Byford
LONDON

BYFORD INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8272

2008/2009

ANNUAL REPORT

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.*

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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
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

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

Bank of Bermuda (Cayman) Limited
P.O. Box 513
HSBC House
68 West Bay Road
Grand Cayman, KY1-1106
Cayman Islands

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 2009 HK$'000	12 months ended 30 April 2008 HK$'000	12 months ended 30 April 2007 HK$'000
Results			
Revenue	**26,460**	14,570	31,833
EBITDA (Note)	**248**	(73,169)	247
Loss for the year	**(288)**	(73,347)	(151)

	At 30 April 2009 HK$'000	At 30 April 2008 HK$'000	At 30 April 2007 HK$'000
Assets and Liabilities			
Total assets	**31,592**	27,978	35,146
Total liabilities	**17,719**	11,191	5,925
Net assets	**13,873**	16,787	29,221

Note: EBITDA represents (loss)/profit before interest, tax, depreciation and amortisation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Revenue

For the year ended 30 April 2009 ("**Reporting Period**"), the Group's revenue increased by approximately HK$11,890,000 or 82% to approximately HK$26,460,000 as compared with approximately HK$14,570,000 in last corresponding year ("**Prior Period**"). The Group's revenue is composed of three main business segments namely, sales of apparel products, sales of electronic products and licensing of trademarks. The increase in revenue was mainly contributed by the increase in revenue from sales of electronic products, reflecting the success of our marketing team in the continuous expansion of customer base and product type.

Sales of apparel products

Revenue from sales of apparel products during the Reporting Period was approximately HK$3,238,000 as compared with approximately HK$4,808,000 in Prior Period, representing a decrease of approximately HK$1,570,000 or 33%. The drop was mainly due to the disposal of Byford Marketing (S) Pte. Ltd. ("**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 approximately HK$3,663,000 in Prior Period, but there was no contribution from BMS during the Reporting Period.

Sales of electronic products

Revenue from sales of electronic products during the Reporting Period was approximately HK$10,264,000 as compared with nil in Prior Period. During the period, the Group had successfully contracted to act as buying agent for certain new customers in the electronic industry, a number of sizable orders were placed to purchase electronic parts and equipments.

Licensing income

Royalty income from licensing during the Reporting Period was approximately HK$12,958,000, increased by approximately HK$3,196,000 or 33% as compared with approximately HK$9,762,000 in Prior Period. The growth in royalty income was mainly contributed by the effective marketing and promotion efforts of our licensees and their commitments to continuous expansion of business.

Loss for the year

Loss before tax for the Reporting Period was approximately HK$139,000, as compared with loss of approximately HK$73,280,000 in Prior Period. Net loss for the Reporting Period was approximately HK$288,000 as compared with loss of approximately HK$73,347,000 in Prior Period. The reduction in loss was mainly resulted from the following factors:

– Prior Period included a one-time charge of equity-settled share-based payments for the amount of approximately HK$68,088,000 relating to the share options granted to a director and a consultant, no share option was granted during the Reporting Period.

– During the Reporting Period, a gain on change in fair value of derivative financial instruments – warrant was recognized for the amount of approximately HK$5,967,000.

In view of the significant improvement in results, a profit warning announcement was issued on 14 July 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Memorandum of understanding on the license of "Byford" trademark in Japan

On 22 December 2008, D Byford Limited ("**Proposed Licensor**"), an indirect wholly-owned subsidiary of the Company and the indirect owner of the license to utilize the intellectual property rights of "*Byford*" trademark in Japan ("**Japan License**") and Champion Angel Limited ("**Proposed Licensee**"), a wholly-owned subsidiary of Sunny Global Holdings Limited (subsequently change of name to China Public Procurement Limited), the shares of which are listed on the Stock Exchange, entered into a memorandum of understanding ("**Memorandum**") for granting an exclusive right to the Proposed Licensee to carry out due diligence and review of the Japan License for a period of 180 days commencing on or before 25 December 2008. The due diligence is carried out with a view to assigning the Japan License to the Proposed Licensee subject to the satisfaction of the term and conditions of the Memorandum. A refundable earnest money for the sum of HK$8,000,000 was paid by the Proposed Licensee to the Proposed Licensor. *(Details of the Memorandum are set out in the announcement of the Company dated 22 December 2008).*

On 14 May 2009, the Board announced that the Proposed Licensor and the Proposed Licensee have entered into a deed of termination to terminate the Memorandum with immediate effect and the earnest money received will be repaid accordingly.

CAPITAL STRUCTURE

Placing of shares

On 9 April 2009, the Company entered into a placing agreement with the placing agent, Fortune (HK) Securities Limited, and agreed to place, through the placing agent, a maximum of 400,000,000 placing shares to independent investors at the price of HK$0.20 per placing share. *(Details of the placing agreement are set out in the announcement of the Company dated 9 April 2009).*

After the balance sheet date, the Group had successfully placed 400,000,000 new shares at the price of HK$0.2 per placing share, net proceeds of approximately HK$78,007,000 was received on 29 June 2009.

Unlisted warrants

The 398,000,000 outstanding unlisted warrants at the subscription price of HK$1.2 per subscription share brought forward from Prior Period was not exercised during the Reporting Period, a gain of approximately HK$5,967,000 was recognized for the change in fair value of the unlisted warrants during the Reporting Period. After the balance sheet date, the 398,000,000 outstanding unlisted warrants were expired on 12 June 2009.

LIQUIDITY AND FINANCIAL RESOURCES

The Group ended the Reporting Period with net bank balances and cash of approximately HK$3,403,000, as compared with approximately HK$5,442,000 at Prior Period end, net current liability stood at approximately HK$2,784,000 at Reporting Period end, as compared with approximately HK$940,000 at Prior Period end. Current ratio, computed by dividing current assets by current liabilities stood at 0.84 as at 30 April 2009, as compared with 0.91 as at 30 April 2008. Gearing ratio, computed by dividing borrowings and finance lease obligations by total equity, stood at nil as at 30 April 2009, as compared with 7.3% as at 30 April 2008. The decrease in bank balances, deterioration in liquidity position and improvement in gearing ratio were mainly due to the repayment of finance lease obligation and long-term loan during the Reporting Period.

In order to manage surplus fund more efficiently, the Group had utilized approximately HK$1,996,000 to purchase equity securities listed on the Stock Exchange during the Reporting Period, the equity securities were included under current assets as held for trading investment and a gain of approximately HK$324,000 on change in fair value of the equity securities was recorded during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

DISPOSAL OF SUBSIDIARIES

On 13 November 2008, a share sale and purchase agreement ("**Agreement**") was 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 holding company of Super League. 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 ("**Disposal**"). The Disposal was completed on 17 November 2008 resulting in a gain on disposal of subsidiary of HK$10,000.

On 6 May 2009, the Company entered into a conditional sale and purchase agreement with Million Dragon Limited, an independent third party, to dispose of its entire interest in D Byford Holdings Limited and its subsidiaries for a cash consideration of HK$45,000,000. It will constitute a very substantial disposal transaction of the Company. *(Details of the disposal are set out in the announcement of the Company dated 14 May 2009).*

HUMAN RESOURCES

As at 30 April 2009, the Group employed a total of 18 employees, as compared to 17 employees as at 30 April 2008. The human resources deployment remained fairly stable 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.

PROSPECT AND OUTLOOK

During the 2009 fiscal year and despite the global economic downturn, our licensing brand – Byford – achieved growth topping 33%. The Group saw our business partners' continuous efforts in expanding the markets and product categories, especially in the PRC region where an exceptional increase of 31% was recorded. However, in the face of the worst global economic downturn in recent history, we anticipate there may be adverse effects in the short-term as our licensees continue to scale back, with their lower forecast sales turnover. While today's economic environment is likely to have a prolonged influence on consumer buying habits, the Board had adopted a very cautious approach to its further development strategies.

We are confident that we have the resources on hand and the liquidity available to continue to maximize our growth as the economy recovers.

The Group remains committed to developing its brand management and also to seek for cooperation with unique international brands with character and market potential to form equity partnerships.

The Group will make use of opportunities arising amidst the downturn, and will thus seek for new investment opportunities in other areas to generate stable revenue. Although the current economic climate clouds any certain insight into what lies ahead, the Group is confident that we have taken the right course of action to strengthen our Group for the present and to maximize our opportunities for the long-term.

