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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)

**VERY SUBSTANTIAL DISPOSAL;
TERMINATION OF MEMORANDUM OF UNDERSTANDING;
AND
RESUMPTION OF TRADING**

Financial Adviser to the Company

VEDA | CAPITAL
智略資本

THE AGREEMENT

On 6 May 2009 (after trading hours in the morning section), the Company entered into the Agreement with the Purchaser, the Disposed Company and AML pursuant to which the Purchaser has conditionally agreed to acquire and the Company has conditionally agreed to sell the Sale Shares for the Consideration of HK\$45,000,000.

The Consideration for the Sale Shares shall be payable in cash by the Purchaser to the Company at Completion.

GENERAL

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 EGM by way of poll.

The Company will review the situation of Rule 19.82 of the GEM Listing Rules upon Completion.

A circular containing details of the Disposal, financial information regarding the Disposed Group and a notice of EGM will be despatched to the Shareholders in compliance with the GEM Listing Rules.

* For identification purpose only

TERMINATION OF THE MOU

The Board announced that the relevant parties to the MOU dated 22 December 2008 have agreed to terminate the MOU with immediate effect.

As the MOU is non-legally binding in nature, the Board considers that the termination of the MOU has no material adverse impact on the existing business operations of the Group.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 2:30 p.m. on 6 May 2009 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 15 May 2009.

THE SALE AND PURCHASE AGREEMENT

Date: 6 May 2009

Parties:

| | |
|-----------------------|---------------------------|
| (1) Vendor: | the Company |
| (2) Purchaser: | Million Dragon Limited |
| (3) Disposed Company: | D Byford Holdings Limited |
| (4) Guarantor: | AML |

Pursuant to the Agreement, AML has unconditionally and irrevocably guaranteed to the Company the due and punctual performance of the Purchaser of its obligations under the Agreement up to a period of 12 months after Completion.

The Purchaser is an investment holding company. Both the Purchaser and AML are wholly-owned by an intermediate holding company, Fordwell Holdings Limited, which is ultimately beneficially owned by the AML Shareholders. AML is principally engaged in marketing, wholesaling and retailing of garments and accessories and has entered into a licensing agreement with DBS (Malaysia) on 20 November 2006 for use of certain Trademarks in China, Hong Kong and Macau. AML has been the licensee of the brandname "Byford" for clothing in China, Hong Kong and Macau since 1989. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Purchaser, AML and their ultimate beneficial owners is an Independent Third Party.

Assets to be disposed

The Sale Shares.

Consideration

The Consideration for the Sale Shares shall be payable by the Purchaser to the Company at Completion by a cashier order in favour of the Company issued by a licensed bank in Hong Kong or such other payment method as the Company and the Purchaser shall agree three Business Days prior to the Completion Date.

The Consideration was agreed between the Company and the Purchaser after arm's length negotiations with reference to a preliminary valuation conducted by an independent valuer on a market approach basis valuing the Trademarks at HK\$37,000,000 as at 30 April 2009. A formal valuation report of the Trademarks will be included in the circular in relation to the Disposal to be despatched to the Shareholders. Having considered that the Consideration represents a premium of approximately 21.6% over the preliminary valuation of the Trademarks, the Directors (including independent non-executive Directors) consider that the Consideration is fair and reasonable.

The Company and the Purchaser will procure the completion and delivery of an audited consolidated balance sheet of the Disposed Group as at the Completion Date within three months after Completion so as to ascertain the amount of the Debt. In the event where the Debt represents the liabilities due by the Company to the Disposed Company, the Purchaser shall procure the Disposed Company to, and the Disposed Company has agreed to, waive such Debt without recourse to the Company. In the event where the Debt represents the liabilities due by the Disposed Company to the Company, the Company will waive such Debt without recourse to the Disposed Company. As at the date of the Agreement, the net amount that the Disposed Company owed to the Company was approximately HK\$1.7 million.

Conditions Precedent

Completion is subject to and conditional upon to the fulfillment of the following:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Agreement and the transactions contemplated thereunder;
- (ii) all necessary consents, approval, confirmation, ruling or waiver required to be obtained on the part of the Company from the Stock Exchange and the SFC in respect of the Agreement and the transactions contemplated thereunder having been obtained;
- (iii) all necessary consents and approval required to be obtained on the part of the Company in respect of the Agreement and the transactions contemplated thereunder having been obtained;

- (iv) the warranties remaining true and accurate in all material respects to the best of the knowledge and understanding of the Company;
- (v) the Company, at the costs and expenses to be borne equally by the Company and the Purchaser, delivering to the Purchaser at least five Business Days before the Completion Date:
 - (a) a legal opinion issued by a qualified lawyer in Malaysia in approved form in relation to the due existence, identity of shareholder and good standing of DBS (Malaysia);
 - (b) a legal opinion issued by a qualified lawyer in Singapore in approved form in relation to due existence, identity of shareholder and good standing of DBS (Singapore);
 - (c) legal opinion(s) issued by legal adviser(s) to be appointed by the Purchaser and the Company in relation to ownership of the registered Trademarks in the form and substance to the reasonable satisfaction of the Purchaser;
- (vi) completion of the due diligence review to the reasonable satisfaction of the Purchaser in relation to the due registration of the Trademarks (if registered), and
- (vii) completion of the Subscription Agreement.

