\$'000</b>	<b>30 April 2008 (Audited) HK\$'000</b>
Within one year	<b>1,745</b>	1,647
In the second to fifth years, inclusive	<b>1,123</b>	2,021
	<b>2,868</b>	3,668

#### The Group as lessor

Royalty income earned during the period was approximately HK\$5,841,000 (2007: HK\$4,522,000). All of the trademarks held have committed licensees for minimum guarantee royalty which fall due as follows:

	<b>31 October 2008 (Unaudited) HK\$'000</b>	<b>30 April 2008 (Audited) HK\$'000</b>
Within one year	<b>11,097</b>	9,955
In the second to fifth years, inclusive	<b>49,910</b>	42,858
After 5 years	<b>35,642</b>	40,770
	<b>96,649</b>	93,583

#### **14.CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 31 October 2008 and 30 April 2008.

#### **15.CAPITAL COMMITMENTS**

The Group had no material capital commitments as at 31 October 2008 and 30 April 2008.



# Management Discussion and Analysis

## POST BALANCE SHEET EVENT

### Disposal of an indirect wholly-owned subsidiary

On 13 November 2008, a share sale and purchase agreement (“**Agreement**”) entered into between Sina Dragon Group Limited (“**Purchaser**”), Super League Investments Limited (“**Super League**”), an indirect wholly-owned subsidiary of the Company, and Good Capital Investment Limited (“**Vendor**”), a wholly-owned subsidiary of the Company and the holding company of Super League (“**Transaction**”). Pursuant to the Agreement, the Purchaser agreed to purchase and the Vendor agreed to sell the entire issued share capital of Super League at a total consideration of HK\$10,000. The Transaction was completed on 17 November 2008.

## BUSINESS REVIEW

### Revenue

The Group's revenue is derived from two business segments, including sales of innerwear, socks and apparel (“**Sale of goods**”) and licensing of the Group's trademarks in return for royalty income (“**Licensing**”). The Group's revenue for the six months ended 31 October 2008 (“**Reporting Period**”) slightly decreased by HK\$861,000 or 10.5% to HK\$7,324,000 as compared to HK\$8,185,000 in the last corresponding period (“**Prior Period**”).

### Sale of goods

During the Reporting Period, the Group's revenue from Sale of goods was HK\$1,483,000, decreased by 59.5% as compared to HK\$3,663,000 in Prior Period. The reduction was mainly due to the disposal of a principal subsidiary, Byford Marketing (S) Pte. Ltd. on 18 June 2007, which was involved in the sales of men's innerwear, socks and apparel. Since then, the Group had undertaken steps to re-engineered its Sale of goods business and had recently re-positioned itself to concentrate on the sourcing and distribution of apparel products for reputable buying companies. The Group was pleased to observe encouraging pick up in the business segment.

### Licensing income

Royalty income from Licensing during the Reporting Period was HK\$5,841,000, increased by HK\$1,319,000 or 29.2% as compared to HK\$4,522,000 in Prior Period. This increase primarily reflected the successful effort of our licensees in promoting the popularity of “*Byford*” brand in the region, especially in the markets of Hong Kong and the PRC; and our continuous expansion of the licensees portfolio.

### **Loss for the period**

Loss attributable to equity holders for the Reporting Period was HK\$3,750,000, representing an improvement of 94.5% as compared to a loss of HK\$67,705,000 in Prior Period. The huge loss in Prior Period was mainly due to the recognition of an equity-settled share-based payment for the amount of HK\$68,088,000.

## **LIQUIDITY AND FINANCIAL RESOURCES**

There was no major financing activity during the Reporting Period. The Group ended the Reporting Period with net bank balances and cash of HK\$3,143,000 (as at 30 April 2008: HK\$5,442,000), borrowing of HK\$1,000,000 (as at 30 April 2008: HK\$1,000,000) and net current liability of HK\$4,717,000 (as at 30 April 2008: HK\$940,000). Gearing ratio, calculated as borrowing over total equity, stood at 9.1% as compared to 6.0% as at 30 April 2008. The Board has been closely monitoring the liquidity position of the Group and is satisfied that liquidity can be maintained in the foreseeable future.

