

BEAUFORTE INVESTORS CORPORATION LIMITED

(寶福集團有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0021)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2007

The Board of Directors (the “Board”) of Beauforte Investors Corporation Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2007 together with the comparative figures for the corresponding period in 2006 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
		2007	2006
		(Unaudited)	(Unaudited)
	<i>Notes</i>	<i>HK\$' million</i>	<i>HK\$' million</i>
Turnover	2	–	126.0
Cost of sales		–	(126.4)
Gross loss		–	(0.4)
Other operating income		0.6	–
Administrative expenses		(3.0)	(3.9)
Loss on written off of investment properties		–	(237.0)
Provision for loss in value of investment properties		–	(12.1)
Allowance for bad and doubtful debts		–	(8.0)
Finance costs		–	(0.1)
Loss before taxation	3	(2.4)	(261.5)
Taxation	4	–	–
Loss for the period		(2.4)	(261.5)
Dividend	5	–	–
Loss per share			
Basic	6	(0.70) cents	(74.40) cents
Diluted		N/A	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

		30 June 2007 (Unaudited) HK\$' million	31 December 2006 (Audited) HK\$' million
	<i>Notes</i>		
Non-current assets			
Plant and equipment		0.1	0.1
Investment properties	7	–	–
Available-for-sale investments	8	–	–
		<u>0.1</u>	<u>0.1</u>
Current assets			
Other receivable		0.3	0.3
Deposit refundable	9	–	–
Deposits in an assets management company	10	–	–
Cash and cash equivalents		0.1	0.2
		<u>0.4</u>	<u>0.5</u>
Current liabilities			
Other payables and accruals charges		<u>(4.9)</u>	<u>(2.6)</u>
Net current liabilities		<u>(4.5)</u>	<u>(2.1)</u>
Net liabilities		<u>(4.4)</u>	<u>(2.0)</u>
Capital and reserves			
Share capital	11	140.5	140.5
Reserves		<u>(144.9)</u>	<u>(142.5)</u>
Shareholders' funds		<u>(4.4)</u>	<u>(2.0)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)*For the six months ended 30 June 2007*

	Share Capital <i>HK\$' million</i>	Share Premium <i>HK\$' million</i>	Accumulated profits/ (losses) <i>HK\$' million</i>	Total <i>HK\$' million</i>
At 1 January 2006	140.5	38.0	146.3	324.8
Net loss for the period	—	—	(261.5)	(261.5)
At 30 June 2006	<u>140.5</u>	<u>38.0</u>	<u>(115.2)</u>	<u>63.3</u>
At 1 January 2007	140.5	38.0	(180.5)	(2.0)
Net loss for the period	—	—	(2.4)	(2.4)
At 30 June 2007	<u>140.5</u>	<u>38.0</u>	<u>(182.9)</u>	<u>(4.4)</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
	HK\$' million	HK\$' million
Net cash from/(used in) operating activities	(0.1)	7.7
Net cash from/(used in) financing activities	—	(0.1)
Net increase/(decrease) in cash and cash equivalents	(0.1)	7.6
Cash and cash equivalents at the beginning of the period	0.2	(4.1)
Cash and cash equivalents at the end of the period	<u>0.1</u>	<u>3.5</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)*For the six months ended 30 June 2007***1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES****Basis of preparation**

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the requirements of the Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Main Board), including compliance with the Hong Kong Accounting Standard (“HKAS”) No. 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2006.

Adoption of going concern assumption

As at 30 June 2007, the Group had net current liabilities of approximately HK\$4.5 million and capital deficiency of approximately HK\$4.4 million. The Group had no operating activities as at 30 June 2007 and up to the date of this report. Nevertheless, these financial statements have been prepared on a going concern basis because the director, Mr. Cheung Chung Leung, Richard, who is also a shareholder of a major shareholder of the Company, Smartmax Holdings Limited, has agreed to provide adequate funds to enable the Company to meet all its financial obligations when they fall due in the foreseeable future.

These financial statements do not include any adjustments that would result in the failure of the Group to obtain future funding. Had the going concern basis not been used, adjustments would have to be made to reduce the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets. The effects of these adjustments have not been reflected in the financial statements.

Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current interim period, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are effective for accounting periods beginning on or after 1 January 2007.

