

BEAUFORTE INVESTORS CORPORATION LIMITED

寶福集團有限公司

(incorporated in Hong Kong with limited liability)
(Stock code: 21)

DISCLOSEABLE TRANSACTION ACQUISITION OF 80% INTEREST IN A PRC COMPANY

On 12 April 2005, Ocean Pearl, a wholly owned subsidiary of the Company, entered into a Share Transfer Agreement with Shenzhen Dongrun to acquire 80% interest in Daoqin Hospital Management. The consideration for the Acquisition was RMB32 million (equivalent to HK\$30.2 million).

Since the applicable tests are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing further information on the Acquisition and the Group will be despatched to the shareholders of the Company as soon as practicable.

1. SHARE TRANSFER AGREEMENT

Date

12 April 2005

Parties

Transferor : 深圳市東潤投資有限公司 (Shenzhen Dongrun Investment Company Limited), an investment holding company incorporated in the PRC with limited liability

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shenzhen Dongrun and its ultimate beneficial owners are Independent Third Parties.

Transferee : Ocean Pearl Investments Limited, an investment holding company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company

Consideration

Pursuant to the Share Transfer Agreement, Ocean Pearl has agreed to acquire 80% interest in Daoqin Hospital Management at a consideration of RMB32 million (equivalent to HK\$30.2 million) from Shenzhen Dongrun.

The consideration has been determined after arm's length negotiations and is equal to the original capital amount contributed by Shenzhen Dongrun to Daoqin Hospital Management in June 2004. The consideration of RMB32 million (equivalent to HK\$30.2 million) represents a premium of approximately 2% to the net assets of Daoqin Hospital Management as at 31 December 2004 attributable to 80% interest of Daoqin Hospital Management, being RMB31.4 million (equivalent to HK\$29.6 million). The book value of the assets of Daoqin Hospital Management is stated in the paragraph headed "Financial information" below.

Payment terms and source of funding

Pursuant to the Share Transfer Agreement, the consideration shall be paid to Shenzhen Dongrun by Ocean Pearl in accordance with the following schedule:

- (1) an amount of RMB1.6 million (equivalent to HK\$1.5 million), representing 5% of the total consideration, shall be paid within 10 days from the date of execution of the Share Transfer Agreement;
- (2) an amount of RMB14.4 million (equivalent to HK\$13.6 million), representing 45% of the total consideration, shall be paid within 20 days from the date of execution of the Share Transfer Agreement; and
- (3) the balance amount of RMB16.0 million (equivalent to HK\$15.1 million), representing 50% of the total consideration, shall be paid within 5 days from the date of the recordation of the transfer contemplated under the Share Transfer Agreement by the relevant government authority.

The total consideration of RMB32 million (equivalent to HK\$30.2 million) will be funded by the Group's internal resources.

Condition precedent

Pursuant to the Share Transfer Agreement, it is a condition precedent for Shenzhen Dongrun to obtain the relevant approvals from the PRC government authorities for transforming Daoqin Hospital Management from a PRC limited liability company to a Sino-foreign joint venture company within 6 months from the date of execution of the Share Transfer Agreement, i.e. on or before 12 October 2005. If the necessary approvals were not obtained within the 6 months period, Shenzhen Dongrun would refund the consideration (to the extent paid) in full (without any interest) to Ocean Pearl within 15 days from the date of its knowledge of the failure to obtain the necessary approvals.

Except for the condition precedent for Shenzhen Dongrun to obtain the relevant approvals from the PRC government authorities, including Shanghai Economic Relation and Trade Commission, Shanghai Administration of Industry and Commerce and State Administration of Foreign Exchange Shanghai Branch, there are no other conditions for completion of the Acquisition.

Approval from the existing shareholders

The Acquisition has been approved by the existing shareholders of Daoqin Hospital Management pursuant to a shareholders resolution passed on 6 April 2005.

Board representation

The board of directors of Daoqin Hospital Management comprises five directors. Ocean Pearl is eligible to appoint three directors in the board of directors of Daoqin Hospital Management after completion of the Acquisition.

2. INFORMATION ON DAOQIN HOSPITAL MANAGEMENT

Daoqin Hospital Management was incorporated on 3 September 2002 with limited liability in the PRC and is intended to engage in the provision of hospital management and business advisory services.

Daoqin Hospital Management has concluded a hospital management service contract with a hospital located in Shandong province in April 2005. The contract period is unspecified and the notice period for terminating the contract is three months. Management service fee income would be received by Daoqin Hospital Management at a rate of 6% of the turnover of the said hospital on a monthly basis. Minimum management service fee is not guaranteed by the said hospital. A retired doctor who is a State Specialist has been appointed to the said hospital as the Hospital Chief by Daoqin Hospital Management. In addition, senior management who are experienced in medical administration and finance were also appointed to the said hospital by Daoqin Hospital Management.

