



BYFORD INTERNATIONAL LIMITED

百富國際有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8272

INTERIM REPORT 2009/2010

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

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

Condensed Consolidated Financial Statements

The board of Directors (“**Board**”) announces the unaudited consolidated results of the Company and its subsidiaries (together the “**Group**”) for the six months ended 31 October 2009 together with the comparative unaudited figures for the previous corresponding period as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 October 2009

		Three months ended 31 October		Six months ended 31 October	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Notes					
Continuing Operations					
	3	3,452	1,482	5,630	1,483
Revenue					
Cost of sales		(2,759)	(1,287)	(4,664)	(1,296)
Gross profit		693	195	966	187
Other gains and losses		(718)	9	980	24
Selling and distribution expenses		(459)	(178)	(802)	(289)
General and administrative expenses		(11,988)	(2,443)	(17,623)	(3,909)
Equity-settled share-based payments		(2,816)	–	(2,816)	–
Finance costs		–	(32)	–	(65)
Loss before tax		(15,288)	(2,449)	(19,295)	(4,052)
Income tax expense	4	–	(1)	–	(3)
Loss for the period from continuing operations		(15,288)	(2,450)	(19,295)	(4,055)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the six months ended 31 October 2009

		Three months ended 31 October		Six months ended 31 October	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Notes					
Discontinued Operations					
Profit for the period from discontinued operations	5	37,108	880	39,928	305
Profit (loss) for the period attributable to owners of the Company					
		21,820	(1,570)	20,633	(3,750)
Other comprehensive income					
Exchange differences arising on translation of foreign operations		247	(1,512)	424	(2,102)
Total comprehensive income for the period attributable to owners of the Company					
		22,067	(3,082)	21,057	(5,852)
		HK cent	HK cent	HK cent	HK cent
Earnings (loss) per share					
From continuing and discontinued operations	7				
– Basic		0.91	(0.08)	0.91	(0.19)
– Diluted		N/A	N/A	N/A	N/A
From continuing operations					
– Basic		(0.64)	(0.12)	(0.85)	(0.20)
– Diluted		N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 October 2009

	Notes	31 October 2009 (Unaudited) HK\$'000	30 April 2009 (Audited) HK\$'000
Non-current assets			
Plant and equipment		5,235	1,241
Trademarks		–	15,416
Goodwill		21	–
Investments in associates		4,000	–
		9,256	16,657
Current assets			
Trade receivables	8	2,544	8,376
Prepayments, deposits and other receivables		10,660	836
Loan receivables	9	23,685	–
Held for trading investment		3,200	2,320
Bank balances and cash		66,073	3,403
		106,162	14,935
Current liabilities			
Accruals and other payables		9,040	17,566
Amount due to a director		–	79
Derivative financial instruments – warrants		–	33
Tax liabilities		–	41
		9,040	17,719
Net current assets (liabilities)		97,122	(2,784)
Total assets less current liabilities		106,378	13,873
Capital and reserves			
Share capital		2,402	2,002
Reserves		103,976	11,871
Total equity		106,378	13,873

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 October 2009

	Share Capital HK\$'000	Share premium HK\$'000	Share options reserve HK\$'000	Special reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total equity attributable to owners of the Company HK\$'000
At 1 May 2008 (audited)	2,002	20,676	68,088	8,023	3,554	(85,556)	16,787
Loss for the period	–	–	–	–	–	(3,750)	(3,750)
Exchange differences arising on translation of foreign operations	–	–	–	–	(2,102)	–	(2,102)
Total comprehensive income for the period	–	–	–	–	(2,102)	(3,750)	(5,852)
At 31 October 2008 (unaudited)	2,002	20,676	68,088	8,023	1,452	(89,306)	10,935
At 1 May 2009 (audited)	2,002	20,676	68,088	8,023	928	(85,844)	13,873
Profit for the period	–	–	–	–	–	20,633	20,633
Exchange differences arising on translation of foreign operations	–	–	–	–	424	–	424
Total comprehensive income for the period	–	–	–	–	424	20,633	21,057
Recognition of equity-settled share-based payments	–	–	2,816	–	–	–	2,816
Disposal of subsidiaries	–	–	–	(8,023)	(1,352)	–	(9,375)
Issue of ordinary shares	400	79,600	–	–	–	–	80,000
Expenses of issue of ordinary shares	–	(1,993)	–	–	–	–	(1,993)
At 31 October 2009 (unaudited)	2,402	98,283	70,904	–	–	(65,211)	106,378

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 October 2009

	Six months ended 31 October	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Net cash used in operating activities	(28,333)	(2,257)
Net cash from investing activities	12,996	13
Net cash from (used in) financing activities	78,007	(55)
Net increase (decrease) in cash and cash equivalents	62,670	(2,299)
Cash and cash equivalents at beginning of the period	3,403	5,442
Cash and cash equivalents at the end of the period		
Bank balances and cash	66,073	3,143

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 October 2009

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 22 January 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the address of its principal place of business in Hong Kong is Unit 1505-1510, 15/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong. The shares of the Company have been listed on GEM of the Stock Exchange since 27 June 2003.

