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## **BEAUFORTE INVESTORS CORPORATION LIMITED**

*(incorporated in Hong Kong with limited liability)*

### **LAPSE OF AGREEMENT RELATING TO THE ACQUISITION OF 29.50% OF THE ISSUED SHARE CAPITAL IN POLY INVESTMENTS HOLDINGS LIMITED**

Reference is made to the announcement of the Company dated 25th April, 2002, 28th May, 2002, 12th June, 2002 and 5th July, 2002 and the circular of the Company dated 17th May, 2002 relating to the Acquisition. Terms defined in the Circular shall have the same meanings when used herein. The Directors announce that certain conditions precedent of the Acquisition, including the condition that the Executive confirming that the Purchaser and/or persons acting in concert with it will not be required to make a general offer pursuant to the Takeovers Code in respect of all the Shares (other than the Sale Shares) as a result of Completion, have not been fulfilled at 5:00 p.m. on 12 July, 2002, being the extended deadline for the fulfillment of the conditions precedent. Accordingly, the S & P Agreement has lapsed automatically and the deposit in the amount of HK\$30 million paid by the Purchaser to the Vendor on signing of the Agreement will be returned to the Purchaser according to the terms of the S & P Agreement.

Reference is made to the announcement of the Company dated 25th April, 2002, 28th May, 2002, 12th June, 2002 and 5th July, 2002 (the "Announcements") and the circular dated 17th May, 2002 (the "Circular") of the Company relating to the proposed acquisition of 29.5% of the issued share capital of Poly Investments Holdings Limited held by the Vendor, to be acquired by the Purchaser. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

As disclosed in the Announcements and the Circular, the Acquisition is conditional upon fulfillment of certain conditions precedent, including the condition that the Executive confirming that the Purchaser and/or persons acting in concert with it will not be required to make a general offer pursuant to the Takeovers Code in respect of all the Shares (other than the Sale Shares) as a result of Completion (the "Outstanding Conditions").

The Outstanding Conditions have not been fulfilled as at 5:00 p.m. on 12th July, 2002, being the extended deadline for the fulfillment of the Outstanding Conditions. Accordingly, the S & P Agreement has lapsed immediately and will be of no further effect to the parties and no party shall have any claim against or liability or obligation against the other save for confidentiality provisions and antecedent breaches. The deposit in the sum of HK\$30 million paid by the Purchaser to the Vendor upon the signing of the S & P Agreement and interest thereon held by the Vendor's solicitors, as stakeholders, will be forthwith returned to the Purchaser in accordance with the terms of the S & P Agreement.

By Order of the Board  
**Chiu Tao**  
Chairman

Hong Kong, 12th July, 2002

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*