HKAS 1 (Amendment)	Capital disclosures ¹
HKFRS 7	Financial instruments: Disclosures ¹
HK(IFRIC) – Interpretation ("Int") 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ²
HK(IFRIC) – Int 8	Scope of HKFRS 2 ³
HK(IFRIC) – Int 9	Reassessment of embedded derivatives ⁴
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment ⁵

¹ Effective for annual periods beginning on or after 1 January 2007.

² Effective for annual periods beginning on or after 1 March 2006.

³ Effective for annual periods beginning on or after 1 May 2006.

⁴ Effective for annual periods beginning on or after 1 June 2006.

⁵ Effective for annual periods beginning on or after 1 November 2006.

The adoption of the new HKFRSs has no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment is required.

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

HKAS 23 (Revised)	Borrowing costs ¹
HKFRS 8	Operating segments ¹
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions ²
HK(IFRIC) – Int 12	Service Concession Arrangement ³

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

² Effective for annual periods beginning on or after 1 March 2007.

³ Effective for annual periods beginning on or after 1 January 2008.

The directors of the Company anticipate that the application of these standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2006.

The unaudited condensed consolidated interim financial statements have been reviewed by the audit committee of the Company.

2. PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

The principal activity of the Company is investment holding. The principal activities of the Group are investment holding, security investment and property investments.

For management purposes, the Group is currently organised into three operation divisions – (i) treasury and investment (ii) property and (iii) securities trading. These divisions are the basis on which the Group reports its primary segment information.

An analysis of the Group's turnover and results by business segments are as follows:

Six months ended 30 June 2006

	Treasury and investment <i>HK\$' million</i>	Property <i>HK\$' million</i>	Securities trading <i>HK\$' million</i>	Total <i>HK\$' million</i>
TURNOVER				
Proceeds from trading of securities	<u>–</u>	<u>–</u>	<u>126.0</u>	<u>126.0</u>
RESULTS				
Segment results	–	–	(0.4)	(0.4)
Unallocated expenses	–	–	–	(3.9)
Finance cost	–	–	(0.1)	(0.1)
Loss on written off of investment properties	–	(237.0)	–	(237.0)
Provision for loss on investment property	–	(12.1)	–	(12.1)
Allowance for bad and doubtful debts	–	–	–	<u>(8.0)</u>
Loss before taxation				<u>(261.5)</u>

Six months ended 30 June 2007

	Treasury and investment <i>HK\$' million</i>	Property <i>HK\$' million</i>	Securities trading <i>HK\$' million</i>	Total <i>HK\$' million</i>
TURNOVER				
Proceeds from trading of securities	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
RESULTS				
Segment results	–	–	–	–
Other operating income	–	–	–	0.6
Unallocated expenses	–	–	–	<u>(3.0)</u>
Loss before taxation				<u>(2.4)</u>

3. LOSS BEFORE TAXATION

Six months ended 30 June	
2007	2006
(Unaudited)	(Unaudited)
<i>HK\$' million</i>	<i>HK\$' million</i>

Loss before taxation has been arrived at after charging (crediting):

Depreciation of plant and equipment	–	0.2
Loss on written off of investment properties	–	237.0
Provision for loss on investment property	–	12.1
Allowance for bad and doubtful debts	–	8.0
	<u>–</u>	<u>257.3</u>

4. TAXATION

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax for both periods.

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

5. DIVIDEND

No dividend was paid during the period, nor has any dividend been proposed since balance sheet date (2006: Nil).

6. LOSS PER SHARE

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

Six months ended 30 June	
2007	2006
(Unaudited)	(Unaudited)
<i>HK\$' million</i>	<i>HK\$' million</i>

Loss for the period	<u>2.4</u>	<u>261.5</u>
	<i>Million</i>	<i>Million</i>
Weighted average number of ordinary shares	<u>351.4</u>	<u>351.4</u>

There were no dilutive potential ordinary shares in existence during both periods, accordingly, no diluted loss per share figures are presented.