The Group would like to thank our business partners and shareholders for their continued support and confidence in our company. Our vision is to continue 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 49, joined the Group as an executive Director and the chief executive officer of the Group on 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 47, joined the Group as an executive Director and the chief executive officer on 7 September 2007. She then resigned as the chief executive officer but retaining her role as executive Director with effect from 22 November 2007. Ms. Wong has more than 12 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 29, joined the Group as an executive Director on 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.

Mr. Woo Hing Keung Lawrence, aged 46, joined the Group as an executive Director on 27 October 2008. He is also a director and an Assistant General Manager of various subsidiaries of the Group. Mr. Woo was a computer engineer for about 3 years and worked in the real estate industry for more than 5 years. He has extensive experiences in the real estate investment and securities investment strategies. Mr. Woo has his own investment business since year 2000 involving the investment in Hong Kong securities and various business ventures in the People's Republic of China ("**PRC**") with projects in the areas of medical, construction materials and mining. He focuses on participating in formulating suitable strategies for the Company to expand its business networks with his solid experiences in cooperation with joint ventures in the PRC. Mr. Woo holds a Master degree in Engineering from Cornell University in the United States of America.

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Tak Yan, aged 55, joined the Group as an independent non-executive Director on 7 September 2007. He has over 21 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 was a General Manager of a PRC-HK container tractor company and a Deputy General Manager of a logistic company for many years. 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 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 The Hong Kong Management Association.

Mr. Chiu Kwok Wing Benedict, aged 48, joined the Group as an independent non-executive Director on 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.

Mr. Orr Joseph Wai Shing, aged 49, joined the Group as an independent non-executive Director on 7 September 2007. He worked for multinational companies including Time Warner, Baker & McKenzie, EDAW and Hyatt International as well as professional firm KPMG in the past 20 years. Mr. Orr is a Certified Public Accountant in Washington, the United States of America ("**USA**") and a member of the Hong Kong Institute of Certified Public Accountants, American Institute of Certified Public Accountants and CPA Australia. He received 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 Financial Management from the University of Reading, a Bachelor of Arts (Hons) Degree in Accounting and Finance from Middlesex University and a Professional Diploma in the PRC corporate tax and auditing from Zhongshan University. He is an executive director of his CPA firm "Joseph Orr & Associates, CPA" in the USA and also an independent non-executive director of each of China Bio-Med Regeneration Technology Limited (Stock Code: 8158) and Grand T G Gold Holdings Limited (Stock Code: 8299), both companies are listed on the GEM Board of the Stock Exchange. Mr. Orr was also the independent non-executive director of Artfield Group Limited for the period from 30 September 2004 to 11 April 2008, a company listed on the Main Board of the Stock Exchange (Stock Code: 1229).

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE

SENIOR MANAGEMENT

Mr. Chow Shiu Ki, aged 41, 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 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 ZZNode Technologies Company Limited (stock code: 2371) and Intelli-Media Group (Holdings) Limited (stock code: 8173) for the period from 3 November 2006 to 20 August 2008, 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 2009, except for the minor deviation in respect of the role of Chairman/Chairperson of the Board.

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 2009.

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 four 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 Corporate Governance Report ("**CG Report**").

Board of Directors	**Audit Committee**	**Executive Committee**	**Remuneration Committee**
Executive Directors			
Ms. Chan Lai Kwan Rainbow (chief executive officer)		✓	
Ms. Wong Yuet May Jeremy		✓	
Mr. Chan Fu Kei (appointed on 2 May 2008)		✓	
Mr. Woo Hing Keung Lawrence (appointed on 27 October 2008)		✓	
Independent Non-executive Directors			
Mr. Chan Tak Yan	✓		✓
Mr. Chiu Kwok Wing Benedict	✓		✓
Mr. Orr Joseph Wai Shing	✓		✓

Biographical details of the Directors as at the date of this CG Report are set out on pages 8 to 9 of this annual report.

CORPORATE GOVERNANCE 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 2009, the Board held 4 regular Board meetings (within the meaning of the CG Code) at approximately quarterly interval and 8 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 2009 is set out below:

Name of Director	**Attended/Eligible to attend**
Executive Directors	
Ms. Chan Lai Kwan Rainbow (Chief Executive Officer)	8/8
Ms. Wong Yuet May Jeremy	7/8
Mr. Chan Fu Kei (appointed on 2 May 2008)	6/7
Mr. Woo Hing Keung Lawrence (appointed on 27 October 2008)	2/4
Independent Non-executive Directors	
Mr. Chan Tak Yan	5/8
Mr. Chiu Kwok Wing Benedict	4/8
Mr. Orr Joseph Wai Shing	5/8

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 of the Company 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 24 July 2009 will contain detailed information of the Directors standing for re-election.

CHAIRMAN/CHAIRPERSON

The Company has achieved a high level of compliance with the CG Code except for the separation of the roles of chairman/chairperson and chief executive officer for reasons as stated below.

Subsequent to the resignation of Ms. Fong Man Julisa as the Chairperson of the Company on 23 April 2008, the role of the chairman/chairperson remains outstanding. This constitutes a deviation from the code provisions A.2.1 to A.2.3 of the Code. The Company is in the process of identifying a suitable candidate to fill the vacancy for the chairman/chairperson and will issue an announcement when a new appointment is made.

Currently, Ms. Chan Lai Kwan Rainbow is the Chief Executive Officer of the Company. The Board is of the view that the role of Chief Executive Officer is being exercised will not impair the balance of power and authority between the Board and the management of the Company as the Board will meet regularly to consider major matters affecting the operations of the Group. Ms. Chan Lai Kwan Rainbow is mainly responsible for the day-to-day management of the Group's business.

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, namely Mr. Orr Joseph Wai Shing (chairman of the audit committee), Mr. Chan Tak Yan and Mr. Chiu Kwok Wing Benedict. The primary duties of the audit committee are to review the Company's annual reports and accounts, interim results announcements/reports and quarterly results announcements/reports 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, interim 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 of the audit committee)	4/4
Mr. Chan Tak Yan	4/4
Mr. Chiu Kwok Wing Benedict	4/4

CORPORATE GOVERNANCE REPORT

The audit committee has reviewed the Group's audited results for the year ended 30 April 2009.

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. 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). Ms. Wong Yuet May Jeremy, Mr. Chan Fu Kei and Mr. Woo Hing Keung Lawrence. 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 authorities 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.

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

SHINEWING (HK) CPA Limited was re-appointed as the auditors of the Group at the annual general meeting held on 26 August 2008. The remuneration in respect of services provided by SHINEWING (HK) CPA Limited for the Company for the year ended 30 April 2009 is as follow:

	2009	2008
	HK$'000	HK$'000
Auditor's remuneration		
– SHINEWING (HK) CPA Limited	**300**	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 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 36 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 April 2009 are set out in the consolidated income statement on page 26.

The Directors do not recommend the payment of a final dividend for the year ended 30 April 2009 (2008: Nil).

SEGMENT INFORMATION

An analysis of the Group's performance by principal activities and geographical locations of operations for the year ended 30 April 2009 is set out in Note 9 to the consolidated financial statements.

PLANT AND EQUIPMENT

Details of movements in plant and equipment during the year ended 30 April 2009 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 30 to the consolidated financial statements.

SHARE CAPITAL AND WARRANTS

Details of movements in the Company's warrants and share capital during the year, together with the reasons thereof, are set out in Note 26 and Note 27 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year ended 30 April 2009 are set out in the consolidated statement of changes in equity on page 29.

DISTRIBUTABLE RESERVES

As at 30 April 2009, the Company had no reserve available for distribution to the shareholders of the Company (2008: 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	
Ms. Wong Yuet May Jeremy	
Mr. Chan Fu Kei	(appointed on 2 May 2008)
Mr. Woo Hing Keung Lawrence	(appointed on 27 October 2008)

Independent non-executive Directors

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

In accordance with article 86(3) of the Articles, Mr. Woo Hing Keung Lawrence will retire as Director and, being eligible, offer himself for re-election as Director at the forthcoming annual general meeting ("**AGM**").

In accordance with article 87(1) of the Articles, Ms. Wong Yuet May Jeremy and Mr. Orr Joseph Wai Shing will retire as Directors by rotation and, being eligible, offer themselves for re-election as Directors at the AGM.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual 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 8 to 10 of the annual report.

