

BEAUFORTE INVESTORS CORPORATION LIMITED

(incorporated in Hong Kong with limited liability)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2001

The Board of Directors of Beauforte Investors Corporation Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2001 as follows:—

	Note	Year ended 31st December	
		2001 HK\$ million	2000 HK\$ million
Turnover	2	24.0	41.7
Other net income/(loss)	3	10.9	(14.5)
Administrative and corporate expenses		(2.1)	(3.8)
Operating profit		32.8	23.4
Share of losses of associates		—	(18.5)
Profit before taxation	2	32.8	4.9
Taxation (charge)/credit	4a	(0.2)	4.1
Profit attributable to shareholders		32.6	9.0
Dividends attributable to the year:	5	—	7.3
Interim dividend declared during the year		—	7.3
Earnings per share	6	HK\$1.11	HK\$0.31

Notes:

1 BASIS OF PRESENTATION

The financial statements have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants.

2 TURNOVER/SEGMENTAL REPORTING

The Group's activities are comprised of the following two business segments:

(1) 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.

(2) Property:

Investment and trading in property assets to generate rental income and sales proceeds. All properties of the Group were disposed of during the year ended 31st December, 2000.

Turnover by segment

	2001 HK\$ million	2000 HK\$ million
Treasury and investment		
Interest income from		
— bank deposits	15.1	17.3
— other loans	3.7	5.1
— debt securities	2.2	4.3
Dividend income	3.0	3.6
	24.0	30.3
Property		
Rental income	—	0.2
Proceeds on sale of property	—	11.2
	—	11.4
Group turnover	24.0	41.7

Profit/(loss) by segment

	Treasury and investment		Property		Unallocated		Total	
	2001 HK\$ million	2000 HK\$ million	2001 HK\$ million	2000 HK\$ million	2001 HK\$ million	2000 HK\$ million	2001 HK\$ million	2000 HK\$ million
Segment result	34.5	8.8	—	11.4	—	—	34.5	20.2
Share of losses of associates	—	(18.5)	—	—	—	—	—	(18.5)
Unallocated (expense)/ income	—	—	—	—	(1.7)	3.2	(1.7)	3.2
Profit before taxation	34.5	(9.7)	—	11.4	(1.7)	3.2	32.8	4.9

All operations of the Group in terms of turnover, operating profit, assets and liabilities, were in Hong Kong and accordingly no separate geographical segment information is presented.

At the balance sheet date, all assets and liabilities of the Group were related to the treasury and investment activities. As all properties of the Group were disposed of during 2000, no segment information in respect of property assets and liabilities is presented.

OTHER NET INCOME/(LOSS)

	2001 HK\$ million	2000 HK\$ million
Net realised gain/(loss) on disposal of securities, net of surplus transferred from investment revaluation reserve of HK2.7 million (2000: deficit HK\$22.4 million)	10.3	(21.5)
Write-back of provision for expenses relating to discontinued shipping operations	—	7.0
Write-back of unclaimed dividends	0.4	—
Other income	0.2	—
	10.9	(14.5)

TAXATION (CHARGE)/CREDIT

(a) Taxation (charge)/credit in the consolidated profit and loss account represents:	2001 HK\$ million	2000 HK\$ million
The Company and subsidiaries		
Hong Kong Profits Tax		
— current year	(0.2)	(0.9)
— overprovision in respect of prior years	—	5.0
	(0.2)	4.1

The current year provision for Hong Kong Profits Tax represents 16% of the Group's assessable profit for the year.

(b) No provision for deferred taxation has been made as the effect of all timing differences is immaterial.

DIVIDENDS

(a) Dividends attributable to the year	2001 HK\$ million	2000 HK\$ million
Interim dividend (2000: 25 cents per share)	—	7.3
(b) Dividends attributable to the previous financial year, approved and paid during the year	2001 HK\$ million	2000 HK\$ million
Final dividend in respect of the previous financial year, approved and paid during the year (2000: 45 cents per share)	—	13.2

The Board of Directors does not recommend the payment of any dividend for the year ended 31st December, 2001.

EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders for the year of HK\$32.6 million (2000: HK\$9.0 million) and 29,282,000 shares in issue throughout the year and the preceding year. There were no dilutive potential ordinary shares in existence during the year.