All of the conditions, except the conditions (iv), (v) and (vi) which may be waived by the Purchaser in writing, are not waivable under the Agreement. If any of the conditions above have not been satisfied (or as the case may be, waived by the Purchaser) on or before 12:00 noon on 30 September 2009 or such later date as the Company and the Purchaser may agree in writing, the Agreement shall cease and determine and neither the Company nor the Purchaser shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms the Agreement.

Completion

Completion shall take place at 5:00 p.m. on the Completion Date or such other date and/or time as the Company and the Purchaser may agree.

Upon Completion, the Disposed Group will cease to be subsidiaries of the Company.

Purchaser's undertaking

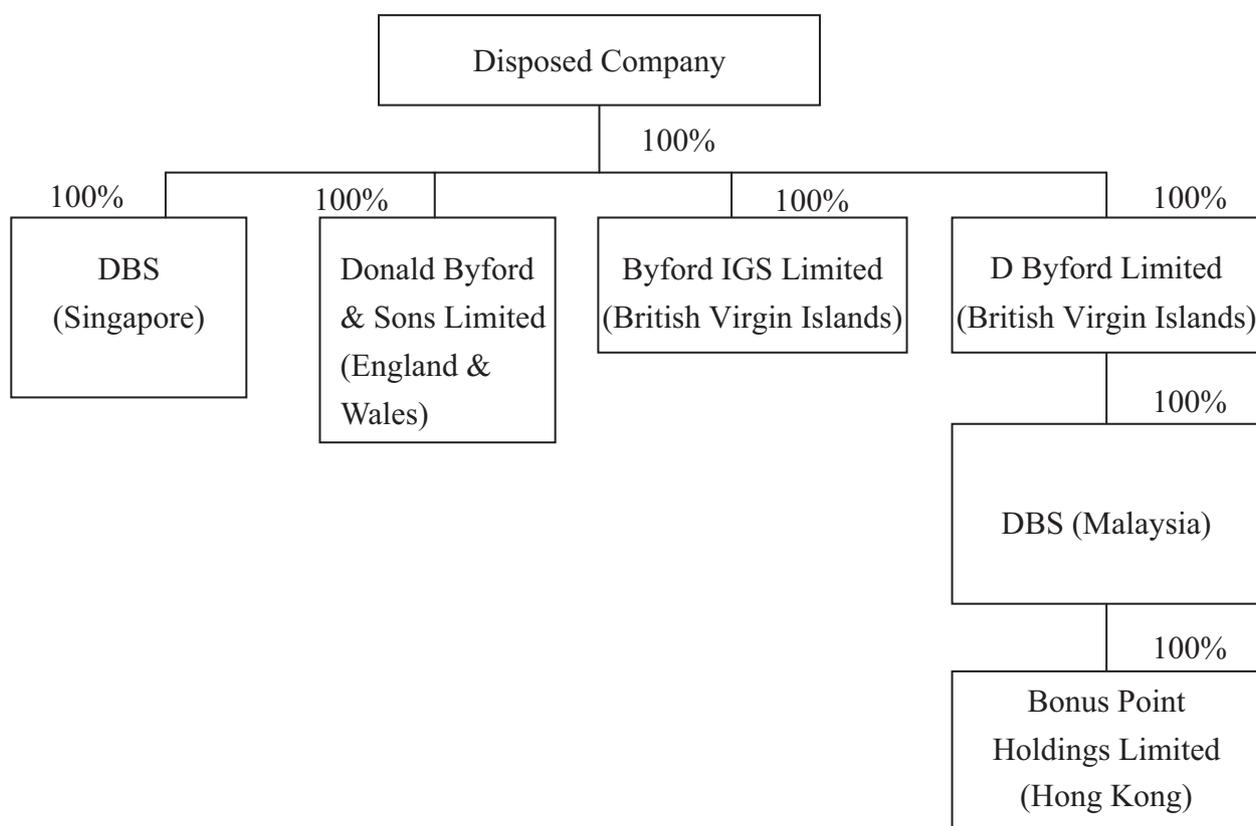
The Purchaser has undertaken, represented and warranted to the Company that the group of companies within the Group shall be allowed to use the name "Byford" in their respective company names and internet domain names for a period of 120 calendar days from the date of Completion (the "**Grace Period**") for the sole purpose of enabling the group of companies within the Group to change their names and domain names where appropriate (the "**Specific Purpose**"). The Company will make further announcement(s) in accordance with the GEM Listing Rules when there is further progress on the change of the Company's name.