REPORT OF DIRECTORS

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 2009, 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:

Long positions in the ordinary shares and underlying shares of HK$0.001 each in the capital of the Company ("Shares")

Name of Director	Capacity	Number of Shares*	Number of underlying Shares*	Total number of Shares and underlying Shares	Approximate percentage of the Company's issued share capital
Ms. Wong Yuet May Jeremy	Beneficial Owner	–	20,000,000 *(Note)*	20,000,000	0.99%
Mr. Woo Hing Keung Lawrence	Beneficial Owner	1,325,000	–	1,325,000	0.06%

Note: 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.

* 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 in Note 30.

Save as disclosed above, as at 30 April 2009, 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 2009, 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:

Long positions in the ordinary Shares

Name of shareholder	Capacity	Note	Number of issued shares held	Approximate percentage of the Companys' issued share capital
Upper Run Investments Limited ("**Upper Run**")	Beneficial Owner	1	1,169,099,900	58.40%
Ms. Chan Yuen Fan Winky ("**Ms. Chan**")	Interest through controlled corporation	1	1,169,099,900	58.40%
Kingston Finance Limited ("**Kingston**")	Having a security interest	2,3	1,010,000,000	50.44%
Mrs. Chu Yuet Wah ("**Mrs. Chu**")	Interest through controlled corporation	2,3,4	1,010,000,000	50.44%

Name of shareholder	Capacity	Note	Number of issued shares held	Approximate percentage of the Companys' issued share capital
Ms. Ma Siu Fong ("**Ms. Ma**")	Interest through controlled corporation	2,3,4	1,010,000,000	50.44%
Chow Tai Fook Nominee Limited ("**Chow Tai Fook**")	Beneficial Owner	5	110,000,000	5.50%
Dr. Cheng Yu Tung ("**Dr. Cheng**")	Interest through controlled corporation	5	110,000,000	5.50%
Ms. Leong Angela On Kei	Beneficial Owner	–	110,000,000	5.50%

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. 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. Mrs. Chu and Ms. Ma are controlling shareholders of Kingston. Each of Mrs. Chu and Ms. Ma is deemed to be interested in the 1,010,000,000 Shares interested by Kingston 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 30 April 2009, 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.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken during the year are provided under Note 35 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.

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 2009, the five largest customers of the Group accounted for approximately 78.3% (2008: 65.40%) of the Group's total sales and the five largest suppliers accounted for approximately 99.2% (2008: 78.70%) of the Group's total purchases. In addition, the largest customer accounted for approximately 27.8% (2008: 38.50%) of the Group's total sales and the largest supplier accounted for approximately 76.9% (2008: 27.60%) of the Group's total purchases.

COMPETING INTERESTS

For the year ended 30 April 2009, 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

Placing of New Shares

On 9 April 2009, the Company entered into a placing agreement with Fortune (HK) Securities Limited ("**Placing Agent**"), whereby the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 400,000,000 placing Shares to independent investors at a price of HK$0.20 per placing Share ("**Placing**"). Details of the Placing are included in the Company's announcement dated 9 April 2009.

The Placing was completed on 29 June 2009.

REPORT OF DIRECTORS

Termination of Memorandum of Understanding

On 22 December 2008, D Byford Limited ("**Proposed Licensor**"), an indirect wholly-owned subsidiary of the Company, is the direct and/or indirect owner and/or licensee of the trademark "**BYFORD**", and Champion Angel Limited, a wholly-owned subsidiary of Sunny Global Holdings Limited, the issued shares of which are listed on the Stock Exchange ("**Proposed Licensee**") entered into a Memorandum of Understanding ("**MOU**") regarding the granting of an intellectual property rights of "**BYFORD**" trademark in Japan owned by the Proposed Licensor. Details of the Memorandum are included in the Company's announcement dated 22 December 2008.

On 14 May 2009, the Board announced that the Proposed Licensor and the Proposed Licensee have agreed to terminate the MOU and have entered into a deed of termination to terminate the MOU with immediate effect, details of which are included in the Company's announcement dated 14 May 2009.

Very Substantial Disposal

On 6 May 2009, the Company entered into a conditional sale and purchase agreement ("**Agreement**") with Million Dragon Limited ("**Purchaser**"), D Byford Holdings Limited ("**Disposed Company**"), a direct wholly-owned subsidiary of the Company, and Asia Merchandising (H.K.) Limited in relation to the sale and purchase of the 14,100 ordinary shares of US$0.01 each in the issued share capital of the Disposed Company, representing the entire issued share capital of the Disposed Company for the Consideration of HK$45,000,000 ("**Disposal**"). Details of the Disposal are included in the Company's announcement dated 14 May 2009.

The Disposal constitutes a very substantial disposal of the Company under the GEM Listing Rules. The Agreement and the transactions contemplated thereunder are subject to the approval of the Shareholders at the extraordinary general meeting ("**EGM**") by way of poll. A circular containing details of the Disposal and a notice of EGM will be despatched to the Shareholders in compliance with the GEM Listing Rules.

Expiry of warrants

On 15 October 2007, the Company entered into a placing agreement ("**Placing Agreement**") with Excalibur Securities Limited ("**Placing Agent**") to place for 200,000,000 unlisted warrants, on a fully underwritten basis, at the issue price of HK$0.015 per warrant ("**Placing**"). Details of the Placing are included in the Company's circular dated 5 November 2007.

Subsequently, 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 pursuant to the Placing Agreement to 400,000,000 unlisted warrants ("**Supplemental Placing**"). Details of the Supplemental Placing are included in the Company's circular dated 5 November 2007.

A total of 2,000,000 new shares of the Company were issued at an exercise price of HK$1.2 per share upon the exercise of the aggregate of 2,000,000 unlisted warrants on 24 December 2007 and 21 January 2008.

The remaining warrants expired on 12 June 2009.

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 2009.

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 15 of the annual report.

AUDITOR

The consolidated financial statements for the year ended 30 April 2009 have been audited by SHINEWING (HK) CPA LIMITED who will retire and, being eligible, offer themselves for re-appointment upon conclusion of the AGM. A resolution for the re-appointment of SHINEWING (HK) CPA Limited as auditors of the Company to hold office until conclusion of the next annual general meeting at a fee to be agreed with the Directors will be proposed at the AGM.

By Order of the Board

Chan Lai Kwan Rainbow
Chief Executive Officer and Executive Director

Hong Kong, 17 July 2009

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 85, which comprise the consolidated balance sheet as at 30 April 2009, 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 the true and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards issued by the 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 the true and fair presentation of the 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 true 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 directors, 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 state of affairs of the Group as at 30 April 2009 and of its loss and 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
17 July 2009

CONSOLIDATED INCOME STATEMENT

For the year ended 30 April 2009

	Notes	2009 HK$'000	2008 HK$'000
Revenue	8	**26,460**	14,570
Cost of sales		**(12,867)**	(3,350)
Gross profit		**13,593**	11,220
Other income	10	**531**	1,222
Selling and distribution costs		**(1,901)**	(1,989)
General and administrative expenses		**(18,218)**	(16,289)
Equity-settled share-based payments		**–**	(68,088)
Change in fair value of derivative financial instruments – warrants		**5,967**	–
Gain on disposal of a subsidiary	31	**10**	651
Finance costs	11	**(121)**	(7)
Loss before tax		**(139)**	(73,280)
Income tax expense	12	**(149)**	(67)
Loss for the year, attributable to equity holders of the Company	13	**(288)**	(73,347)
Dividend	14	**–**	10,000
Loss per share	15		
– basic		**(0.01) HK cents**	(3.67) HK cents
– diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

As at 30 April 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Plant and equipment	17	**1,241**	1,335
Trademarks	18	**15,416**	17,525
		16,657	18,860
Current assets			
Trade receivables	19	**8,376**	1,737
Prepayments, deposits and other receivables		**836**	1,939
Held for trading investment	20	**2,320**	–
Bank balances and cash	21	**3,403**	5,442
		14,935	9,118
Current liabilities			
Trade payables	22	**–**	810
Accruals and other payables	23	**17,566**	3,133
Amount due to a director	24	**79**	–
Obligation under a finance lease			
– due within one year	25	**–**	100
Derivative financial instruments – warrants	26	**33**	6,000
Tax liabilities		**41**	15
		17,719	10,058
Net current liabilities		**(2,784)**	(940)
		13,873	17,920

CONSOLIDATED BALANCE SHEET

As at 30 April 2009

	Notes	2009 HK$'000	2008 HK$'000
Capital and reserves			
Share capital	27	**2,002**	2,002
Reserves		**11,871**	14,785
Total equity		**13,873**	16,787
Non-current liabilities			
Borrowing – due after one year	28	**–**	1,000
Obligation under a finance lease – due after one year	25	**–**	133
		–	1,133
		13,873	17,920