CHANGE IN ACCOUNTING POLICY

In prior years, dividends proposed or declared were recognised as a liability in the accounting period to which they related. With effect from 1st January, 2001, in order to comply with Statement of Standard Accounting Practice 9 (revised) issued by the Hong Kong Society of Accountants, the Group recognises dividends proposed or declared as a liability in the accounting period in which they are declared by the Directors (in the case of interim dividends) or approved by the shareholders (in the case of final dividends). Consequently, dividend income from subsidiaries and associates is recognised as income in the Company's profit and loss account in the accounting period in which they are declared.

There is no impact on the Group's net assets and profit attributable to shareholders for the periods presented. The new accounting policy has been adopted retrospectively, with the opening balance of retained profits and the comparative information adjusted for the amounts relating to prior periods.

CLOSURE OF REGISTER

The register of members will be closed from Wednesday, 15th May, 2002 to Tuesday, 21st May, 2002, both days inclusive, during which period no transfer of shares will be effected. In order to determine the identity of shareholders who are entitled to attend and vote at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Tengis Limited, 4/F., Hutchison House, 10 Harcourt Road, Central, Hong Kong not later than 4:00 p.m. on Tuesday, 14th May, 2002.

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover of the Group for the year 2001 decreased by approximately 42% to approximately HK\$24 million. The drop in interest rates has caused the decline in our interest income, and as the Group did not hold any property interests during the period, there was no property sales and rental income. Other income includes HK\$10.3 million of net gain on disposal of long term investments, compared with a loss of HK\$21.5 million incurred in 2000, and there were no profits or losses from associates. Overall, profit attributable to shareholders has increased to HK\$32.6 million.

As at 31st December, 2001, the Group had cash and bank balances of approximately HK\$404 million with no borrowings, and long term investments of approximately HK\$263 million at market value. The Group's financial position has remained strong.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

COMPLIANCE WITH THE 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 Listing Rules of The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Save as aforesaid, the Company has been in compliance with the Code of Best Practice as set out in the Listing Rules throughout the year 2001.

FULL DETAILS OF FINANCIAL INFORMATION

A detailed results announcement containing all the information 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
Chiu Tao
Chairman

Hong Kong, 12th April, 2002

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Members of Beauforte Investors Corporation Limited (the "Company") will be held at 7/F., Board Room, Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 21st May, 2002 at 3:30 p.m. for the following purposes:

- To receive and consider the audited Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31st December, 2001;
- To re-elect Directors and to authorise the Board of Directors to fix Directors' remuneration;
- To re-appoint Auditors and to authorise the Board of Directors to fix Auditors' remuneration;
- To consider as Special Business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

"THAT:—

- subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$4.00 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- the aggregate nominal amount of shares of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- for the purposes of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:—
 - the conclusion of the next annual general meeting of the Company;
 - the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
 - the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company."

- To consider as Special Business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

"THAT:—

- subject to paragraph (c) below and pursuant to Section 57B of the Companies Ordinance, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$4.00 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined), (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:—

 - the conclusion of the next annual general meeting of the Company;
 - the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
 - the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

"Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or

obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company)."

- To consider as Special Business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

"THAT subject to the passing of Resolutions No.4 and No.5 set out in this notice convening this meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to Resolution No.5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No.4 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution."

By Order of the Board
Chiu Tao
Chairman

Hong Kong, 12th April, 2002

Notes:—

- Any member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- To be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company's share registrar, Tengis Limited, at 4/F., Hutchison House, 10 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- The register of members will be closed from 15th May, 2002 to 21st May, 2002 both days inclusive, during which period no transfer of shares will be effected. In order to determine the identity of shareholders who are entitled to attend and vote at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Tengis Limited, 4/F., Hutchison House, 10 Harcourt Road, Central, Hong Kong not later than 4:00 p.m. on 14th May, 2002.
- With regard to item 4 above, the directors wish to draw the attention of the shareholders to the circular which summarises the more important provisions of the Listing Rules relating to the repurchase of shares on the Stock Exchange by a company and will be despatched to the shareholders together with the annual report. The present general mandate to repurchase shares given by the shareholders expires at the forthcoming annual general meeting and, accordingly, a renewal of that general mandate is now being sought.
- With regard to item 5 above, the directors wish to state that, currently, they have no plans to issue any additional new shares of the Company (other than pursuant to any of item (i), (ii) or (iii) contained in paragraph (c) of the Resolution No. 5). The present general mandate to issue shares given by the shareholders expires at the forthcoming annual general meeting and, accordingly, a renewal of that general mandate is now being sought.