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

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* and on the historical cost convention except for certain financial instruments, which are measured at fair values. The principal accounting policies applied in the preparation of these condensed consolidated financial information are consistent with those applied in the preparation of the consolidated financial statements of the Company for the year ended 30 April 2009, except for the adoption of the standards and interpretations described below.

In the current period, the Group has applied, the following amendments and interpretations (“**new IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) and the International Financial Reporting Interpretations Committee (“**IFRIC**”) of the IASB which are or have become effective.

IFRSs (Amendments)	Improvements to IFRSs May 2008
IFRSs (Amendments)	Improvements to IFRSs April 2009
IAS 1 (Revised)	Presentation of Financial Statements
IAS 23 (Revised)	Borrowing Costs
IAS 32 and IAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
IFRS 1 and IAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 October 2009

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(Continued)*

IFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations
IFRS 7 (Amendment)	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
IFRS 8	Operating Segments
IFRIC 9 and IAS 39 (Amendments)	Reassessment of Embedded Derivatives
IFRIC 13	Customer Loyalty Programmes
IFRIC 15	Agreements for the Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 18	Transfers of Assets from Customers

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.

IAS 1 (Revised) separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present one statement.

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The application of IFRS 8 has not resulted in a redesignation of the Group's reporting segments as compared with the primary reporting segments determined in accordance with IAS 14 Segment Reporting.

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

IFRSs (Amendments)	Improvements to IFRSs May 2008 ¹
IFRSs (Amendments)	Improvements to IFRSs April 2009 ²
IAS 24 (Revised)	Related Party Disclosures ³
IAS 27 (Revised)	Consolidated and Separate Financial Statements ⁴
IAS 32	Financial Instruments: Presentation – Classification of Rights Issues ⁵

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(Continued)*

IAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Eligible Hedged Items ⁴
IFRS 1 (Revised)	First-time Adoption of IFRSs ⁴
IFRS 1 (Amendments)	First-time Adoption of IFRSs ⁶
IFRS 2 (Amendments)	Share-based Payment – Group Cash-settled Share-based Payment Transactions ⁶
IFRS 3 (Revised)	Business Combinations ⁴
IFRS 9	Financial Instruments ⁷
IFRIC 17	Distribution of Non-cash Assets to Owners ⁴

¹ Amendments to IFRS 5, effective for annual periods beginning on or after 1 July 2009.

² Effective for annual periods beginning on or after 1 July 2009, 1 January 2010, as appropriate.

³ Effective for annual periods beginning on or after 1 January 2011.

⁴ Effective for annual periods beginning on or after 1 July 2009.

⁵ Effective for annual periods beginning on or after 1 February 2010.

⁶ Effective for annual periods beginning on or after 1 January 2010.

⁷ Effective for annual periods beginning on or after 1 January 2013.

The adoption of 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. The Directors anticipate the application of the other revised standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

3. SEGMENTAL INFORMATION

During the period under review, the Group's activities are organised into four main operating segments, including sales of apparel products ("**Sales of apparel**"), sales of electronic products ("**Sales of electronic**"), provision of trademarks licensing consultancy service ("**Consultancy service**") and licensing of the Group's trademarks relating to Byford branded men's innerwear, socks and apparel in return for royalty income ("**Licensing**").