The Purchaser has further undertaken to the Company that it shall not dispose of its interest in the Disposed Company and/or any of the subsidiaries of the Disposed Company during the Grace Period and shall procure none of the Disposed Group companies claim against the Company and its subsidiaries for any bona fide use of the Trademarks during the Grace Period for the Specific Purpose for any fees, royalties, loss or damage for passing-off or otherwise and shall hold the Company and its subsidiaries harmless from the aforesaid.

INFORMATION ON THE DISPOSED GROUP

The Disposed Company is a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability. The Disposed Company is an investment holding company and its subsidiaries are principally engaged in holding and licensing of the Trademarks under the “Byford” brandname by which royalty income from the licensees are generated for the Disposed Group.

The group structure of the Disposed Group is shown in the following chart:



The major operating subsidiaries within the Disposed Group are DBS (Singapore) and DBS (Malaysia) which are the owners of the DBS (Singapore) Trademarks and DBS (Malaysia) Trademarks respectively and each of them has granted licenses to third parties for the use of the DBS (Singapore) Trademarks and DBS (Malaysia) Trademarks in return for royalties.

Donald Byford & Sons Limited (England & Wales), D Byford Holdings Limited (BVI) and D Byford Limited (BVI) are investment holding companies whereas Byford IGS Ltd and Bonus Point Holdings Limited are dormant.

Set out below is the unaudited consolidated financial information of the Disposed Group for the two financial years ended 30 April 2009:

| | For the financial year ended 30 April 2008 | For the financial year ended 30 April 2009 |
|--------------------------------|---|---|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Profit/(Loss) before taxation | 746 | 1,678 |
| Profit/(Loss) after taxation | 680 | 1,572 |
| Net assets as at 30 April 2009 | | 16,212 |

REASONS AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company and its subsidiaries are principally engaged in brand management and licensing business, sales of apparel products and trading. Upon Completion, the Group's principal activities remain unchanged.

Given the downturn of the global economy, the decrease in the profitability from the licensing income received from other licensees may occur. The Board considered that given the Purchaser is an existing licensee of the Group, it is familiar with the running of the licensing business and hence it can minimize any unnecessary interruption to the Trademarks business between the licensor and the licensees due to the change of Trademarks owner. The Consideration represents a premium over the latest valuation of the Trademark and the Company is expected to be able to realize a gain on disposal of approximately HK\$27.5 million. Based on the Consideration and the associated estimated cost of the Disposal, the estimated net proceeds from the Disposal is approximately HK\$43 million, which is expected to be utilized as funding for business when opportunities arise and as working capital to support its growth and development. The Directors consider that the Disposal represents a good opportunity for the Group to strengthen the financial position of the Group.

Upon Completion, the Company will still continue its brand management, licensing and garment sourcing related business while resources of the Group will also be reallocated to other business operations or development of the Group.

Having considered the terms of the Agreement and the above reasons for and benefits of the Disposal, the Directors are of the view that the terms of the Agreement and the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Company expects to record a gain on disposal of approximately HK\$27.5 million (after deduction of the related expenses payable by the Group) calculated with reference to the estimated net asset value of the Disposed Group at Completion. Upon Completion, the Company will cease to hold any interests in the Disposed Group which will cease to be subsidiaries of the Company. The results of the Disposed Group will no longer be consolidated into the Group's accounts after Completion.

GENERAL

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 EGM by way of poll. A circular containing details of the Disposal, financial information of the Disposed Group and a notice of EGM will be despatched to the Shareholders in compliance with the GEM Listing Rules.

The Company will review the situation of Rule 19.82 of the GEM Listing Rules upon Completion.

TERMINATION OF THE MOU

Reference is made to the Company's announcement dated 22 December 2008 in relation to the entering into of the MOU between the Proposed Licensor and the Proposed Licensee regarding the granting of an exclusive right to the Proposed Licensee to carry out due diligence and review on the IP Rights owned by the Proposed Licensor.

The Board announces that the parties to the MOU have agreed to terminate the MOU and have entered into a deed of termination to terminate the MOU with immediate effect.

As the MOU is non-legally binding in nature, the Board considers that the termination of the MOU has no material adverse impact on the existing business operations of the Group.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 2:30 p.m. on 6 May 2009 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 15 May 2009.

