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BEAUFORTE INVESTORS CORPORATION LIMITED

(incorporated in Hong Kong with limited liability)

ACQUISITION OF 29.5% OF THE ENTIRE ISSUED SHARE CAPITAL OF POLY INVESTMENTS HOLDINGS LIMITED

Reference is made to the announcements of the Company dated 25th April, 2002, 28th May, 2002 and 12th June, 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 Company has been informed by the Vendor that the Vendor and the Placing Agent has agreed to cancel the original Conditional Placing Agreement on 4th July, 2002 and Golden Mountain Limited, a wholly owned subsidiary of the Vendor has appointed the New Placing Agent to place the Placing Shares, representing approximately 17.0% of the existing issued share capital of Poly Investments.

At the request of the Company, trading in the shares of the Company was suspended with effect from 9:30 a.m. on 5th July, 2002 pending publication of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:30 a.m. on 8th July, 2002.

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

CANCELLATION OF THE CONDITIONAL PLACING AGREEMENT

The Company has been informed by the Vendor that the Vendor and Tai Fook Securities Company Limited (the "Placing Agent") has on 4th July, 2002 agreed to cancel and terminate the conditional placing agreement entered into by the Vendor and the Placing Agent on 24th April, 2002 (the "Conditional Placing Agreement").

APPOINTMENT OF NEW PLACING AGENT

The Company has been informed by the Vendor that Golden Mountain Limited, a wholly owned subsidiary of the Vendor has on 4th July, 2002 agreed to appoint Kingston Securities Limited ("New Placing Agent") as the new placing agent to place a total of 206,800,000 existing shares of Poly Investments, representing approximately 17.0% of the existing issued share capital of Poly Investments (the "Placing Shares"), to places to be determined by the New Placing Agent.

DISCLOSEABLE TRANSACTION-THE ACQUISITION OF 29.5% OF THE ENTIRE ISSUED SHARE CAPITAL OF POLY INVESTMENTS

Subject to the fulfillment of the conditions precedents for the Acquisitions as set out in the Circular, the Company will proceed with the Acquisition. The Acquisition is conditional upon, among others, 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. It is intended that further application will be made to the SFC for such confirmation from the Executive. Pursuant to the S&P Agreement (as amended), the deadline for the fulfillment of the conditions of the S&P Agreement is 12th July, 2002 and the deadline of the Completion Date is 17th July, 2002. The parties to the S&P Agreement will consider whether the relevant deadlines under the S&P Agreement will be extended. A further announcement will be made if the parties agree to further extend such deadlines. If the parties do not extend such deadlines, the S&P Agreement will lapse automatically if the conditions of the S&P Agreement are not fulfilled by 12th July, 2002.

SUSPENSION AND RESUMPTION OF TRADING OF SHARES

At the request of the Company, trading in the shares of the Company was suspended with effect from 9:30 a.m. on 5th July, 2002 pending publication of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:30 a.m. on 8th July, 2002.

By Order of the Board
Chiu Tao
Chairman

Hong Kong, 5th July, 2002

The directors of the Company 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.