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 October 2009

3. SEGMENTAL INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by operating segment:

	Six months ended 31 October		Segment result	
	Revenue			
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Continuing operations				
Sales of apparel	5,205	1,483	(1,837)	(1,152)
Sales of electronic	–	–	(11)	–
Consultancy service	425	–	419	–
	5,630	1,483	(1,429)	(1,152)
Unallocated corporate expenses			(15,050)	(2,835)
Equity-settled share-based payments			(2,816)	–
Finance costs			–	(65)
Loss before tax (continuing operations)			(19,295)	(4,052)
Discontinued operations				
Licensing	4,201	5,841	1,623	349
Gain on disposal of licensing operation			38,517	–
Profit before tax (discontinued operations)			40,140	349
Income tax expense (continuing and discontinued)			(212)	(47)
Consolidated revenue and profit (loss) for the period	9,831	7,324	20,633	(3,750)

4. INCOME TAX EXPENSE

	Six months ended 31 October	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Continuing Operations		
Under provision in prior years		
– other jurisdictions	–	3
	–	3

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

No Hong Kong Profits Tax was provided as the Group had no assessable profits arising in or deriving from Hong Kong. Taxation arising in other jurisdictions was calculated at the rates prevailing in the relevant jurisdictions.

5. DISPOSAL OF SUBSIDIARIES

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 on D Byford Holdings Limited and its subsidiaries (“**D Byford Group**”), which are involved in Licensing business, for a consideration of HK\$45,000,000. It constitutes a very substantial disposal transaction of the Company. On 31 August 2009, the sale and purchase agreement was completed and cash consideration of HK\$45,000,000 was received by the Company.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 October 2009

5. DISPOSAL OF SUBSIDIARIES *(Continued)*

The net assets of D Byford Group at the date of disposal completion were as follows:

	At 31 August 2009 (Unaudited) HK\$'000
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Net Assets Disposed of:	
Plant and equipment	15,811
Trade receivables	2,290
Prepayments, deposits and other receivables	44
Bank balances and cash	97
Accruals and other payables	(639)
Tax liabilities	(160)
	<hr/>
	17,443
Assets and liabilities assigned to the Group	(1,585)
Special reserve realised	(8,023)
Translation reserve realised	(1,352)
Gain on disposal of licensing operation	38,517
	<hr/>
Total consideration	45,000
	<hr/> <hr/>
Satisfied by:	
Cash	45,000
	<hr/> <hr/>
Net cash inflow arising from disposal:	
Cash consideration	45,000
Bank balances and cash disposed of	(97)
	<hr/>
	44,903
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5. DISPOSAL OF SUBSIDIARIES *(Continued)*

The profit for the period from discontinued operations is analysed as follows:

	Six months ended 31 October	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Revenue	4,201	5,841
Cost of sales	–	–
Gross profit	4,201	5,841
Other gains and losses	160	18
Selling and distribution expenses	(170)	(586)
General and administrative expenses	(2,568)	(4,924)
Finance costs	–	–
Profit before tax	1,623	349
Income tax expense	(212)	(44)
Profit for the period from Licensing operation	1,411	305
Gain on disposal of Licensing operation	38,517	–
	39,928	305

6. DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 31 October 2009 (six months ended 31 October 2008: Nil).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 October 2009

7. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share is based on the following:

	Three months ended 31 October		Six months ended 31 October	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
From continuing and discontinued operations				
Profit (loss) for the period attributable to owners of the Company	21,820	(1,570)	20,633	(3,750)
From continuing operations				
Loss for the period from continuing operations	(15,288)	(2,450)	(19,295)	(4,055)
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	2,402,000	2,002,000	2,273,739	2,002,000

No diluted earnings (loss) per share has been presented for the three months and six months ended 31 October 2009 and 31 October 2008 as the outstanding share options and warrants during the periods had anti-dilutive effect on the basic earnings (loss) per share.

8. TRADE RECEIVABLES

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

	31 October 2009 (Unaudited) HK\$'000	30 April 2009 (Audited) HK\$'000
0 to 30 days	2,196	4,425
31 to 60 days	184	3,685
61 to 90 days	164	124
91 to 120 days	–	24
121 to 180 days	–	117
181 to 365 days	–	1
Over 365 days	–	–
	2,544	8,376

9. LOAN RECEIVABLES

On 17 September 2009, Polarix Limited (“**Polarix**”), an indirect wholly-owned subsidiary of the Company entered into a loan agreement with Dragoncom Holdings Limited (“**Dragoncom**”), an independent third party of the Company, pursuant to which Polarix agreed to advance a loan of HK\$24,000,000 to Dragoncom for a period of 6 months at the interest rate of 8% per annum. The loan is secured by a charge over Dragoncom’s portfolio of locally-listed securities in favour of Polarix. The loan was drawn down on 18 September 2009 and amount outstanding as at 31 October 2009 amounted to HK\$23,685,000.