The consolidated financial statements on pages 26 to 85 were approved and authorised for issue by the Board of Directors on 17 July 2009 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 2009

	Share Capital HK$'000	Share premium HK$'000	Share options reserve HK$'000	Special reserve HK$'000 (Note)	Translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 May 2007	2,000	18,428	–	8,023	2,979	(2,209)	29,221
Exchange differences arising on translation of foreign operations and net income recognised directly in equity	–	–	–	–	575	–	575
Loss for the year, representing total recognised income and expense for the year	–	–	–	–	–	(73,347)	(73,347)
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(b))	2	2,398	–	–	–	–	2,400
At 30 April 2008 and 1 May 2008	2,002	20,676	68,088	8,023	3,554	(85,556)	16,787
Exchange differences arising on translation of foreign operations and net expense recognised directly in equity	–	–	–	–	(2,626)	–	(2,626)
Loss for the year, representing total recognised income and expense for the year	–	–	–	–	–	(288)	(288)
At 30 April 2009	2,002	20,676	68,088	8,023	928	(85,844)	13,873

Note: 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 2009

	Notes	2009 HK$'000	2008 HK$'000
OPERATING ACTIVITIES			
Loss before tax		**(139)**	(73,280)
Adjustments for:			
Change in fair value of financial asset classified as held for trading		**(324)**	–
Change in fair value of derivative financial instruments – warrants		**(5,967)**	–
Depreciation of plant and equipment		**266**	104
Equity-settled share-based payments		**–**	68,088
Finance costs		**121**	7
Gain on disposal of a subsidiary	31	**(10)**	(651)
Gain on disposal of a trademark		**–**	(1,025)
Interest income		**(30)**	(152)
Loss on disposal of plant and equipment		**46**	10
Operating cash flows before movements in working capital		**(6,037)**	(6,899)
Increase in inventories		**–**	(391)
Increase in trade receivables		**(6,639)**	(1,487)
Decrease (increase) in prepayments, deposits and other receivables		**1,103**	(1,769)
(Decrease) increase in trade payables		**(810)**	2,388
Increase in accruals and other payables		**14,433**	454
Cash from (used in) operations		**2,050**	(7,704)
Income tax paid		**(123)**	(93)
NET CASH FROM (USED IN) OPERATING ACTIVITIES		**1,927**	(7,797)
INVESTING ACTIVITIES			
Purchase of held for trading investment		**(1,996)**	–
Purchase of plant and equipment		**(390)**	(1,064)
Proceeds from disposal of plant and equipment		**169**	–
Interest received		**30**	152
Net cash inflow from disposal of a subsidiary	31	**10**	6,809
Proceeds from disposal of a trademark	18(b)	**–**	4,200
Repayment from a fellow subsidiary		**–**	237
NET CASH (USED IN) FROM INVESTING ACTIVITIES		**(2,177)**	10,334

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 April 2009

	2009 HK$'000	2008 HK$'000
FINANCING ACTIVITIES		
Repayment of borrowing	**(1,000)**	–
Repayment of obligation under a finance lease	**(233)**	(67)
Interest paid	**(121)**	(7)
Advance from a director	**79**	–
Dividend paid	**–**	(10,000)
Proceeds from issue of warrants	**–**	5,850
Proceeds from issue of shares upon exercise of warrants	**–**	2,400
New borrowing raised	**–**	1,000
NET CASH USED IN FINANCING ACTIVITIES	**(1,275)**	(824)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(1,525)**	1,713
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**5,442**	4,180
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE	**(514)**	(451)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	**3,403**	5,442

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 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 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 ("**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 36.

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$2,784,000 as at 30 April 2009. The Directors are satisfied that, the liquidity of the Group can be maintained in the coming year taking into consideration the placing of 400,000,000 new shares of the Company at a price of HK$0.20 per placing share with net proceeds of approximately HK$78,007,000. The placing was completed on 29 June 2009. Details of which are set out in Note 34(a).

On the basis that the net proceeds from the placing of new shares will be received, 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, the following amendments and interpretations ("**new IFRSs**") issued by the International Accounting Standards Board (the "**IASB**") and the International Financial Reporting Interpretations Committee (the "**IFRIC**") of the IASB which are or have become effective.

International Accounting Standard ("**IAS**") 39 and International Financial Reporting Standard ("**IFRS**") 7 (Amendments)	Reclassification of Financial Assets
IFRIC 12	Service Concession Arrangements
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new IFRSs had no material effect on how the results and financial position for the current or 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 and interpretations that have been issued but are not yet effective.

IFRSs (Amendments)	Improvements to IFRSs[1]
IFRSs (Amendments)	Improvements to IFRSs 2009[8]
IAS 1 (Revised)	Presentation of Financial Statements[2]
IAS 23 (Revised)	Borrowing Costs[2]
IAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
IAS 32 and IAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
IAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Eligible Hedged Items[3]
IFRS 1 (Revised)	First-time Adoption of International Financial Reporting Standards[3]
IFRS 1 and IAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
IFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations[2]
IFRS 3 (Revised)	Business Combinations[3]
IFRS 7 (Amendment)	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments[2]
IFRS 8	Operating Segments[2]
IFRIC 9 and IAS 39 (Amendments)	Embedded Derivatives[6]
IFRIC 13	Customer Loyalty Programmes[4]
IFRIC 15	Agreements for the Construction of Real Estate[2]
IFRIC 16	Hedges of a Net Investment in a Foreign Operation[5]
IFRIC 17	Distributions of Non-cash Assets to Owners[3]
IFRIC 18	Transfers of Assets from Customers[7]

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

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

[2] Effective for annual periods beginning on or after 1 January 2009.

[3] Effective for annual periods beginning on or after 1 July 2009.

[4] Effective for annual periods beginning on or after 1 July 2008.

[5] Effective for annual periods beginning on or after 1 October 2008.

[6] Effective for annual periods ending on or after 30 June 2009.

[7] Effective for transfers of assets from customers received on or after 1 July 2009.

[8] Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate.

The Directors anticipate the application of these new and revised standards, amendments and interpretations will have no material impact on the results and financial position of the Group except for the application of IFRS 3 (Revised) and IAS 27 (Revised). The application of the IFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. IAS 27 (Revised) will affect the accounting treatment for the changes in a parent's ownership interest in a subsidiary.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs. 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.

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

(a) Basis of consolidation *(Continued)*

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 into line with those used by other members of the Group.

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

(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 discounts and sales related taxes.

(i) Sales of goods

Sales of goods are recognised when the goods are delivered and title has passed.

(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.

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

(c) Plant and equipment

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

Depreciation is provided to write off the cost of items of plant and equipment over their estimated useful lives and after taking into accounts of their estimated residual values, using the straight-line method.

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.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

(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 lessor
Royalty income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Group as 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.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

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

(e) Foreign currencies

In preparing the financial statements of each individual group entities, transactions in currencies other than functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on 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 arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value, are included in profit or loss for the period.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised as a separate component of equity (the 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 as and included in finance costs in the consolidated income statement 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 impairment loss. In addition, 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 they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where impairment loss subsequently reverses, the carrying amount of the asset 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 recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

(i) 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 recognised 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.

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

(i) Taxation *(Continued)*

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.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. 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.

(j) Employee benefits

(i) Pension obligations

Group companies operate defined contribution plans and the Mandatory Provident Fund Scheme ("**MPF Scheme**") 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. Payments to defined contribution plans and the MPF Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

(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) Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets comprise financial assets at fair value through profit or loss ("**FVTPL**") and loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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 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.

Interest income is recognised on an effective interest basis for debt instruments of which interest income is included in net gains or losses.

Financial assets at fair value through profit or loss

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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

(k) Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at fair value through profit or loss (Continued)

At each balance sheet date subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade receivables, deposits and other receivables and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses.

Impairment of financial assets

Financial assets, other than those at FVTPL, 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 financial assets have been affected.

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, 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 30 to 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

(k) Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the 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. Changes in the carrying amount of the allowance account are recognised in profit or loss. 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 to profit or loss.

For financial assets measured at amortised cost, 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 losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified into other financial liabilities.

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

(k) Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

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 expenses is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities including trade payables, accruals and other payables, amount due to a director, obligation under a finance lease and borrowing are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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

(I) Equity-settled share-based payments

Share options granted to employees

The fair value of services received are determined by reference to the fair value of the share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. 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.