DEFINITIONS

Unless the context requires otherwise, the use of the capitalized terms in this announcement shall have the following meanings:

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| “Agreement” | the conditional sale and purchase agreement dated 6 May 2009 entered into between the Purchaser, AML, the Disposed Company and the Company in relation to the sale and purchase of the Sale Shares |
| “AML” | Asia Merchandising (H.K.) Limited, a company incorporated in Hong Kong with limited liability |
| “AML Shareholders” | Chan Tse Ka, Ho Moon Kwong, Chow Pak Kin, Lau Bo King, Fok Yik Man and Wong Wan Chu, all being Independent Third Parties |
| “Articles” | Articles of Association of the Company |
| “Board” | the board of Directors |
| “Business Day” | a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours |
| “Company” | Byford International Limited (百富國際有限公司*), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM |
| “Completion” | completion of the Disposal in accordance with the terms and conditions of the Agreement |
| “Completion Date” | the date falling the fifth Business Day after all the conditions precedent having been fulfilled |
| “connected person” | has the meaning ascribed to this term under the GEM Listing Rules |
| “Consideration” | the consideration of HK\$45,000,000 for the Disposal |
| “DBS (Malaysia)” | Donald Byford & Sons Sdn. Bhd., a company incorporated in Malaysia, an indirect wholly-owned subsidiary of the Company |

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| “DBS (Malaysia) Trademarks” | the trademarks and service marks registered or the application for registration of which has been made by DBS (Malaysia) as at the date of the Agreement |
| “DBS (Singapore)” | Donald Byford & Sons Pte. Ltd., a company incorporated in Singapore, an indirect wholly-owned subsidiary of the Company |
| “DBS (Singapore) Trademarks” | the trademarks and service marks registered or the application for registration of which has been made by DBS (Singapore) as at the date of the Agreement |
| “Debt” | the liabilities, indebtedness and obligations due by the Company to the Disposed Company or, as the case may be, vice versa as at the Completion Date |
| “Directors” | the directors of the Company |
| “Disposal” | the disposal of the Sale Shares by the Company to the Purchaser pursuant to the Agreement |
| “Disposed Company” | D Byford Holdings Limited, a company incorporated in the British Virgin Islands with limited liability |
| “Disposed Group” | Disposed Company and its subsidiaries |
| “EGM” | the extraordinary general meeting of the Company to be duly convened and held in accordance with the relevant Articles and the rules and requirements where applicable to approve the Agreement and the transactions contemplated thereunder |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Independent Third Party” | a third party independent of the Company and the connected persons of the Company and is not a connected person of the Company |
| “IP Rights” | the intellectual property rights of “ BYFORD ” trademark in Japan |

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| “MOU” | Memorandum of understanding dated 22 December 2008 entered into between the Proposed Licensor and the Proposed Licensee for granting of an exclusive right to the Proposed Licensee to carry out due diligence and review on the IP Rights owned by the Proposed Licensor |
| “Proposed Licensee” | Champion Angel Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Sunny Global Holdings Limited, the issued shares of which are listed on the Stock Exchange |
| “Proposed Licensor” | D Byford Limited, a company incorporated in the British Virgin Islands with limited liability, is the direct and/or indirect owner and/or licensee of the trademark “ BYFORD ”, is an indirect wholly-owned subsidiary of the Company and a holding company of Donald Byford & Sons Sdn. Bhd., a company incorporated in Malaysia, is the direct owner and/or licensee and/or possesses the license in Japan |
| “Purchaser” | Million Dragon Limited, a company incorporated in the British Virgin Islands with limited liability |
| “Sale Shares” | 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 |
| “SFC” | the Securities and Futures Commission of Hong Kong |
| “Share(s)” | ordinary share(s) of HK\$0.001 each of the Company |
| “Shareholder(s)” | shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Agreement” | the subscription agreement dated 30 April 2009 entered into between Fordwell Holdings Limited, a company incorporated in the British Virgin Islands and the immediate sole holding company of the Purchaser, The China Development Capital Partnership Master Fund L. P. and First Plaza Group Trust II USA in relation to the issue of a convertible bond for a principal sum of HK\$45,000,000 by Fordwell Holdings Limited |

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| “Trademarks” | collectively, the DBS (Malaysia) Trademarks and the DBS (Singapore) Trademarks |
| “%” | per cent |

By order of the Board
Byford International Limited
Chan Lai Kwan Rainbow
Chief Executive Officer & Executive Director

Hong Kong, 14 May 2009

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

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 at www.hkgem.com for a minimum period of seven (7) days from the date of its publication and on the Company’s website at www.donaldbyford.com.