Management Discussion and Analysis

BUSINESS REVIEW

Revenue

The Group's revenue for the six months ended 31 October 2009 ("**Reporting Period**") increased by HK\$2,507,000 or 34.2% to HK\$9,831,000 as compared with HK\$7,324,000 in the last corresponding period ("**Prior Period**"). The Group's revenue is composed of four business segments, including Sales of apparel, Sales of electronic, Consultancy service and Licensing. The increase in revenue was mainly contributed by the Sales of apparel.

Sales of apparel

Revenue from Sales of apparel during the Reporting Period was HK\$5,205,000, increased by HK\$3,722,000 as compared with HK\$1,483,000 in the Prior Period. Passing through the resources re-engineering and learning process, the Group is now on the right track of acting as the sourcing and distribution agent of reputable buying companies. The Group is pleased to observe continuous growth of the segment during the Reporting Period.

Sales of electronic

There was no revenue from Sales of electronic during the Reporting Period and the Prior Period.

Licensing

Royalty income from Licensing during the Reporting Period was HK\$4,201,000, decreased by HK\$1,640,000 or 28.1% as compared with HK\$5,841,000 in Prior Period. The decrease was due to the disposal of the Licensing segment, which ceased to contribute revenue and results to the Group starting from September 2009.

Profit (loss) for the period

Profit attributable to owners for the Reporting Period was HK\$20,633,000, representing an improvement of HK\$24,383,000 as compared with a loss of HK\$3,750,000 in the Prior Period. The reduction in loss was mainly resulted from the disposal of Licensing segment, resulting in a gain on disposal of HK\$38,517,000 taken up by the Group.

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

Details of the Japan Memorandum had been set out in the announcement of the Company dated 22 December 2008. On 14 May 2009, the Board announced that D Byford Limited and Champion Angel Limited had entered into a deed of termination to terminate the Japan Memorandum with immediate effect and the HK\$8,000,000 earnest money received was repaid accordingly.

Memorandum of understanding on the exploration of investment opportunities in energy business

On 19 August 2009, Elite Spring Holdings Limited ("**Proposed Investor**"), an indirect wholly-owned subsidiary of the Company entered into a non-legally binding memorandum of understanding with New Success Asia Limited ("**NSAL**"), an independent third party, pursuant to which the Proposed Investor intends to invest in NSAL for possible investment in energy and natural resources related business. Details of the memorandum had been set out in the announcement of the Company dated 19 August 2009. The Proposed Investor is still gathering information and carrying feasibility study on the project, no concrete investment opportunities has yet been identified.

CAPITAL STRUCTURE

Placing of shares

On 29 June 2009, the Group had successfully placed 400,000,000 new shares at the price of HK\$0.2 per placing share, representing approximately 16.65% of the issued share capital of the Company as enlarged by the placing, net proceeds of HK\$78,007,000 was received.

Unlisted warrants

The 398,000,000 outstanding unlisted warrants at the subscription price of HK\$1.2 per subscription share brought forward from last year were not exercised during the Reporting Period and were fully expired on 12 June 2009, gain of HK\$33,000 on change in fair value of the unlisted warrants was recognized during the Reporting Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group ended the Reporting Period with net bank balances and cash of HK\$66,073,000 (as at 30 April 2009: HK\$3,403,000), net current asset of HK\$97,122,000 (as at 30 April 2009: net current liability of HK\$2,784,000). The Group has no borrowing at the end of the Reporting Period. Gearing ratio, computed as borrowings and finance lease obligations over total equity, stood at nil at Reporting Period end and as at 30 April 2009. The increase in bank balances and improvement in liquidity position were mainly due to the completion of placing of shares in June 2009 and completion of disposal of Licensing operation in August 2009.

In order to manage surplus fund more efficiently, the Group had arranged a secured loan to an independent third party for the amount of HK\$24,000,000 for a period of 6 months at the interest rate of 8% per annum. The loan was drawn down on 18 September 2009 and amount outstanding as at 31 October 2009 amounted to HK\$23,685,000 and repayable with interest accrued on 17 March 2010.

DISPOSAL OF SUBSIDIARIES

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 Group for a cash consideration of HK\$45,000,000. It constitutes 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). On 31 August 2009, the sale and purchase agreement was completed and cash consideration of HK\$45,000,000 was received by the Company and a gain on disposal of HK\$38,517,000 was taken up by the Group.

HUMAN RESOURCES

At 31 October 2009, the Group employed a total of 40 employees as compared with 18 as at 30 April 2009. The increase in headcount was due to the Group's continuous expansion of sales of goods business, the expansion into licensing consultancy businesses and the development team for exploration into new businesses.