Share options granted to consultants

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the Directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of trademarks
Trademarks are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In making their estimation, the Directors considered that the sale proceeds amounting to HK$45,000,000 for the proposed disposal of D Byford Holdings Limited and its subsidiaries (Note 31) subsequent to the year end, of which the trademarks are the sole assets. As at 30 April 2009, the carrying values of the trademarks amounted to approximately HK$15,416,000 (2008: HK$17,525,000) and the Directors considered that the sale proceeds exceed the carrying value and therefore, no impairment is necessary.

Estimated impairment for trade and other receivables
The Group makes impairment for trade and other receivables 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 judgment 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.

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

Key sources of estimation uncertainty *(Continued)*

Valuation of derivative financial instruments – warrants

The fair value of derivative financial instruments – warrants is subject to the limitations 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. 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 shareholders 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 borrowing, bank balances and cash and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

The Directors 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. Based on the recommendations of the Directors, the Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debt.

7. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2009 HK$'000	2008 HK$'000
Financial assets		
FVTPL		
Held for trading investment	**2,320**	–
Loans and receivables		
Trade receivables	**8,376**	1,737
Deposits and other receivables	**617**	1,630
Bank balances and cash	**3,403**	5,442
	12,396	8,809
	14,716	8,809
Financial liabilities		
Derivative financial instruments – warrants	**33**	6,000
Other financial liabilities at amortised cost		
Trade payables	**–**	810
Accruals and other payables	**9,550**	890
Amount due to a director	**79**	–
Borrowing	**–**	1,000
Obligation under a finance lease	**–**	233
	9,629	2,933
	9,662	8,933

7. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, deposits and other receivables, held for trading investment, bank balances and cash, trade payables, accruals and other payables, amount due to a director, borrowing and obligation under a finance lease. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

The Group has no significant interest-bearing liabilities and thus no exposure to fair value interest rate risk.

The Group is exposed to cash flow interest rate risk in relation to bank balances. The Group considered that the effect of the cash flow interest rate was minimal for the year.

Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 46% (2008: 54%) of the Group's sales are denominated in currencies other than the functional currency of the group entity making the sale, whilst almost 87% (2008: 92%) of costs are denominated in the group entity's functional currency.

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

	Assets		Liabilities	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
United States Dollars ("USD")	**701**	2,368	**32**	1,082
United Arab Emirates Dirhams ("AED")	**102**	102	**–**	–
Great British Pounds ("GBP")	**1**	775	**–**	–
Malaysian Ringgit ("MYR")	**89**	821	**436**	323
Singapore Dollars ("SGD")	**296**	20	**31**	314
	1,189	4,086	**499**	1,719

7. FINANCIAL INSTRUMENTS *(Continued)*

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

Market risk *(Continued)*

Currency risk (Continued)

The Group currently does not have a foreign currency hedging policy. However, the management will closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2008: 5%) increase and decrease in Hong Kong dollars ("HK$") against the relevant foreign currencies. 5% (2008: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% (2008: 5%) change in foreign currency rates. A positive number below indicates an increase in loss for the year where HK$ strengthen 5% (2008: 5%) against the relevant currency. For a 5% (2008: 5%) weakening of HK$ against the relevant currency, there would be an equal and opposite impact on the loss, and the balances below would be negative.

	Profit or loss	
	2009	2008
	HK$'000	HK$'000
USD impact	**(33)**	(64)
AED impact	**(5)**	(5)
GBP impact	**–**	(39)
MYR impact	**17**	(25)
SGD impact	**(13)**	15

7. FINANCIAL INSTRUMENTS *(Continued)*

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

Market risk *(Continued)*

Other price risk

The Group is exposed to equity price risk through its investment in listed equity securities. The Group monitors the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date. For sensitivity analysis purpose, the sensitivity rate is 3% in the current year as a result of the volatile financial market.

If the price of the respective equity instrument had been 3% higher/lower, the loss for the year ended 30 April 2009 would decrease/increase by approximately HK$70,000 as a result of the changes in fair value of held for trading investment.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables, deposits and other receivables and bank balances. At the respective balance sheet dates, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 44% (2008: 51%) and 66% (2008: 99%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

None of the Group's financial assets are secured by collateral or other credit enhancements.

7. FINANCIAL INSTRUMENTS *(Continued)*

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

Liquidity risk

The Group is exposed to liquidity risk as at 30 April 2009 as its financial assets due within one year was less than its financial liabilities due within one year. The Group had net current liabilities of approximately HK$2,784,000 as at 30 April 2009.

The Group has planned to implement the measure to improve its working capital position and net financial position. Details of which are set out in Note 2.

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.

	Weighted average interest rate	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amount at year ended date
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
As at 30 April 2009						
Non-derivative financial liabilities						
Accruals and other payables	–	9,550	–	–	9,550	9,550
Amount due to a director	–	79	–	–	79	79
		9,629	–	–	9,629	9,629
As at 30 April 2008						
Non-derivative financial liabilities						
Trade payables	–	810	–	–	810	810
Accruals and other payables	–	890	–	–	890	890
Borrowing – due after one year	12%	–	1,240	–	1,240	1,000
Obligation under a finance lease	3.5%	111	111	36	258	233
		1,811	1,351	36	3,198	2,933

(c) Fair value

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

- the fair value of financial assets and financial liabilities (excluding derivative instruments) with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively;

7. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value *(Continued)*

- the fair value of other financial assets and financial liabilities (excluding 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; and

- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option placing models for the optional derivatives.

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 due to their short-term maturities.

8. REVENUE

	2009	2008
	HK$'000	HK$'000
Sales of goods	**13,502**	4,808
Licensing income	**12,958**	9,762
	26,460	14,570

9. SEGMENTAL INFORMATION

Primary reporting format – business segments

The Group is currently organised on a worldwide basis into three main business segments, namely:

(i) Sales of apparel products ("**Sales of apparel**");

(ii) Sales of electronic products ("**Sales of electronic**"); and

(iii) 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)*

Primary reporting format – business segments *(Continued)*

The segment information by business for the two years ended 30 April 2009 and 2008 are as follows:

For the year ended 30 April

	Sales of apparel		Sales of electronic		Licensing		Total	
	2009 HK$'000	2008 HK$'000	**2009 HK$'000**	2008 HK$'000	**2009 HK$'000**	2008 HK$'000	**2009 HK$'000**	2008 HK$'000
Total segment revenue	**3,238**	4,808	**10,264**	–	**12,958**	9,952	**26,460**	14,760
Inter-segment revenue	**–**	–	**–**	–	**–**	(190)	**–**	(190)
Revenue	**3,238**	4,808	**10,264**	–	**12,958**	9,762	**26,460**	14,570
Intra-segment sales are charged at prevailing market rates								
Segment results	**(2,753)**	(1,235)	**(1,916)**	–	**846**	540	**(3,823)**	(695)
Unallocated corporate other income							**324**	–
Unallocated corporate expenses							**(2,526)**	(5,293)
Interest income							**30**	152
Equity-settled share-based payments							**–**	(68,088)
Change in fair value of derivative financial instruments – warrants							**5,967**	–
Gain on disposal of a subsidiary	**–**	651	**–**	–	**–**	–	**10**	651
Finance costs							**(121)**	(7)
Loss before tax							**(139)**	(73,280)
Income tax expense							**(149)**	(67)
Loss for the year							**(288)**	(73,347)
As at 30 April								
Assets and liabilities								
Segment assets	**137**	1,006	**5,185**	–	**18,547**	21,189	**23,869**	22,195
Unallocated corporate assets							**7,723**	5,783
Total assets							**31,592**	27,978
Segment liabilities	**43**	813	**6,999**	–	**1,194**	1,936	**8,236**	2,749
Unallocated corporate liabilities							**9,483**	8,442
Total liabilities							**17,719**	11,191
For the year ended 30 April								
Other information								
Segment capital expenditures	**–**	8	**–**	–	**–**	7	**–**	15
Unallocated corporate capital expenditures							**390**	1,349
							390	1,364
Segment depreciation	**2**	13	**–**	–	**14**	15	**16**	28
Unallocated corporate depreciation								
– owned assets							**202**	44
– asset held under a finance lease							**48**	32
							266	104
Segment loss on disposal of plant and equipment	**–**	–	**–**	–	**–**	4	**–**	4
Unallocated corporate loss on disposal of plant and equipment							**46**	6
							46	10
Gain on disposal of a trademark	**–**	–	**–**	–	**–**	(1,025)	**–**	(1,025)
Unallocated change in fair value of financial asset classified as held for trading							**(324)**	–

