

BEAUFORTE INVESTORS CORPORATION LIMITED

(寶福集團有限公司)

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

ANNOUNCEMENT FORFEITURE OF PROPERTY

This announcement is made pursuant to the general disclosure obligations of the Company in respect of information expected to be price-sensitive under Rule 13.09 of the Listing Rules.

The Board announces that the PRC Property was awarded by the Qingdao Court to Shandong Laigang, a creditor of Grand Noble, on 11 July 2006 to satisfy a debt allegedly owed by Grand Noble to Shandong Laigang. Relevant chronological details are set out below. The Company is taking further legal advice as to the availability of any remedy the Group may have so as to recover the PRC Property and/or the damages it has suffered.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 11:30 a.m. on Tuesday, 4 July 2006. Trading in the Shares will remain suspended until the release of further announcement(s) as soon as practicable after the status of the PRC Property becomes clear.

This announcement is made pursuant to the general disclosure obligations of Beauforte Investors Corporation Limited ("Company", together with its subsidiaries, the "Group") in respect of information expected to be price-sensitive under Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

The board ("Board") of directors ("Directors") of the Company announces that the property ("PRC Property") owned by Grand Noble Group Limited ("Grand Noble"), an indirectly wholly owned subsidiary of the Company, which is situated at the various portions of Level 1 to Level 4, Qi Lu International Mansion, No. 180 Quancheng Road, Lixia District, Jinan City, Shandong Province, the People's Republic of China ("PRC") was granted by the Qingdao Intermediate People's Court ("Qingdao Court") to 山東榮興建設有限公司 (unofficial English name being "Shandong Laigang Construction Company Limited") ("Shandong Laigang"), a creditor of Grand Noble, on 11 July 2006 to satisfy a debt allegedly owed by Grand Noble to Shandong Laigang. The Board is not currently aware of information to suggest that Shandong Laigang is a connected person (within the meaning of the Listing Rules) of the Company. Relevant chronological details are set out below.

The Group sold the entire issued share capital of Grand Noble to True Honest Limited pursuant to an agreement dated 19 October 2004. The consideration of HK\$270 million was to be satisfied by payment to the Group of HK\$20 million in cash and the issue of a promissory note pursuant to which True Honest Limited agreed to pay HK\$250 million to the Group on the day falling 6 months after the date of completion of the transfer of Grand Noble. Details of the disposal of Grand Noble were set out in the Company's announcement dated 19 October 2004. Subsequently, True Honest Limited requested an extension of time for payment under the promissory note and the Company agreed to an extension to 29 June 2005. Details are set out in the Company's announcement dated 13 June 2005. True Honest Limited defaulted in making payment under the promissory note by the expiry of such extended deadline. As a result, the Company took steps to enforce the share charge securing payment under the promissory note and to resume ownership of Grand Noble. Details are set out in the Company's announcement dated 29 June 2005. On 4 August 2005, the Company announced that it had in July 2005 completed the procedure for resuming ownership of Grand Noble and that Grand Noble had become a subsidiary of the Company once again.

The current Board consists of ten members. None of them was involved in the disposal and/or resumption of Grand Noble as mentioned above. Five of them joined the Board on 8 June 2006 and five of them joined on 12 June 2006. Since their appointments, the Directors have been carrying out an assessment of the Group's assets and business. The legal adviser as to PRC laws appointed by the Board to assist it with such assessment exercise ("PRC Lawyer") informed the Board that the PRC Property would be put up for auction on 7 July 2006 and this prompted the Company to request suspension of trading in its Shares on 4 July 2006. The PRC lawyer has also advised the Company that the PRC Property owned by Grand Noble has been subject to various protection orders granted by the Qingdao Court and the Jinan Intermediate People's Court (collectively, the "PRC Courts") to secure certain sums allegedly due to Shandong Laigang and that it had been put up for auction twice before but had remained unsold. The first and the second auctions were held well before the appointment of the current Board.

The PRC Lawyer has advised the Company that the third auction of the PRC Property in pursuance of enforcement of various orders made by the PRC Courts held on 7 July 2006 was unsuccessful as no bidder participated in it.

The PRC Lawyer has further advised the Company that, according to the records of the Qingdao Court, on 13 January 2005 (which is after the disposal of Grand Noble by the Group in 2004 and before the Group resumed its ownership in Grand Noble in 2005) the then sole director of Grand Noble made a declaration in which Grand Noble agreed to be contingently liable to repay the sum owed to Shandong Laigang and that Grand Noble should apply to the relevant PRC Court to join itself as a defendant to the relevant proceedings.

As stated in the audited financial statement of the Company for the year ended 31 December 2005, the PRC 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.

On 25 July 2006, the PRC Lawyer provided a judgment granted by the Qingdao Court ("Judgment") on 11 July 2006 to the Shandong Laigang. It is stated in the Judgment that subsequent to the three auctions mentioned above, the reserve price of the PRC Property at the last of the three auctions was RMB71,410,000 (approximately HK\$69,320,388). Pursuant to a written application made by Shandong Laigang to the Qingdao Court to take possession of the PRC Property in settlement of the sum owed to it by Grand Noble, the PRC Property was awarded to Shandong Laigang. According to the Judgment, the total amount Grand Noble owed to Shandong Laigang was RMB63,511,931 (approximately HK\$61,662,069) and as the last reserve price of the PRC Property was RMB71,410,000, Shandong Laigang had paid the difference of RMB7,898,069 (approximately HK\$7,668,028) to the Qingdao Court. The Company is taking further legal advice as to the availability of any remedy the Group may have so as to recover the PRC Property and/or the damages it has suffered. Further announcement(s) will be made by the Company when further information becomes available concerning the status of the PRC Property.

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

Executive Directors:	Mr. Cheung Chung Leung, Richard, Ms. Sun Bo, Mr. Christian Emil Toggenburger and Mr. Beat Rene Saxer
Non-executive Directors:	Mr. Hans-Peter Hess and Ms. Mai-San Young
Independent non-executive Directors:	Mr. Cheng Hong Kei, Mr. Tang Ka Siu, Johnny, Mr. Leung Kwan, Hermann, Mr. William Montgomerie Courtauld

In this announcement, for the purpose of illustration only, the amount quoted in RMB has been converted into HK\$ at the rate of RMB1.03 to HK\$1.00. Such exchange rate has been used, where applicable, for purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at these or any other rates or at all.

By order of the Board
Beauforte Investors Corporation Limited
Cheung Chung Leung, Richard
Chairman