Registered and paid up capital

The registered and paid up capital of Daoqin Hospital Management is, and upon completion of the Acquisition, will be, held by the parties as follows:

Shareholders	Before the Acquisition		Percentage of holding	Immediately after the Acquisition		Percentage of holding
	Capital amount RMB million	HK\$ million		Capital amount RMB million	HK\$ million	
Shenzhen Dongrun	35.5	33.5	88.75%	3.5	3.3	8.75%
Others (Note)	4.5	4.2	11.25%	4.5	4.2	11.25%
Ocean Pearl	—	—	—	32.0	30.2	80.00%
	<u>40.0</u>	<u>37.7</u>	<u>100%</u>	<u>40.0</u>	<u>37.7</u>	<u>100%</u>

Note: Others are Independent Third Parties

As at the date of this announcement, except for the registered and paid up capital, the shareholders have not committed for any other financial obligation.

Financial information

The unaudited net profit and total assets as set out in the management accounts of Daoqin Hospital Management for the two years ended 31 December 2004 (as prepared in accordance with generally accepted accounting principles in the PRC) are as follows:

	For the year ended 31 December			
	2003		2004	
	RMB million	HK\$ million	RMB million	HK\$ million
Loss before taxation and extraordinary items	(0.7)	(0.7)	(0.1)	(0.1)
Net loss after taxation and extraordinary items	(0.7)	(0.7)	(0.1)	(0.1)
Total assets	14.3	13.5	39.2	37.0
Net assets	14.3	13.5	39.2	37.0

After the Acquisition, Daoqin Hospital Management will become a subsidiary of the Group and its results and assets and liabilities will be consolidated into the accounts of the Group.

3. REASONS FOR AND BENEFIT OF ENTERING INTO THE SHARE TRANSFER AGREEMENT

The Directors have been actively seeking investment opportunities so as to increase the return from the Group's investment portfolio and diversify the Group's business.

Based on the observation of the Directors, the provision of hospital management services is one of the growing businesses in China. As a service contract has been concluded with the hospital located in Shandong province, the management fee to be received from the hospital will provide a stable income stream to the Group.

The Directors consider that the terms of the Share Transfer Agreement are fair and reasonable and in the interest of the shareholders of the Company as a whole.

4. PRINCIPAL ACTIVITIES OF THE GROUP

The Group is mainly engaged in treasury and investment and investment in property to generate rental income.

5. GENERAL

Since the applicable tests are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing further information on the Acquisition and the Group will be despatched to the shareholders of the Company as soon as practicable.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

"Acquisition"	the acquisition of 80% interest in Daoqin Hospital Management pursuant to the Share Transfer Agreement
"Company"	Beauforte Investors Corporation Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"Directors"	the directors of the Company
"Daoqin Hospital Management"	上海道勤醫院投資管理有限公司 (Shanghai Daoqin Hospital Investment Management Company Limited), a company incorporated in the PRC with limited liability
"Ocean Pearl"	Ocean Pearl Investments Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"HK\$" / "Hong Kong"	Hong Kong dollars, the lawful currency of Hong Kong / the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	independent third party(ies) who is/are independent of and not connected with the Company and any of the Directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of the People's Republic of China
"PRC"	Renminbi yuan, the lawful currency of the PRC
"RMB"	the agreement dated 12 April 2005 and entered into between Shenzhen Dongrun as the transferor and Ocean Pearl as the transferee in relation to the transfer of 80% interest in Daoqin Hospital Management
"Share Transfer Agreement"	深圳市東潤投資有限公司 (Shenzhen Dongrun Investment Company Limited), a company incorporated in the PRC with limited liability
"Shenzhen Dongrun"	the Stock Exchange of Hong Kong Limited
"Stock Exchange"	

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK dollars at the rate of RMB1.06 to HK\$1.00. Such exchange rates have been used, where applicable, for the purposes of illustration only and do not constitute a representation that any amounts were or may have been exchanged at these or any other rates or at all.

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

Executive Directors	Mr. Li Guanghao, Mr. Chen Baodong, and Mr. Li Zhaohui
Independent non-executive Directors	Mr. Cheung Hok Fung, Alexander, Ms. Leung Fung Yee, Alice and Ms. Lou Aidong

By order of the Board
Li Guanghao
Executive Director

Hong Kong, 19 April 2005