CHARGE ON GROUP ASSETS

There was no charge on the Group's assets during or at the end of the Reporting Period.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no future plan for material investment or capital asset nor any material contingent liability at the end of the Reporting Period.

FOREIGN EXCHANGE EXPOSURE

Several subsidiaries of the Company had foreign currency sales and purchases which exposed the Group to foreign currency risk, mainly for the possible exchange fluctuation in United States Dollars. The Group currently does not have a foreign currency hedging policy as the Board considers that the currency risk exposure is immaterial. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

PROSPECTS AND OUTLOOK

On 31 August 2009, the disposal of D Byford Group was duly completed. Reference is made to the announcement and the circular of Company dated 14 May 2009 and 7 August 2009 respectively. D Byford Holdings Limited is the shareholder of the companies holding the “*Byford*” trademark, and upon completion, the D Byford Holdings Limited ceased to be the subsidiary of the Company. The cashflow position of the Company was substantially improved after the disposal.

As economic expansion continues, China's demand for energy is surging rapidly. China is currently the world's third largest energy producer and the second largest energy consumer. The likely continued growth of energy industries will have significant impact on China's energy demand and emissions in the future. On 17 August 2009, the Board announced that the Company has decided to enter into the Memorandum of Understanding (MOU) with New Success Asia Limited to explore the market for energy related products to explore new business opportunities. The Company is now investigating the cooperative venture under information exchange and is still in negotiations with the relevant parties to discuss the detailed terms and conditions of investment or co-operation.

We are confident that we have the resources on hand, and the liquidity available. While the Group is committed towards the development of business development prospects, it will also continue with its brand management and being the source agent for apparel business. We will also make use of the resources on hand and continue to seek for new investment opportunities in other areas to diversify the business with the best return for the shareholders of the Company. Although the economic market is still surrounded by uncertainty, the Group is confident that it has taken the right course of action to strengthen the 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.

Other Information

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

As at 31 October 2009, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

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

Name of Director	Capacity	Number of		Total number of Shares and underlying Shares	Approximate percentage of interests in the Company's issued share capital
		Shares	Underlying Shares (Note)		
Ms. Wong Yuet May Jeremy	Beneficial owner	–	21,000,000	21,000,000	0.87%
Ms. Chan Lai Kwan Rainbow	Beneficial owner	–	1,000,000	1,000,000	0.04%
Mr. Chan Fu Kei	Beneficial owner	–	1,000,000	1,000,000	0.04%
Mr. Woo Hing Keung Lawrence	Beneficial owner	1,325,000	1,000,000	2,325,000	0.10%
Mr. Too Shu Wing	Beneficial owner	–	1,000,000	1,000,000	0.04%

Note: The interests in the underlying Shares arise from share options granted to the Directors under the Company's share option scheme adopted by the Company on 10 June 2003 ("Share Option Scheme"). The interests constitute a long position of the Directors in a physically settled equity derivatives for the purpose of the SFO.

Save as disclosed above, as at 31 October 2009, none of the Directors or the chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules.

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

As at 31 October 2009, the following persons or companies (other than Directors or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO and were directly or indirectly interest in 5% or more of the nominal value of any class of the share capital carrying rights to vote on all circumstances at general meeting of any other members of the Group were as follows:

Long position in the Shares

Name of shareholders	Capacity	Note	Number of Shares	Approximate percentage of interests in the Company's issued share capital
Upper Run Investments Limited (" Upper Run ")	Being a beneficial owner	1	1,051,099,900	43.76%
Ms. Chan Yuen Fan Winky (" Ms. Chan ")	Having an interest in a controlled corporation	1	1,051,099,900	43.76%
Kingston Finance Limited (" Kingston ")	Having a security interest	2 & 3	1,010,000,000	42.04%
Mrs. Chu Yuet Wah (" Mrs. Chu ")	Having an interest in a controlled corporation	2, 3 & 4	1,010,000,000	42.04%
Ms. Ma Siu Fong (" Ms. Ma ")	Having an interest in a controlled corporation	2, 3 & 4	1,010,000,000	42.04%

Other Information

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 1,051,099,900 Shares held by Upper Run, 1,010,000,000 Shares are charged with Kingston Finance Limited.
3. Kingston 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.

Save as disclosed above and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, based on the public records filed at the website of the Stock Exchange and record kept by the Company as at 31 October 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.