7. INVESTMENT PROPERTIES

	30 June 2007 (Unaudited) HK\$' million	31 December 2006 (Audited) HK\$' million
(a) Shanghai Property		
Valuation at 31 December 2005 (audited)	35.0	35.0
Transfer from provision for the loss on a guarantee agreement	(22.9)	(22.9)
Provision for loss in value	(12.1)	(12.1)
	<u>—</u>	<u>—</u>
(b) Jinan Shandong Property		
Valuation at 31 December 2005 (audited)	237.0	237.0
Written off	(237.0)	(237.0)
	<u>—</u>	<u>—</u>

(a) Investment property located in Shanghai, the PRC with nil carrying amount

On 23 March 2004, the Group entered into agreements to pledge the properties to a bank in the PRC to secure for a short-term bank loan of RMB24.0 million (approximately HK\$22.9 million) granted to a third party. In return, the Group receives an income of 8% per annum on the face value of such loan. During the year ended 31 December 2005, the bank loan was overdue and the Group was being demanded for repayment. The property was sequestered by a court in the PRC. As a prudent measure, a provision for the loss of HK\$22.9 million for such guarantee contract was made in year 2005. The Company was informed that the bank was taking legal actions to dispose of the properties by force sell. Accordingly, the provision for loss on guarantee contract previously made was transferred to the investment properties. The directors estimate that the Company is not likely to recover any significant amount after the properties are disposed of by force sell by the court. A further provision of approximately HK\$12.1 million was made in year 2006 to provide the full amount of loss in value of the properties. The legal proceeding was still in progress as at the date of this report.

(b) Investment property located in Shandong, the PRC with nil carrying amount

During the year ended 31 December 2004, the investment properties were disposed through the disposal of the subsidiary, Grand Noble Group Limited ("Grand Noble"). However, the purchaser of that subsidiary was defaulted in paying the consideration. Accordingly, the Company enforced the share charge in July 2005 and resumed the ownership of the subsidiary and the investment properties.

The Company later found that the properties were awarded to a PRC company to settle the sum owned to the PRC company by Grand Noble by a court order on 11 July 2006. The property was revaluated by B.I. Appraisals Limited at 31 December 2005 at HK\$237.0 million. However, the property was awarded to a PRC company by a court order on 11 July 2006. Details can be found in Company's announcement made on 31 July 2006.

8. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2007 (Unaudited) HK\$' million	31 December 2006 (Audited) HK\$' million
Unlisted shares overseas		
Hennabun Management International Limited (formerly known as Hennabun Management Inc.) ("HMI") (note a)		
At cost	59.0	59.0
Impairment losses recognised	(59.0)	(59.0)
	<u>—</u>	<u>—</u>
Unlisted shares in PRC		
Heze Century Energy Coalchem Industrial Co. Ltd ("Heze") (note b)		
At cost	12.0	12.0
Impairment losses recognised	(12.0)	(12.0)
	<u>—</u>	<u>—</u>
Zhejiang Risesun Paper Co. Ltd ("Risesun") (note c)	—	—
Wuhu Dongtai Paper Mfg. Co. Ltd ("Dongtai") (note c)	—	—
澤潤投資諮詢(上海)有限公司("Zerun") (note d)		
Reclassified from investment in subsidiary	1.0	1.0
Impairment losses recognised	(1.0)	(1.0)
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>

The above investments represent unlisted equity securities issued by private companies. They are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimate is so significant that the directors of the Company are of opinion that their fair values cannot be measured reliably.

Notes:

- (a) HMI was incorporated in British Virgin Islands with limited liabilities. It is engaged in securities trading, investment holding and provision of brokerage and financial services. At 30 June 2007, the Group owned 1.67% (2006: 1.67%) equity interests in HMI.

At 31 December 2006, the directors of the Company conducted a review of the above investments. According to the latest available financial information, HMI was suffered from a huge accumulated losses. Directors considered that it is unlikely for any future cash flow that would be flowed into the Company, a full impairment loss is recognised on this investment.

- (b) The Group owned 11.2% (2006: 11.2%) equity interests in Heze. Heze was incorporated in the PRC with limited liability. At 31 December 2006, Heze had not commenced business. Directors considered the future cash flow that would not be flowed into the Company, a full impairment loss is recognised on this investment.

