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## BEAUFORTE INVESTORS CORPORATION LIMITED

(Incorporated in Hong Kong with limited liability)

The Extraordinary General Meeting was adjourned indefinitely in compliance with the Resolution proposed by a shareholder of the Company and passed on a poll.

The directors of Beauforte Investors Corporation Limited (the "Company") note press comments on the proceedings at the extraordinary general meeting of the Company (the "Extraordinary General Meeting") held on 29th August, 2002 pursuant to a requisition by a shareholder of the Company pursuant to section 113 of the Companies Ordinance (Cap. 32). Details of the resolutions to be proposed at the Extraordinary General Meeting were set out in the notice of the Extraordinary General Meeting dated 1st August, 2002.

At the Extraordinary General Meeting before it commenced to the business that was the subject of the meeting, a shareholder of the Company proposed the following resolution (the "Resolution"):

*"THAT the Chairman of the meeting be and is hereby directed pursuant to Article 72 of the Company's Articles of Association to adjourn this meeting sine die [indefinitely]."*

The Company has, on one occasion, received a telephone call from a purported shareholder called "Mr. Wong", indicating that a resolution to adjourn the meeting might be put to the meeting. The Company and the directors of the Company do not know "Mr. Wong" and do not know whether he is the same person who proposed the Resolution.

The Resolution was seconded by another shareholder of the Company. The proposer of the Resolution and the seconder of the Resolution, save for their shareholdings in the Company, are independent of the Company, its directors and substantial shareholders and acted independently of the Company, its directors and substantial shareholders.

Under Article 72 of the articles of association of the Company among other things, "the Chairman ... shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place or sine die [indefinitely] ..."

The chairman of the Extraordinary General Meeting immediately informed the Extraordinary General Meeting that he intended to demand a poll on the Resolution. He then allowed a debate on the Resolution proposed by the shareholder. A shareholder of the Company suggested that there be a vote on a show of hands. In view of particularly of the fact that several shareholders were vociferous in their demand for a vote on a show of hands and with a view to preserving order, the Chairman chose to allow this and to defer his demand for a poll until after the vote on a show of hands. However, the Chairman announced before the vote on a show of hands that he would call for a vote by poll immediately upon the declaration of the results of the show of hands. He took the view that in view of the possible abuses that can be practiced on a vote by show of hands only on a poll would the true voting intentions of shareholders be revealed.

The Extraordinary General Meeting proceeded to a vote on a show of hands in which the adjournment proposal was voted down by 40 votes to 14 votes. The Extraordinary General Meeting then proceeded to a vote by poll and the adjournment proposal was passed by a majority with 99.96% (11,606,718 shares) of the votes cast in favour of the adjournment proposal and 0.04% (5,000 shares) of the votes cast against the adjournment proposal. The Company noted that during the taking of the poll some shareholders departed the Extraordinary General Meeting. According to the voting records of the Company, on a poll only one shareholder voted against the adjournment proposal.

Accordingly the Extraordinary General Meeting was validly adjourned by the Chairman at the direction of the meeting in accordance with Article 72 of the articles of association of the Company. The adjournment proposal was passed by a majority of the votes cast. The directors of the Company consider that it is not in the interest of the Company to reconvene the Extraordinary General Meeting and therefore will not do so.

The Company will co-operate with further queries of the Stock Exchange in relation to the press comments and matters relating the Extraordinary General Meeting. The Company has already sent out another notice of extraordinary general meeting dated 11th September, 2002 relating to a requisition by a shareholder of the Company stating that it was made pursuant to section 113 of the Companies Ordinance (Cap. 32). This requisition is not supported by the directors of the Company and the directors of the Company are concerned that the requisition is in part or in whole invalid. Without prejudice to the generality of the foregoing, the directors of the Company believes that some or all of the resolutions as set out in Part B of the notice are incapable of being passed as valid resolutions.

By Order of the Board  
**BEAUFORTE INVESTORS CORPORATION LIMITED**  
Tsui Ching Hung  
Director

Hong Kong, 26th September, 2002