OTHER INTERESTS DISCLOSEABLE UNDER THE SFO

Save as disclosed in the paragraphs headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION" and "SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES" above, so far as is known to the Directors as at 31 October 2009, there is no other person who has any interests or short positions in the Shares and underlying Shares that is discloseable under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme to provide incentive to the people and the parties working for the interests of the Group with an opportunity to obtain an equity interest in the Company.

During the Reporting Period, detailed movements relating to options granted under the Share Option Scheme were as follows:

Name or category of participant	Date of grant	Effective exercise price HK\$	Exercise period	Movement of option shares (adjusted) during the period				As at 31.10.2009
				As at 01.05.2009	Exercised	Granted	Lapsed	
Consultant	27.10.2007	2.320	27.10.2007 – 27.10.2010	20,000,000	–	–	–	20,000,000
Staff	11.09.2009	0.700	11.09.2009 – 10.09.2012	–	–	1,000,000	–	1,000,000
	14.09.2009	0.708	14.09.2009 – 13.09.2012	–	–	1,000,000	–	1,000,000
Directors								
Ms. Chan Lai Kwan Rainbow	11.09.2009	0.700	11.09.2009 – 10.09.2012	–	–	1,000,000	–	1,000,000
Ms. Wong Yuet May Jeremy	27.10.2007	2.320	27.10.2007 – 27.10.2010	20,000,000	–	–	–	20,000,000
	11.09.2009	0.700	11.09.2009 – 10.09.2012	–	–	1,000,000	–	1,000,000
Mr. Chan Fu Kei	11.09.2009	0.700	11.09.2009 – 10.09.2012	–	–	1,000,000	–	1,000,000
Mr. Woo Hing Keung Lawrence	11.09.2009	0.700	11.09.2009 – 10.09.2012	–	–	1,000,000	–	1,000,000
Mr. Too Shu Wing	11.09.2009	0.700	11.09.2009 – 10.09.2012	–	–	1,000,000	–	1,000,000
Total:				40,000,000	–	7,000,000	–	47,000,000

During the Reporting Period, no option granted under the Share Option Scheme has been cancelled.

DISCLOSURE ON CHANGE OF INFORMATION OF DIRECTORS PURSUANT TO RULE 17.05A(1) OF THE GEM LISTING RULES

Mr. Chan Tak Yan, an independent non-executive Director, has been appointed as an executive director of Hembly International Holdings Limited, a company listed on the Main Board of the Stock Exchange, with effect from 15 July 2009.

Mr. Orr Joseph Wai Shing, an independent non-executive Director, was appointed as independent non-executive director and chairman of both the audit committee and the remuneration committee of China Packaging Group Company Limited, a company listed on the Main Board of the Stock Exchange, on 18 September 2009 and resigned on 22 October 2009.

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

Save as disclosed above, as at 31 October 2009, neither the Company, holding company nor any of its subsidiaries was a party to any arrangements to enable the Directors and the chief executive of the Company to acquire benefits by means of the acquisition of Shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the Directors and the chief executive of the Company or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE

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

The appointment of the chairman of the Company remains outstanding. The Company is still looking for a suitable candidate to fill the vacancy in order to comply with the Code. The Board is of the view that the role of chief executive officer is mainly responsible for the day-to-day management of the Group's business and such role 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 Group so the power is not concentrated on the chief executive officer.

Save as disclosed above, the Company has complied with the Code throughout the Reporting Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions by Directors which is no less exacting than the required standard of dealings of shares by directors as set out in rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and its code of conduct regarding directors' securities transactions throughout the Reporting Period.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group throughout the Reporting Period.

AUDIT COMMITTEE

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

The primary duties of the audit committee are to review and supervise of the Company's financial reporting process and internal control system. The unaudited interim results for the six months ended 31 October 2009 have been reviewed by the members of the audit committee, who are of the opinion that such statements comply with the applicable accounting standards, the Stock Exchange listing requirements and other legal requirements and that adequate disclosures have been made.

BOARD OF DIRECTORS

Mr. Too Shu Wing was appointed as an executive Director on 4 September 2009.

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

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

Hong Kong, 10 December 2009

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
Mr. Too Shu Wing

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*

COMPLIANCE OFFICER

Ms. Chan Lai Kwan Rainbow

AUDIT COMMITTEE

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

AUTHORISED REPRESENTATIVES

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

AUDITOR

SHINEWING (HK) CPA Limited

REGISTERED OFFICE

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Cayman Islands

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Grand Cayman
KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
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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