The 398,000,000 unlisted warrants issued at the exercise price of HK\$1.2 per share carried forward from last year end remained outstanding at the Reporting Period end, no warrant was exercised during the Reporting Period. The warrants were included under current liability as derivative financial instruments for the amount of HK\$6,000,000 (as at 30 April 2008: HK\$6,000,000), no cash outlay will be required for its future settlement. The Board considered that there was no material change in fair value of the warrants during the Reporting Period.

## **HUMAN RESOURCES**

At 31 October 2008, the Group employed a total of 18 employees as compared with 11 as at 31 October 2007. The increase was to strengthen the administrative functions to support the development in brand management and trading business.

## **PROSPECTS AND OUTLOOK**

Up to the end of October 2008, Byford's licensing turnover has 32% growth against the record of the first quarter of 2008 ended 31 July 2008, it results from our business partners' continuous efforts in expanding the markets. In the past six months, in addition to the current shop for Byford shoes, the biggest Byford flagship store of shoes & leather goods, was opened in China in September, located at the luxury shopping mall in Shenzhen, the PRC, following the Byford exclusive boutique for men's outerwear established in Hong Kong in August, there is another exclusive boutique established in Jakarta, Indonesia in October.

## Management Discussion and Analysis

We will continue to focus on brand management and licensing of the “Byford” brand. The Group expects that China will remain to be the most important market in which our licensees operates; there will also be an expansion in Russia with the increasing point-of-sales. But in view of the recent global economic crisis, the Directors foresee there will be a slow down in the growth. To allow further development and expand the portfolio of the Group, we will continue to look for new licensees in different kinds of categories to generate more business revenue.

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

With the new platform of being sourcing agent of apparel products for some reputable buying companies, the Board believes that such platform of business will continue to make contribution to the Group in the long term.

Our vision is to continue to focus on our core business and to seek for investment opportunities that can gain the best return for our shareholders.

## Other Information

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 October 2008, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("**SFO**")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

#### Long position in the shares and underlying shares of the Company

Name of Director	Capacity	Number of Shares	Underlying shares	Approximate percentage of interests
Ms. Wong Yuet May Jeremy ("Ms. Wong")	Beneficial owner	–	20,000,000 (Note 1)	0.99%
Mr. Woo Hing Keung Lawrence (Note 2)	Beneficial owner	1,325,000	–	0.06%

#### Notes:

1. Ms. Wong was granted 20,000,000 share options at the exercise price of HK\$2.32 per share on 27 October 2007. The share options would be exercisable during the period from 27 October 2007 to 27 October 2010. Ms. Wong was deemed to be interested in 20,000,000 shares of HK\$0.001 each ("**Shares**") which would fall to be issued upon exercise of the 20,000,000 share options of the Company under the share option scheme adopted by the Company on 10 June 2003 ("**Share Option Scheme**").
2. Mr. Woo Hing Keung Lawrence has been appointed as an executive Director on 27 October 2008.

Save as disclosed above, as at 31 October 2008, none of the Directors or the 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), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 October 2008, the following persons or companies (other than Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO and were directly or indirectly interest in 5% or more of the nominal value of any class of the share capital carrying rights to vote on all circumstances at general meeting of any other members of the Group were as follows:

### Long position in the Shares

Name of shareholder	Capacity	Note	No. of Shares	Approximate percentage of the issued share capital
Upper Run Investments Limited ("Upper Run")	Being a beneficial owner	1	1,169,099,900	58.40%
Ms. Chan Yuen Fan Winky ("Ms. Chan")	Having an interest in a controlled corporation	1	1,169,099,900	58.40%
Kingston Finance Limited	Having a security interest	2,3	1,010,000,000	50.44%
Ms. Chu Yuet Wah ("Ms. Chu")	Having an interest in a controlled corporation	2,3,4	1,010,000,000	50.44%
Ms. Ma Siu Fong ("Ms. Ma")	Having an interest in a controlled corporation	2,3,4	1,010,000,000	50.44%
Chow Tai Fook Nominee Limited ("Chow Tai Fook")	Being a beneficial owner		110,000,000	5.50%
Dr. Cheng Yu Tung ("Dr. Cheng")	Having an interest in a controlled corporation	5	110,000,000	5.50%
Ms. Leong Angela On Kei	Being a beneficial owner	–	110,000,000	5.50%