- (c) At 31 December 2006, the Group owned 25% equity interests each in Risesun and Dongtai which are limited company incorporated in the PRC. They were classified as associates in the previous years. Their operations have been suspended since 2004. A full provision was made for these investment in 2004. After the changes in management of the Company in June 2006, the present management has neither representative in the management body nor participation in the daily operating and financing activities in Risesun and Dongtai. Accordingly, the investments in these companies are classified as available-for-sale investments during the year ended 31 December 2006. Having considered the likelihood of the recoverability of the investments, the directors consider the provision previously made is adequate but not excessive.
- (d) After the changes in management of the Company in June 2006, the present management appointed legal advisors to locate the previous management and staff of Zerun. However, as informed by the legal advisors, they were unable to contact them. Consequently, the present management of the Company has neither representative in the management body nor the ability to govern the operating and financing policies in Zerun. Accordingly, the investment in Zerun is classified as available-for-sale investments during the year ended 31 December 2006. Having considered the likelihood of the recoverability of the investment, a full impairment loss is recognised on this investment.

9. DEPOSIT REFUNDABLE

On 12 April 2005, the Group entered into a share transfer agreement with a third party to acquire 80% equity interest in Daoqin Hospital Management Company Limited (上海道勤醫院投資管理有限公司) (“Daoqin Hospital”) at a consideration of HK\$30.2 million (the “Acquisition”). Daoqin Hospital is a company established in the PRC with limited liability and is established for the purpose of provision of hospital management services. During the year ended 31 December 2005, the Group made partial payment of HK\$13.8 million.

According to the agreement, if the Acquisition was not completed in December 2005, the Acquisition would be cancelled and the Group would entitle to recover the payment made.

The Acquisition has not been completed on 27 April 2006, the Group entered into another agreement to cancel the Acquisition and the Counterparty is required to refund the payment to the Group within fifteen days from the date of agreement. The Group has not received the payment as at 31 December 2006 and up to the date of this report.

The Company has attempted to take legal action to recover the amount. However, as advised by the legal advisor, they were unable to contact the parties concerned. Based on the above information, the directors considered the likelihood of the recoverability was very remote and a full provision was made for the year ended 31 December 2006.

10. DEPOSITS IN AN ASSETS MANAGEMENT COMPANY

The amount of HK\$32.6 million was deposited with an assets management company (the “Manager”) which was a limited company incorporated in the PRC. The Manager was engaged in investment advisory, asset management and other related business. The deposit was contracted for the period from 1 July 2004 to 1 July 2005. The amount was overdue and no repayment schedule was made.

The Company was informed that the Manager was in the process of liquidation in the PRC. Based on this information, the directors considered the likelihood of the recoverability of the amount was very remote and a full provision was made for the year ended 31 December 2006.

The ex-director, Li Zhaohui has equity interests in the Manager. Mr. Li Zhaohui was appointed as a director of the Company on 19 October 2004 and was removed on 8 June 2006.

During the period, no interest income was received from the Manager (2006: HK\$nil).

11. SHARE CAPITAL

	30 June 2007		31 December 2006	
	Number of shares (Unaudited) million	Nominal value (Unaudited) HK\$' million	Number of shares (Audited) million	Nominal value (Audited) HK\$' million
<i>Authorised:</i>				
Ordinary shares of HK\$0.4 each	<u>1,000.0</u>	<u>400.0</u>	<u>1,000.0</u>	<u>400.0</u>
<i>Issued and fully paid:</i>				
Ordinary shares of HK\$0.4 each	<u>351.4</u>	<u>140.5</u>	<u>351.4</u>	<u>140.5</u>

12. OPERATING LEASE COMMITMENT

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under a non-cancellable operating lease which fall due as follows:

	30 June 2007 (Unaudited) HK\$' million	31 December 2006 (Audited) HK\$' million
Within one year	0.5	0.5
In the second to fifth year inclusive	<u>–</u>	<u>0.3</u>
	<u>0.5</u>	<u>0.8</u>

Operating lease payments represent rentals payable by the Group for its office premises. Lease is negotiated for a term of two years and rentals are fixed for two years.