9. SEGMENTAL INFORMATION *(Continued)*

Secondary reporting format – geographical segments

The Group's three 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	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Malaysia	**1,491**	3,932	**15,416**	21,147	**–**	7
Singapore	**1,311**	849	**–**	42	**–**	–
Dubai	**1,302**	1,578	**–**	–	**–**	–
Hong Kong, Macau & the People's Republic of China (the "**PRC**")	**20,888**	6,993	**16,176**	6,789	**390**	1,357
Others	**1,468**	1,218	**–**	–	**–**	–
	26,460	14,570	**31,592**	27,978	**390**	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

	2009	2008
	HK$'000	HK$'000
Interest income	**30**	152
Net foreign exchange gains	**88**	–
Change in fair value of financial asset classified as held for trading	**324**	–
Gain on disposal of a trademark	**–**	1,025
Others	**89**	45
	531	1,222

11. FINANCE COSTS

	2009 HK$'000	2008 HK$'000
Interest on:		
Borrowing	**101**	–
Finance lease	**20**	7
	121	7

12. INCOME TAX EXPENSE

	2009 HK$'000	2008 HK$'000
The income tax expense comprises:		
Current tax		
– Hong Kong	**32**	–
– Other jurisdictions	**115**	86
	147	86
Under (over) provision in prior years		
– Other jurisdictions	**2**	(19)
	2	(19)
Deferred tax (Note 29)	**–**	–
	149	67

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.

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced the Hong Kong Profits Tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. The effect has been reflected in the calculation of current tax for the year ended 30 April 2009.

12. INCOME TAX EXPENSE *(Continued)*

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year ended 30 April 2009.

No Hong Kong Profits Tax was provided for the year ended 30 April 2008 as the Group had no assessable profits arising in or deriving from Hong Kong.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax expense for the years can be reconciled to the loss before tax as per the consolidated income statement as follows:

	2009	2008
	HK$'000	HK$'000
Loss before tax	**(139)**	(73,280)
Tax at the domestic income tax rate of 16.5% (2008: 17.5%)	**(23)**	(12,824)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(1)**	24
Tax effect of income not taxable for tax purpose	**(1,998)**	(986)
Tax effect of expense not deductible for tax purpose	**1,433**	13,173
Utilisation of tax losses previously not recognised	**(91)**	–
Tax effect on tax losses not recognised	**827**	699
Under (over) provision in prior years	**2**	(19)
	149	67

Details of deferred tax are set out in Note 29.

13. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2009 HK$'000	2008 HK$'000
Depreciation of plant and equipment		
– owned assets	218	72
– asset held under a finance lease	48	32
	266	104
Employee benefit expenses (Note 16)	7,342	74,424
Cost of inventories recognised as expenses	12,867	3,350
Operating lease payments in respect of office premises	1,711	1,105
Loss of disposal of plant and equipment	46	10
Net foreign exchange losses	–	14
Auditor's remuneration	300	315

14. DIVIDEND

	2009 HK$'000	2008 HK$'000
Ordinary shares:		
Special dividend, paid: HK$0.05 (2009: Nil) per share	–	10,000

No dividend was paid or proposed during 2009 and 2008 except for the special dividend declared on 14 September 2007, nor has any dividend been proposed since the balance sheet date.

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 (Note 27) on 30 October 2007, the special dividend was diluted to HK$0.005 per share.

15. LOSS PER SHARE

	2009	2008
Loss for the year, attributable to equity holders of the Company (HK$'000)	**288**	73,347
Weighted average number of ordinary shares in issue ('000)	**2,002,000**	2,000,628
Basic loss per share (HK cents)	**0.01**	3.67

No diluted loss per share has been presented for the two years ended 30 April 2009 and 2008 as the outstanding share options and warrants during the years had an anti-dilutive effect on the basic loss per share.

16. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2009 HK$'000	2008 HK$'000
Salaries, bonuses and allowances	**7,119**	6,083
Pension costs		
– defined contribution plans	**177**	87
Staff welfare and benefits	**46**	166
Equity-settled share-based payments	**–**	68,088
	7,342	74,424

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

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

	2009	2008
Full time	**18**	17

The Group has arranged for its Hong Kong employees to join the 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 2009, the aggregate amounts of the Group's contributions to the aforementioned pension schemes were approximately HK$177,000 (2008: HK$87,000). As at 30 April 2009, the Group was not entitled to any forfeited contributions to reduce the Group's future contributions (2008: Nil).

16. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

(Continued)

(c) Directors' emoluments

The emoluments of each director for the year ended 30 April 2009 is set out below:

Name of directors	Fees	Salary	Discretionary bonuses	Pension costs	Equity-settled share-based payments	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Executive directors						
Wong Yuet May, Jeremy	260	–	–	12	–	272
Chan Lai Kwan, Rainbow	650	–	–	12	–	662
Chan Fu Kei (Note (i))	252	–	–	12	–	264
Woo Hing Keung, Lawrence (Note (ii))	520	–	–	7	–	527
Independent non-executive directors						
Chan Tak Yan	106	–	–	–	–	106
Chiu Kwok Wing, Benedict	106	–	–	–	–	106
Orr Joseph Wai Shing	106	–	–	–	–	106
	2,000	–	–	43	–	2,043

Notes:

(i) Appointed on 2 May 2008.

(ii) Appointed on 27 October 2008.

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

(c) Directors' emoluments *(Continued)*

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

Name of directors	Fees HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Pension costs HK$'000	Equity-settled share-based payments HK$'000	Total HK$'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. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) *(Continued)*

(c) Directors' emoluments *(Continued)*

For the two years ended 30 April 2009 and 2008, no emoluments have been paid by the Group to any Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

No Directors waived their emoluments for the two years ended 30 April 2009 and 2008.

(d) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2008: two) Directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2008: three) individuals during the year are as follows:

	2009 **HK$'000**	2008 HK$'000
Salaries and allowances	**1,330**	2,154
Discretionary bonuses	**–**	63
Pension costs – defined contribution plans	**24**	20
	1,354	2,237

The emoluments fell within the following bands:

	Number of individuals	
	2009	2008
Nil – HK$1,000,000	**2**	3

For the two years ended 30 April 2009 and 2008, no emoluments have been 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 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 and 1 May 2008	752	739	1,491
Exchange adjustment	(9)	–	(9)
Additions	14	376	390
Disposals	–	(264)	(264)
At 30 April 2009	757	851	1,608
ACCUMULATED DEPRECIATION			
At 1 May 2007	1,766	1,793	3,559
Exchange adjustment	4	–	4
Charge for the year	72	32	104
Eliminated on disposal of a subsidiary	(1,715)	(1,793)	(3,508)
Eliminated on disposals	(3)	–	(3)
At 30 April 2008 and 1 May 2008	124	32	156
Exchange adjustment	(6)	–	(6)
Charge for the year	116	150	266
Eliminated on disposals	–	(49)	(49)
At 30 April 2009	234	133	367
CARRYING VALUES			
At 30 April 2009	523	718	1,241
At 30 April 2008	628	707	1,335

17. PLANT AND EQUIPMENT *(Continued)*

The above items of plant and equipment are depreciated on a straight-line basis at the following rates per annum:

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

As at 30 April 2008, the carrying values of plant and equipment includes an amount of approximately HK$443,000 (2009: Nil) in respect of asset held under a finance lease.

18. TRADEMARKS

	HK$'000
COST	
At 1 May 2007	23,887
Exchange adjustment	1,660
Disposal (Note (b))	(3,175)
At 30 April 2008 and 1 May 2008	22,372
Exchange adjustment	(2,692)
At 30 April 2009	19,680
AMORTISATION	
At 1 May 2007	4,621
Exchange adjustment	226
At 30 April 2008 and 1 May 2008	4,847
Exchange adjustment	(583)
At 30 April 2009	4,264
CARRYING VALUES	
At 30 April 2009	15,416
At 30 April 2008	17,525

18. TRADEMARKS *(Continued)*

(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$15,416,000 (2008: HK$17,525,000) under location of Malaysia (Note 9).

The trademarks will be disposed of through the disposal of subsidiaries for a consideration of approximately HK$45,000,000 as disclosed in Note 34. As the trademarks are the sole asset for the disposal subsidiaries, the Directors considered that the recoverable amount of the trademarks exceeds their carrying values and accordingly, no impairment loss has been recognised.

