

# BEAUFORTE INVESTORS CORPORATION LIMITED

(incorporated in Hong Kong with limited liability)

## ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2003

The Board of Directors of Beauforte Investors Corporation Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2003 as follows:—

### CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2003

	Notes	2003 HK\$ million	2002 HK\$ million
Turnover	1	35.4	21.8
Other operating income	2	—	0.9
Administrative expenses		(8.1)	(5.7)
Net realised loss on disposal of non-trading securities		(44.6)	—
Impairment loss on non-trading securities		—	(21.1)
Loss from operations	3	(17.3)	(4.1)
Gain on disposal of a jointly controlled entity		0.5	—
Share of results of an associate		(0.1)	—
Amortisation of goodwill in respect of an associate		(1.2)	—
Loss before taxation		(18.1)	(4.1)
Taxation	4	(3.1)	(1.3)
Net loss for the year		(21.2)	(5.4)
Loss per share	5	(72) cents	(18) cents

Notes:

#### 1. BUSINESS AND GEOGRAPHICAL SEGMENTS

##### (a) Business segments

For management purposes, the Group is currently organised into two operating divisions - treasury and investment, and property. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Treasury and investment:

The placing of deposits and investment in securities to generate income from interest, dividends and capital appreciation.

Funds are also advanced as loans to other parties on a secured or unsecured basis where suitable opportunities are identified to earn enhanced returns.

Property:

Investment in property to generate rental income.

Turnover by segment

	2003 HK\$ million	2002 HK\$ million
Treasury and investment		
Interest income on		
- bank deposits	—	2.5
- other loans	1.0	2.2
- unlisted convertible notes	3.6	5.0
Dividend income	1.3	2.3
	5.9	12.0
Property		
Rental income	29.5	9.8
	—	—
Total turnover	35.4	21.8

Segment information about these businesses is presented below:

Income statement

	2003			Total HK\$ million
	Treasury and investment HK\$ million	Property HK\$ million	Others HK\$ million	
Segment result	(39.5)	25.7	—	(13.8)
Unallocated corporate expenses	—	—	—	(3.5)
Loss from operations	—	—	—	(17.3)
Gain on disposal of a jointly controlled entity	—	—	0.5	0.5
Share of results of an associate	—	—	(0.1)	(0.1)
Amortisation of goodwill	—	—	(1.2)	(1.2)
Loss before taxation	—	—	—	(18.1)
Taxation	—	—	—	(3.1)
Net loss for the year	—	—	—	(21.2)

	2002			Total HK\$ million
	Treasury and investment HK\$ million	Property HK\$ million	Others HK\$ million	
Segment result	(8.3)	8.3	—	—
Unallocated corporate expenses	—	—	(4.1)	(4.1)
Loss before taxation	—	—	—	(4.1)
Taxation	—	—	—	(1.3)
Net loss for the year	—	—	—	(5.4)

##### (b) Geographical segments

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	Turnover		Loss from operations	
	2003 HK\$ million	2002 HK\$ million	2003 HK\$ million	2002 HK\$ million
The People's Republic of China, excluding Hong Kong (the "PRC")	29.5	9.8	21.7	8.3
Hong Kong	5.9	12.0	(39.0)	(12.4)
	35.4	21.8	(17.3)	(4.1)

#### 2. OTHER OPERATING INCOME

	2003 HK\$ million	2002 HK\$ million
Commission income	—	0.9

#### 3. LOSS FROM OPERATIONS

	2003 HK\$ million	2002 HK\$ million
Loss from operations has been arrived at after charging (crediting):		
Directors' emoluments	0.3	0.3
Contributions to retirement benefit scheme	—	—
Other staff costs	0.1	0.1
	0.4	0.4
Auditors' remuneration	0.8	0.7
Rental income less outgoings of HK\$6.7 million (2002: HK\$2.2 million)	(22.8)	(7.6)

##### (i) Information regarding directors' emoluments

	2003 HK\$ million	2002 HK\$ million
Directors' fees:		
Executive	—	—
Non-executive	—	—
Independent non-executive	0.3	0.3
Other emoluments:		
Salaries and other benefits	—	—
Contributions to retirement benefit scheme	—	—
Total emoluments	0.3	0.3

The emoluments of two independent non-executive directors during the two years were within the band ranging from HK\$nil to HK\$1.0 million.