13. SEQUESTRATION/PLEDGE OF ASSETS

At 30 June 2007, investment properties located at Shanghai with nil carrying value was sequestrated by a court in the PRC for a legal claim of HK\$22.9 million (2006: HK\$nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Property Leasing Business

The Jinan Property

The Jinan Property owned by Grand Noble Limited (“Grand Noble”), an indirectly wholly owned subsidiary of the Company, which is situated at the various portions of Level 1 to 4, Qi Lu International Mansion, No. 180 Quancheng Road, Lixia District, Jinan City, Shandong Province, the People’s Republic of China was granted by the Qingdao Intermediate People’s Court to Shandong Laigang Construction Company Limited (“Shangdong Laigang”), a creditor of Grand Noble, on 11 July 2006 to satisfy a debt allegedly owned by Grand Noble to Shandong Laigang.

On 25 July 2006, the PRC Lawyer provided a judgment granted by the Qingdao Court (“Judgment”) on 11 July 2006 to the Shangong Laigang. It is stated in the Judgment that subsequent to the auctions previously held, the reserve price of the Jinan Property was RMB71,410,000 (approximately HK\$72,000,000). Pursuant to a written application made by Shandong Laigang to the Qingdao Court to take possession of the Jinan Property in settlement of the sum owned to it by Grand Noble. The Jinan Property was awarded to Shandong Laigang.

The Company is taking further legal advice as to the availability of any remedy the Group may have so as to recover the Jinan Property and/or the damages it has suffered.

As stated in the audited financial statements of the Company for the year ended 31 December 2006, the Jinan Property was valued at HK\$237 million as at 31 December 2005 which represents 73.0% of the audited consolidated net asset value of the Group as at 31 December 2005. The Company made a provision of HK\$237 million to write off the value to reflect the incident.

The Shanghai Property

On 23 March 2004, the Group entered into agreements to pledge the Shanghai Property to a bank in the PRC to secure for a short-term bank loan of RMB24.0 million (approximately HK\$22.9 million) granted to a third party. In return, the Group receives an income of 8% per annum on the face value of the loan. During the year ended 31 December 2005, the bank loan was overdue and the Group was being demanded for repayment. The property was sequestered by a court in the PRC. As a prudent measure, a provision for the loss of HK\$22.9 million for such guarantee contract was made in year 2005.

The Company was informed that further claim of unspecified amount was lodged to the Court in Shandong, the PRC. The Company is taking procedure to clarify the claims through PRC Lawyers. As a prudent measure, a further provision of HK\$12.1 million was made in year 2006 to write off the remaining value of the Shanghai Property to reflect the situation.

Paper Business

Due to lack of working capital, operations of the Group’s associated companies remain in suspension.

The company will consider taking appropriate actions to deal with these assets as soon as possible.

Securities Trading Business

Securities trading activities were temporarily ceased since December 2006 due to lack of working capital.

Treasury and Investment Business

The directors will collaborate with professional advisors and take positive steps to assess and recover the investments of HK\$12 million made in the Heze Century Energy Coalchem Industrial Co. Ltd., and the deposit of HK\$32.6 million placed with an asset management company in the PRC. As a prudent approach, these investments had been fully written off to reflect the uncertainty on recovery possibilities.

The Group had initiated legal actions to recover the HK\$13.8 million deposit payment made for the acquisition of the Daoqin Hospital Management Company Ltd. The investment had been fully written off whilst the legal action on recovery continue.

EMPLOYEES

As at 30 June 2007, the Group employed 3 employees and the related staff cost amounted to HK\$0.5 million. Staff remuneration packages are reviewed annually. The Group does not maintain a share option scheme.

BUSINESS OUTLOOK

The Group is principally engaged in property investment, treasury and investment business, securities trading, paper manufacturing and energy related business.

The Group tends to diversify into various other businesses to complement its current operations. It will continue to identify suitable investment opportunities for possible acquisitions, including those in property development, property management, real estate agency, industrial manufacturing, trading, oil and gas related businesses, utility projects, Telecommunications, IT and internet related projects.

The management will actively look into various fund raising options to facilitate the Group business expansion plans.

APPRECIATION

The Board wishes to thank the staff for their continued efforts during the past period.

CORPORATE GOVERNANCE

The Company has complied throughout the period for six months ended 30 June 2007 which the Code of Best Practice as set out in Appendix 14 to The Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rule”) except that the independent non-executive directors were not appointed for a specific term as set out in Appendix 14 of the Listing Rule but are subject to retirement by rotation and re-election at annual general meetings in accordance with the Company’s Articles of Association.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Standard Code set out in Appendix 10 of the Listing Rules for directors' securities transactions. Having made specific enquires of all directors of the Company, they have confirmed that they complied with required standard set out in the Model Code throughout the accounting period covered by the interim results.