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

19. TRADE RECEIVABLES

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

	2009 **HK$'000**	2008 HK$'000
0-30 days	**4,425**	1,733
31-60 days	**3,685**	–
61-90 days	**124**	–
91-120 days	**24**	–
121-180 days	**117**	4
181-365 days	**1**	–
Over 365 days	**–**	664
	8,376	2,401
Less: impairment loss recognised	**–**	(664)
	8,376	1,737

19. TRADE RECEIVABLES *(Continued)*

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 loss was recognised. The movement in the impairment loss of trade receivables is as follows:

	2009	2008
	HK$'000	HK$'000
At 1 May	**664**	616
Exchange adjustment	**–**	48
Amounts written off as uncollectible	**(664)**	–
At 30 April	**–**	664

Included in the impairment loss of trade receivables were individually impaired trade receivables with an aggregate balance of HK$664,000 (2008: Nil). The individually impaired receivables related to parties who were in financial difficulties. The Group did not hold any collateral over these balances.

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

	2009	2008
	HK$'000	HK$'000
61-90 days	**124**	–
91-120 days	**24**	–
121-365 days	**118**	4
	266	4

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 loss 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.

19. TRADE RECEIVABLES *(Continued)*

The gross amount of foreign currency trade receivables are denominated in the following currencies:

	2009 HK$'000	2008 HK$'000
SGD	277	–
MYR	18	664
USD	550	1,111
Others	106	105
	951	1,880

20. HELD FOR TRADING INVESTMENT

	2009 HK$'000	2008 HK$'000
Equity security listed in Hong Kong	2,320	–

21. BANK BALANCES AND CASH

	2009 HK$'000	2008 HK$'000
Bank deposits with original maturity within three months	–	2,329
Cash at banks and in hand	3,403	3,113
	3,403	5,442

21. BANK BALANCES AND CASH *(Continued)*

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

	2009 HK$'000	2008 HK$'000
SGD	3	3
MYR	37	126
USD	151	1,164
GBP	1	775
Others	12	5
	204	2,073

The effective interest rate on bank balances and bank deposits was 0.5% (2008: 2.7%) per annum.

22. TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	2009 HK$'000	2008 HK$'000
0-30 days	–	810

Foreign currency trade payables are denominated in the following currencies:

	2009 HK$'000	2008 HK$'000
USD	–	810

23. ACCRUALS AND OTHER PAYABLES

As at 30 April 2009, included in the other payables is an amount of HK$8,000,000 received from an independent third party, who has entered into a memorandum of understanding (the "**MOU**") on 22 December 2008 with D Byford Limited, a wholly-owned subsidiary of the Company, in relation to the proposed disposal of a trademark. Subsequent to the balance sheet date, such trademark was disposed to another independent third party as disclosed in Note 34 (b). So the MOU has been automatically terminated and the Group is obligated to repay the respective deposit received.

24. AMOUNT DUE TO A DIRECTOR

The amount due to a director is unsecured, non-interest bearing and repayable on demand.

25. OBLIGATION UNDER A FINANCE LEASE

It is the Group's policy to lease certain of its plant and equipment under a finance lease. The average lease term is 3 years. For the year ended 30 April 2008, the average effective borrowing rate was 3.5% (2009: Nil) per annum. 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.

	Minimum lease payments		Present value of minimum lease payments	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amount payable under a finance lease				
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)	**N/A**	N/A
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

The finance lease has been early repaid during the year ended 30 April 2009.

The finance lease obligation is denominated in HK$.

26. DERIVATIVE FINANCIAL INSTRUMENTS – WARRANTS

On 15 October 2007, the Company entered into a placing agreement with Excalibur Securities Limited ("**Placing Agent**") to place 200,000,000 unlisted warrants ("**Warrants**") on a fully underwritten basis at a subscription 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. The Warrants (after the Share Sub-division disclosed in Note 27 (a)) were then issued to nine individuals and placed on 23 December 2007, net placing proceeds of HK$5,850,000 was received by the Company.

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 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 are 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:

	2009	2008
Closing price of year ended date	**HK$0.28**	HK$1.70
Nature of warrants	**Call option**	Call option
Dividend yield	**N/A**	N/A
Exercise price	**HK$1.20**	HK$1.20
Expected life of option	**43 days**	274 days
Risk-free interest rate	**0.01%**	0.90%
Expected volatility	**142.67%**	43.61%

The risk-free interest rate was 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.

26. DERIVATIVE FINANCIAL INSTRUMENTS – WARRANTS *(Continued)*

The fair value of the Warrants as at 30 April 2009 was approximately HK$33,000 (2008: HK$6,000,000).

The fair value of the Warrants as at 30 April 2008 was equal to its subscription price.

As at 30 April 2009, 398,000,000 of Warrants are outstanding (2008: 398,000,000). Exercise in full of the outstanding Warrants would results in the issue of 398,000,000 additional shares with an aggregate subscription value of HK$477,600,000. The Warrants have expired on 12 June 2009 without any exercise.

27. SHARE CAPITAL

	Number of shares	Amount
	'000	HK$'000
Authorised:		
Ordinary shares of HK$0.01 each at 1 May 2007	1,000,000	10,000
Share Sub-division (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, 1 May 2008 and 30 April 2009	50,000,000	50,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each at 1 May 2007	200,000	2,000
Share Sub-division (Note (a))	1,800,000	–
Issue of new shares upon exercise of Warrants (Note (b))	2,000	2
Ordinary shares of HK$0.001 each at 30 April 2008, 1 May 2008 and 30 April 2009	2,002,000	2,002

27. SHARE CAPITAL *(Continued)*

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 ("Share Sub-division");

(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 Share Sub-division 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.

(b) On 24 December 2007 and 21 January 2008, 1,000,000 and 1,000,000 of Warrants were exercised respectively and 2,000,000 new ordinary shares of the Company were issued at the exercise price of HK$1.2 per share. Total proceeds of HK$2,400,000 was received by the Company.

The new shares rank pari passu with the existing shares of the Company.

28. BORROWING

	2009	2008
	HK$'000	HK$'000
Borrowing repayable after one year	**–**	1,000

As at 30 April 2008, the Group's borrowing was due to an independent third party. The balance was unsecured, bore interest at 12% per annum and would be due on 17 April 2010. The borrowing has been early settled during the year ended 30 April 2009.

29. DEFERRED TAX

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

	Accelerated tax depreciation HK$'000	Estimated tax losses HK$'000	Provisions HK$'000	Total HK$'000
At 1 May 2007	(95)	4	38	(53)
(Charged) credited to consolidated income statement	(146)	146	–	–
Disposal of a subsidiary	91	–	(38)	53
At 30 April 2008 and 1 May 2009	(150)	150	–	–
(Charged) credited to consolidated income statement	(26)	26	–	–
Effect of change in tax rate	8	(8)	–	–
At 30 April 2009	(168)	168	–	–

At the balance sheet date, the Group has unused tax losses of approximately HK$22,157,000 (2008: HK$17,538,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK$1,018,000 (2008: HK$857,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK$21,139,000 (2008: HK$16,681,000) losses due to the unpredictability of future profit streams. Such losses may be carried forward indefinitely.

30. 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 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 (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.

(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.

30. SHARE OPTION SCHEME *(Continued)*

(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);

(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.

30. SHARE OPTION SCHEME *(Continued)*

(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 were approximately HK$68,088,000.

For the two years ended 30 April 2009 and 2008

				Number of share options			
	Exercisable period	Vesting period	Exercise price	Outstanding at 1 May 2007	Granted during the year	Transferred during the year	Outstanding at 30 April 2008, 1 May 2008 and 30 April 2009
Directors:							
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	(20,000,000)	20,000,000
Consultant:							
Fong Man, Julisa (Note)	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 resigned as a director and chairperson of the Company on 23 April 2008 and became a consultant of the Group thereafter. The share options granted to her are still exercisable.

30. 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 as at 27 October 2007	HK$2.32
Exercise price	HK$2.32
Risk-free interest 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 (2009: Nil).

31. DISPOSAL OF SUBSIDIARIES

(a) On 17 November 2008, the Group disposed of its entire interest in Super League Investments Limited ("**Super League**"), a wholly-owned subsidiary of the Group with nil net assets value to Sino Dragon Group Limited, an independent third party, for a cash consideration of HK$10,000. The disposal resulted in a gain on disposal of HK$10,000 for the year ended 30 April 2009.

The subsidiary disposed of during the year ended 30 April 2009 had no significant impact on the turnover, results and cash flow of the Group.

