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BYFORD INTERNATIONAL LIMITED

百富國際有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8272)

Placing Agent



Fortune (HK) Securities Limited

PLACING OF NEW SHARES

The Company and the Placing Agent entered into the Placing Agreement on 9 April 2009, 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.

The 400,000,000 Placing Shares represent (i) approximately 19.98% of the existing issued share capital of the Company of 2,002,000,000 Shares; and (ii) approximately 16.65% of the Company's issued share capital of 2,402,000,000 Shares as enlarged by completion of the Placing.

The maximum net proceeds from the Placing of approximately HK\$77.8 million are intended to be used for the general working capital of the Group.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

* for identification purpose only

THE PLACING AGREEMENT

Date

9 April 2009

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place a maximum of 400,000,000 Placing Shares on a best effort basis and will receive a placing commission of 2.5% on the gross proceeds of the actual number of Placing Shares placed. The placing commission was determined by reference to the range of market norms for commissions for this type of transaction. The Directors (including the independent non-executive Directors) are of the view that the placing commission is fair and reasonable. The Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

Placees

The Placing Agent agreed to place the Placing Shares on a best effort basis to no fewer than six Placees who, and whose ultimate beneficial owners, will be independent of and not be connected persons (as defined in the GEM Listing Rules) of the Company and its connected persons (as defined in the GEM Listing Rules). None of the Placees will become a substantial Shareholder (as defined in the GEM Listing Rules) immediately after the Placing nor will any new substantial/controlling shareholders be introduced after the Placing.

Placing Shares

The 400,000,000 Placing Shares represent (i) approximately 19.98% of the existing issued share capital of the Company of 2,002,000,000 Shares; and (ii) approximately 16.65% of the Company's issued share capital of 2,402,000,000 Shares as enlarged by the Placing.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the relevant Placing Shares.

Placing Price

The Placing Price of HK\$0.20 represents:

- (i) a discount of approximately 16.67% to the closing price of HK\$0.24 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 15.97% to the average closing price of approximately HK\$0.2380 per Share as quoted on the Stock Exchange for the last five consecutive trading days including the Last Trading Day;
- (iii) a discount of approximately 8.59% to the average closing price of approximately HK\$0.2188 per Share as quoted on the Stock Exchange for the last ten consecutive trading days including the Last Trading Day; and
- (iv) a discount of approximately 0.55% to the average closing price of approximately HK\$0.2011 per Share as quoted on the Stock Exchange for the last 20 consecutive trading days including the Last Trading Day.

The Placing Price was determined with reference to the average closing price per Share for the last 20 consecutive trading days of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

General Mandate

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by a resolution of the Shareholders passed at the Company's annual general meeting held on 26 August 2008 subject to the limit up to 20% of the then issued ordinary Shares with a par value of HK\$0.001 each in the capital of the Company. Under the General Mandate, the Company is authorized to issue 400,400,000 Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate. The Placing and the issue of new Shares are not subject to Shareholders' approval.

Conditions of the Placing

Completion of the Placing is conditional upon the Stock Exchange granting listing of and permission to deal in the Placing Shares. If the foregoing provision is not fulfilled on or prior to 9 July 2009 (or such later date as may be agreed between the Company and the Placing Agent), this Agreement shall terminate and neither the Placing Agent nor the Company shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

Termination and *force majeure*

Notwithstanding anything contained in the Placing Agreement, if, at any time prior to 10:00 a.m. on the date of Completion, in the reasonable opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations and warranties set out in the Placing Agreement;
or
- (ii) any of the following events:
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not *sui generis* with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (d) a change or development involving a prospective change in taxation in Hong Kong, the Cayman Islands, the British Virgin Islands or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such;
or
 - (e) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the date of Completion.

In the event that the Placing Agent terminates the Placing Agreement pursuant to the *force majeure* clause, all obligations of each of the parties under the Placing Agreement, shall cease and determine and neither the Company nor the Placing Agent shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing

Completion of the Placing will take place on a date falling within two business days after the fulfilment of the conditions as set out in the Placing Agreement, but in any event no later than 9 July 2009 or such later date as may be agreed between the Company and the Placing Agent.

Further announcement(s) will be made by the Company in relation to the final number of Placing Shares to be placed at Completion.

Application for listing

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, all the Placing Shares.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

OTHER INFORMATION ON THE PLACING

Reasons for the Placing

The Board considers that the Placing is to the interest of the Company in view of the prevailing market conditions. The recent market sentiment represents a good timing for raising equity capital for the Company. The Placing represents an opportunity to raise additional capital for the Company to strengthen the capital base and to explore potential business and take up investment opportunities in the future with readily available funds. The Directors consider that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Use of proceeds

The maximum gross proceeds from the Placing are approximately HK\$80 million. The maximum net proceeds from the Placing (after deducting the placing commission and other related expenses payable by the Company) are approximately HK\$77.8 million which are intended to be used for general working capital of the Group. The net proceed raised per Placing Share is approximately HK\$0.19.

Fund raising activities in the past twelve months

The Company did not have any fund raising activities on any issue of equity securities in the past twelve months prior to the Latest Trading Date.

Effect on shareholding structure

The existing and enlarged shareholding structure of the Company as at the date of this announcement and immediately after Completion (assuming there are no other changes in the issued share capital of the Company) are set out below:

Shareholders	As at the date of this announcement		Immediately after Completion	
	Number of Shares	%	Number of Shares	%
Upper Run Investments Limited ("Upper Run") (Note)	1,169,099,900	58.40	1,169,099,900	48.67
Director				
Mr. Woo Hing Keung Lawrence	1,325,000	0.06	1,325,000	0.06
Public Shareholders				
The Placees	–	–	400,000,000	16.65
Others	<u>831,575,100</u>	<u>41.54</u>	<u>831,575,100</u>	<u>34.62</u>
Total	<u>2,002,000,000</u>	<u>100.00</u>	<u>2,402,000,000</u>	<u>100.00</u>

Note: Upper Run is a company incorporated in the British Virgin Islands and beneficially owned by Ms. Chan Yuen Fan Winky. Out of the 1,169,099,900 Shares held by Upper Run, 1,010,000,000 Shares are charged with Kingston Finance Limited.

As at the date of this announcement, the existing authorized share capital of the Company consists of 50,000,000,000 Shares out of which 2,002,000,000 Shares are issued and fully paid up.

As at the date of this announcement, there are 40,000,000 outstanding share options and 398,000,000 outstanding unlisted warrants.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Company”	Byford International Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting held on 26 August 2008 to allot and issue the new Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	9 April 2009, being the date of the Placing Agreement and the date on which the terms of the Placing were fixed
“Placees”	any individuals, corporate, institutional investors or other investors procured by or on behalf of the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent to the Placees pursuant to the Placing Agreement

“Placing Agent”	Fortune (HK) Securities Limited, a licensed corporation to carry out Type 1 and Type 4 regulated activity for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 9 April 2009 and entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	the placing price of HK\$0.20 per Placing Share
“Placing Shares”	up to an aggregate of 400,000,000 new Shares to be allotted and issued under the Placing
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 9 April 2009

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

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

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at www.hkgem.com for at least 7 days from the date of its publication and on the Company’s website at www.donaldbyford.com.