##### (ii) Information regarding employees' emoluments:

The five highest paid individuals included two directors disclosed in note 3(i) above. The emoluments of the five highest paid individuals amounted to HK\$0.4 million (2002: HK\$0.4 million).

#### 4. TAXATION

	2003 HK\$ million	2002 HK\$ million
The charge comprises:		
Hong Kong Profits Tax	(0.2)	(0.3)
Other jurisdictions	(2.9)	(1.0)
	(3.1)	(1.3)
Taxation attributable to the Company and its subsidiaries	(3.1)	(1.3)
Share of taxation attributable to an associate	—	—
	(3.1)	(1.3)

Hong Kong Profits Tax is calculated at 17.5% (2002: 16%) of the estimated assessable profit for the year. The Profits Tax rate has increased with effect from the 2003 year of assessment.

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

#### 5. LOSS PER SHARE

The calculation of basic loss per share is based on the net loss for the year of approximately HK\$21.2 million (2002: HK\$5.4 million) and 29,282,000 (2002: 29,282,000) ordinary shares in issue.

There were no dilutive potential ordinary shares in existence during the year and last year. Accordingly, no diluted loss per share figures are presented.

#### 6. DIVIDENDS

The Board of Directors does not recommend the payment of any dividends for the year (2002: HK\$Nil).

### MANAGEMENT DISCUSSION AND ANALYSIS

The Group's turnover for the year 2003 increased by HK\$13.6 million to HK\$35.4 million. The investment property in Jinan City which was purchased during the second half of the year 2002 has contributed significantly to the Group's turnover in the year 2003, and accounted for HK\$29.5 million of the Group's turnover. During the year, the Group has further invested in the PRC's property market, and has acquired two investment properties in Shanghai (as disclosed in the note to the financial statements). The Group expects further contribution to the turnover from the investment properties in the PRC. Turnover from treasury and securities investments has declined during the year as a result of the reallocation of investment portfolio. Net realised loss on disposal of non-trading securities amounted to HK\$44.6 million. Overall, net loss for the year increased by HK\$15.8 million to HK\$21.2 million.

As at 31st December, 2003, the Group had cash and bank balances of HK\$29.2 million with no borrowings, and investments in securities amounted to HK\$59.0 million. During the year, in addition to the acquisition of investment properties in Shanghai, the Group acquired an equity interest in an associate in Zhejiang and a company holding machinery and equipment intended for forming a joint venture in the PRC (as disclosed in the note to the financial statements) relating to paper manufacturing. These represent further diversification of the Group's investment portfolio.

As at 31st December, 2003, the Group employed three staff. Staff remuneration packages are normally reviewed annually. The Group operates a Mandatory Provident Fund Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The Group does not have any share option scheme. Employees' remuneration during the year amounted to about HK\$0.1 million.

#### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

#### CODE OF BEST PRACTICE

The Independent Non-Executive directors were not appointed for a specific term, but are subject to retirement by rotation at the Company's annual general meeting, as specified by the Company's Memorandum and Articles of Association. In the opinion of the directors, this meets the same objective as the Code of Best Practice set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Save as aforesaid, the Company has complied throughout the year ended 31 December 2003 with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules.

#### PUBLICATION OF FURTHER INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

All the information as required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the website of The Stock Exchange of Hong Kong Limited in due course.

By Order of the Board  
Liang Xudong, Robert  
Chairman  
Hong Kong, 25th March, 2004