CHANGES OF QUALIFIED ACCOUNTANT, COMPANY SECRETARY AND AUTHORISED REPRESENTATIVE

On 30 April 2007, Mr. To Wai Chung has resigned as the Qualified Accountant, Company Secretary and Authorised Representative of the Company.

CHANGES IN THE BOARD OF DIRECTORS

The changes in the Board of Directors subsequent to the date of annual report 2006, i.e. 6 June 2007 and up to the date of this report were:

On 29 June 2007, the Board announced that with effect from the conclusion of the Annual General Meeting:

1. Ms. Sun Bo retired from her office of an executive Director;
2. Mr. Hans-Peter Adelrich Josef Hess retired from his office of a non-executive Director; and
3. Mr. Frank Yu retired from his office of an independent non-executive Director.

On 29 June 2007, the Board also announced that:

1. Ms. Huang Wenxi was appointed as an executive Director;
2. Mr. Huang Shih Tsai and Ms. Chan I Siu, Fair were appointed as non-executive Directors;
3. Mr. Huang Shih Tsai was elected Chairman of the Board; and
4. Mr. Cheung Chung Leung Richard, an executive Director, retired as Chairman of the Board and was re-designated as Chief Executive Officer of the Company.

On 21 August 2007, the Board announced that Mr. Lum Pak Sum was appointed as independent non-executive director of the Company.

On 23 August 2007, the Board announced that Ms. Huang Wenxi was designated as Chief Executive Officer of the Company.

CHANGE IN A SUBSTANTIAL SHAREHOLDER

On 30 May 2007, the Board of Directors was informed that on 28 May 2007, Mr. Christian Emil Toggenburger (“Mr. Toggenburger”), an executive director of the Company, transferred his entire interest (i.e. 94,079,000 shares of the Company) in the Company, representing approximately 26.77% of the issued share capital of the Company, to Ms. Huang Wenxi (“Ms. Huang”). As a result, Ms. Huang has become a substantial shareholder of the Company, as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), being interested in 26.77% of the issued share capital of the Company.

Shareholders	Before the Transfer		Immediately after the Transfer	
	Number of shares held	% of total issued shares	Number of shares held	% of total issued shares
Mr. Toggenburger	94,079,000	26.77%	–	–
Ms. Huang	–	–	94,079,000	26.77%
Smartmax Holdings Limited (<i>Note</i>)	98,000,000	27.89%	98,000,000	27.89%
Mr. Hans-Peter Hess	1,290,000	0.37%	1,290,000	0.37%

Note: The interest disclosed represents the 98,000,000 shares held by Smartmax Holdings Limited which is 90% owned by Ms. Sun Bo. The other 10% was held by Mr. Cheung Chung Leung, Richard, an executive Director of the Company.

DIRECTORS’ INTERESTS IN SECURITIES

The Directors of the Company who held office at 30 June 2007 had the following interests in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) at that date as recorded in the register of directors’ interests and short positions required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”):

Name of Directors	Type of Interests	Number of shares held	% of total issued shares
Ms. Huang	Personal	94,079,000	26.77%

AUDIT COMMITTEE

The audit committee has reviewed the accounting principles and practices adopted by the Group with the management. In addition, the audit committee has discussed with the Directors matters concerning the internal controls and financial reporting of the Company, including a review of the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2007 and the interim results with no disagreement.

By order of the board of directors
Beauforte Investors Corporation Limited
Cheung Chung Leung, Richard
Executive Director

Hong Kong, 28 September 2007

As at the date of this announcement, the directors of the Company are as follows:

Executive Directors	Mr. Cheung Chung Leung, Richard Ms. Huang Wenxi (<i>Chief Executive Officer</i>)
Non-executive Directors	Mr. Huang Shih Tsai (<i>Chairman</i>) Ms. Chan I Siu, Fair
Independent non-executive Directors	Mr. Cheng Hong Kei, Andrew Mr. Leung Kwan, Hermann Mr. Lum Pak Sum