*Notes:*

1. These Shares are beneficially owned by and registered in the name of Upper Run, a company incorporated in the British Virgin Islands, whose entire issued share capital is wholly and beneficially owned by Ms. Chan. By virtue of the SFO, Ms. Chan is deemed to be interested in the Shares held by Upper Run.
2. Out of the 1,169,099,900 Shares held by Upper Run, 1,010,000,000 Shares are charged with Kingston Finance Limited.
3. Kingston Finance Limited has a security interest in the 1,010,000,000 Shares owned by Upper Run, which relates to the same block of Shares held by Upper Run as mentioned in Note 1 above.
4. Ms. Chu and Ms. Ma are controlling shareholders of Kingston Finance Limited. Each of Ms. Chu and Ms. Ma is deemed to be interested in the 1,010,000,000 Shares interested by Kingston Finance Limited as mentioned in Note 3 above.
5. 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. By virtue of the SFO, Dr. Cheng is deemed to be interested in the Shares held by Chow Tai Fook.

Save as disclosed above and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, based on the public records filed at the website of the Stock Exchange and record kept by the Company as at 31 October 2008, no persons other than the Directors or the chief executive of the Company had registered an interests or short positions in the Shares and the underlying Shares which required to be recorded pursuant to Section 336 of the SFO.

## SHARE OPTIONS

The Company adopted the Share Option Scheme to provide incentive to the people and the parties working for the interests of the Group with an opportunity to obtain an equity interest in the Company. During the Reporting Period, no share option was granted pursuant to the Share Option Scheme and movements in the number of share options previously granted are set out below:

Name or category of participant	Date of grant	Exercise price per Share HK\$	Exercise period	Movement of share options during the Reporting Period				As at 31.10.2008
				As at 01.05.2008	Exercised	Granted	Lapsed	
Director	27.10.2007	2.320	27.10.2007 – 27.10.2010	20,000,000	–	–	–	20,000,000
Consultant	27.10.2007	2.320	27.10.2007 – 27.10.2010	20,000,000	–	–	–	20,000,000
Total				40,000,000	–	–	–	40,000,000

As at the date of this report, no option granted under the Share Option Scheme was exercised.

## DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, as at 31 October 2008, neither the Company, holding company nor any of its subsidiaries was a party to any arrangements to enable the Directors and the chief executive of the Company to acquire benefits by means of the acquisition of Shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the Directors and the chief executive of the Company or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

## CORPORATE GOVERNANCE

The Company has adopted the Code Provisions as stated in Appendix 15 to the GEM Listing Rules as the Code on Corporate Governance Practices ("**Code**") of the Company.

The Company has complied with the Code throughout the six months ended 31 October 2008.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as its Code of Conduct for Securities Transactions by Directors. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings throughout the Reporting Period.

## **COMPETING INTERESTS**

The Directors are not aware of any business or interest of the Directors, the management shareholders or substantial shareholders of the Company or any of 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.

## **AUDIT COMMITTEE REVIEW**

The Company has established an audit committee with written terms of reference based upon the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the Code. As at the date hereof, the audit committee comprising the three independent non-executive Directors, Messrs. Orr Joseph Wai Shing, Chan Tak Yan and Chiu Kwok Wing Benedict.

The primary duties of the audit committee are to review and supervise of the Company's financial reporting process and internal control system. The unaudited interim results for the six months ended 31 October 2008 have been reviewed by the members of the audit committee, who are of the opinion that such statements comply with the applicable accounting standards, the Stock Exchange listing requirements and other legal requirements and that adequate disclosures have been made.

## **BOARD OF DIRECTORS**

Mr. Woo Hing Keung Lawrence has been appointed as an executive Director on 27 October 2008.

As at the date of this report, the Board comprises Ms. Chan Lai Kwan Rainbow, Ms. Wong Yuet May Jeremy, Mr. Chan Fu Kei and Mr. Woo Hing Keung Lawrence as executive Directors; and Mr. Chan Tak Yan, Mr. Chiu Kwok Wing Benedict and Mr. Orr Joseph Wai Shing as independent non-executive Directors.

By Order of the Board  
**Byford International Limited**  
**Chan Lai Kwan Rainbow**  
*Chief Executive Officer and Executive Director*

Hong Kong, 11 December 2008



## Corporate Information

### BOARD OF DIRECTORS

#### Executive Directors

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

#### 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

### 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](http://www.donaldbyford.com)

### STOCK CODE

8272