31. DISPOSAL OF SUBSIDIARIES *(Continued)*

(b) On 18 June 2007, the Group disposed of its entire interest in Byford Marketing (S) Pte. Ltd. ("**BMS**"), a wholly-owned subsidiary of the Group to EUT Marketing (S) Pte. Ltd., an independent third party. The net assets of BMS 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 receivables	5,341
Prepayments, deposits and other receivables	327
Bank balances and cash	8
Trade payables	(4,469)
Amounts due to fellow subsidiaries	(238)
Tax liabilities	(23)
Borrowing	(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

The subsidiary disposed of during the year ended 30 April 2008 contributed approximately HK$3,663,000 to the Group's turnover and had no significant impact on the results of the Group. The subsidiary also contributed approximately HK$1,067,000 to the Group's net operating cash outflow, and no cash flow impacts in respect of investing activities and financing activities were noted.

32. 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.

33. 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 as follows:

	2009 **HK$'000**	2008 HK$'000
Within one year	**1,796**	1,647
In the second to fifth years inclusive	**225**	2,021
	2,021	3,668

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$12,958,000 (2008: HK$9,762,000). The trademarks are expected to generate rental yields of 84% (2008: 56%) on an ongoing basis. All of the trademarks held have committed licensee for the next 5 years.

	2009 **HK$'000**	2008 HK$'000
Within one year	**12,015**	9,955
In the second to fifth years inclusive	**49,619**	42,858
After five years	**29,983**	40,770
	91,617	93,583

34. POST BALANCE SHEET EVENT

(a) On 9 April 2009, the Company entered into a placing agreement with the placing agent, the Fortune (HK) Securities Limited, and agreed to place, through the placing agent, a maximum of 400,000,000 placing shares to independent investors at a price of HK$0.20 per placing share.

On 29 June 2009, the placing of new shares was completed and net proceeds of approximately HK$78,007,000 was received.

Details of the placing were set out in the Company's announcement dated 30 June 2009.

(b) On 6 May 2009, the Company entered into a sale and purchase agreement with Million Dragon Limited, an independent third party, to dispose of its entire interest on D Byford Holdings Limited and its subsidiaries for a consideration of HK$45,000,000. It will be constituted to a very substantial disposal transaction of the Company.

Details of the disposal were set out in the Company's announcement dated 14 May 2009.

35. RELATED PARTY TRANSACTIONS

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

Identity of related parties	Nature of transactions	2009 HK$'000	2008 HK$'000
Wonderful World (HK) Ltd. (Note (i))	Disposal of trademark	–	4,200
Veda Capital Limited (Note (ii))	Financial advisory expenses	–	2,000
BMS (Note (iii))	Licensing income	–	190
Perfect Start Limited (Note (iv))	Consultancy fee	–	450
Veda Corporate Services Limited (Note (ii))	Secretarial service expenses	–	176

35. RELATED PARTY TRANSACTIONS *(Continued)*

(a) *(Continued)*

Notes:

(i) Wonderful World (HK) Ltd. is a wholly-owned subsidiary of Roly International Holdings Limited ("**Roly**"), a former ultimate holding company of the Group.

(ii) Ms. Fong Man, Julisa, a former director of the Company is the director of Veda Capital Limited and Veda Corporate Services Limited.

(iii) BMS is a former wholly-owned subsidiary of the Group and is a wholly-owned subsidiary of Roly.

(iv) 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) Balance with the director is disclosed in the consolidated balance sheet and the respective terms are set out in Note 24.

(c) Key management compensation

The remuneration of the Directors and other key executives during the year was as follows:

	2009	2008
	HK$'000	HK$'000
Salaries, bonuses and allowances	**2,000**	890
Equity-settled share-based payments	**–**	68,088
Pension costs – defined contribution plans	**43**	21
	2,043	68,999

The remuneration of the Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

36. SUBSIDIARIES

Details of the Company's subsidiaries at 30 April 2009 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	BVI	BVI	USD141	100	Investment holding
Good Capital Investment Ltd.	Ordinary	BVI	BVI	USD1,000	100	Investment holding
Indirect subsidiary						
Byford IGS Limited	Ordinary	BVI	BVI	USD1	100	Inactive
D Byford Limited	Ordinary	BVI	BVI	USD1	100	Investment holding
Donald Byford & Sons Limited	Ordinary	England and Wales	England and Wales	GBP10	100	Inactive
Donald Byford & Sons Pte. Ltd.	Ordinary	Singapore	Singapore	SGD2	100	Worldwide licensing
Donald Byford & Sons Sdn. Bhd.	Ordinary	Malaysia	Malaysia	MYR2,440,000	100	Worldwide licensing
Bonus Point Holdings Limited	Ordinary	Hong Kong	Hong Kong	HK$1	100	Inactive
Goldbox Company Limited	Ordinary	Hong Kong	Hong Kong	HK$1	100	Corporate administration
Happy Crown Holdings Limited	Ordinary	BVI	BVI	USD1	100	Inactive
Hola Far East Limited	Ordinary	Hong Kong	Hong Kong	HK$100	100	Trading of apparel products
Happy Capital Investment Limited	Ordinary	Hong Kong	Hong Kong	HK$1	100	Trading of electronic products
Magic Charming Investments Limited	Ordinary	BVI	BVI	USD1	100	Inactive

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

37. BALANCE SHEET OF THE COMPANY

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Plant and equipment		**77**	100
Investments in subsidiaries		**8**	8
		85	108
Current assets			
Amounts due from subsidiaries	(a)	**19,021**	14,486
Bank balances and cash		**38**	1,561
		19,059	16,047
Current liabilities			
Accruals and other payables		**8,491**	1,013
Amounts due to subsidiaries	(a)	**10,348**	19,382
Derivative financial instruments – warrants		**33**	6,000
		18,872	26,395
Net current assets (liabilities)		**187**	(10,348)
		272	(10,240)
Capital and reserves			
Share capital		**2,002**	2,002
Reserves	(b)	**(1,730)**	(12,242)
		272	(10,240)

37. BALANCE SHEET OF THE COMPANY *(Continued)*

Notes:

(a) The amounts due from/to subsidiaries are unsecured, non-interest bearing and repayable on demand.

(b)

	Share premium HK$'000	Share options reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 May 2007	18,428	–	(19,473)	(1,045)
Loss for the year, representing total recognised income and expense for the year	–	–	(71,533)	(71,533)
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(b))	2,398	–	–	2,398
At 30 April 2008 and 1 May 2008	20,676	68,088	(101,006)	12,242
Profit for the year, representing total recognised income and expense for the year	–	–	10,512	10,512
At 30 April 2009	20,676	68,088	(90,494)	(1,730)

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

RESULTS

	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	**12 months ended 30 April 2009 HK$'000**
Revenue	63,147	29,346	31,833	14,570	**26,460**
Cost of sales	(35,099)	(13,808)	(13,837)	(3,350)	**(12,867)**
Gross profit	28,048	15,538	17,996	11,220	**13,593**
Other income	626	555	153	1,222	**531**
Selling and distribution costs	(9,315)	(4,893)	(5,131)	(1,989)	**(1,901)**
General and administrative expenses	(21,308)	(12,075)	(13,007)	(16,289)	**(18,218)**
Equity-settled share-based payments	–	–	–	(68,088)	**–**
Change in fair value of derivative financial instruments – warrants	–	–	–	–	**5,967**
Gain on disposal of a subsidiary	–	824	–	651	**10**
Finance costs	(975)	(385)	(6)	(7)	**(121)**
(Loss) profit before income tax	(2,924)	(436)	5	(73,280)	**(139)**
Income tax expense	(36)	(164)	(156)	(67)	**(149)**
Loss for the period/year	(2,960)	(600)	(151)	(73,347)	**(288)**
Dividend	–	–	–	10,000	**–**
Loss per share (HK cents)					
Basic	(0.15)	(0.03)	(0.01)	(3.67)	**(0.01)**
Diluted	(0.15)	(0.03)	N/A	N/A	**N/A**

ASSETS AND LIABILITIES

	At 30 April 2005 HK$'000	At 30 April 2006 HK$'000	At 30 April 2007 HK$'000	At 30 April 2008 HK$'000	**At 30 April 2009 HK$'000**
Total assets	42,359	32,353	35,146	27,978	**31,592**
Total liabilities	(15,006)	(4,606)	(5,925)	(11,191)	**(17,719)**
Net assets	27,353	27,747	29,221	16,787	**13,873**