Beauforte Investors Corporation Limited

(Incorporated in Hong Kong with limited liability)

Stock Code : 00021

INTERIM REPORT 2008

The Board of Directors (the "Board") of Beauforte Investors Corporation Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008 together with the comparative figures for the corresponding period in 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2008

		Six months ended 30 June	
		2008	2007
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Turnover	*3*	**7,425**	–
Cost of sales		**(7,486)**	–
Gross loss		**(61)**	–
Other operating income		**–**	589
Administrative expenses		**(5,761)**	(2,961)
Finance cost		**–**	–
Loss before tax	*5*	**(5,822)**	(2,372)
Income tax expense	*6*	**–**	–
Loss for the period		**(5,822)**	(2,372)
Dividend	*7*	**–**	–
Loss per share			
– Basic	*8*	**(1.7) cents**	(0.7) cents
– Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2008

	Notes	**30 June 2008 HK$'000 (Unaudited)**	31 December 2007 HK$'000 (Audited)
Non-current assets			
Plant and equipment		**521**	103
Investment properties	*9*	**–**	–
Available-for-sale investments	*10*	**–**	–
Prepayment for acquisition of subsidiaries		**10,000**	5,000
Prepayment for acquisition of plant and equipment		**–**	326
		10,521	5,429
Current assets			
Held-for-trading investments		**4,467**	–
Other receivables		**657**	613
Deposit refundable	*11*	**–**	–
Deposits in an assets management company	*12*	**–**	–
Bank balances and cash		**2,908**	55
		8,032	668
Current liabilities			
Other payables and accrued charges		**(1,947)**	(3,049)
Amounts due to directors		**(29,890)**	(10,510)
		(31,837)	(13,559)
Net current liabilities		**(23,805)**	(12,891)
		(13,284)	(7,462)
Capital and reserves			
Share capital	*13*	**140,553**	140,553
Share premium and reserves		**(153,837)**	(148,015)
		(13,284)	(7,462)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2008

	Share Capital	Share Premium	Accumulated Losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2007	140,553	37,978	(180,542)	(2,011)
Loss for the period	–	–	(2,372)	(2,372)
At 30 June 2007	140,553	37,978	(182,914)	(4,383)
At 1 January 2008	140,553	37,978	(185,993)	(7,462)
Loss for the period	–	–	(5,822)	(5,822)
At 30 June 2008	140,553	37,978	(191,815)	(13,284)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2008

	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net cash used in operating activities	**(11,291)**	(57)
Net cash used in investing activities	**(5,236)**	–
Net cash from financing activity	**19,380**	–
Net increase/(decrease) in cash and cash equivalents	**2,853**	(57)
Cash and cash equivalents at 1 January	**55**	193
Cash and cash equivalents at 30 June represented by bank balances and cash	**2,908**	136

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Accounting Standard ("HKAS") No. 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The unaudited condensed consolidated financial statements for the six months ended 30 June 2008 has been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, and should be read in conjunction with the Group's annual financial statements as at 31 December 2007.

The accounting policies used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2008 are consistent with those followed in the preparation of the Group's annual financial statements as at 31 December 2007.

As at 30 June 2008, the Group had net current liabilities of approximately HK$23,805,000 and capital deficiency of approximately HK$13,284,000. Nevertheless, these financial statements have been prepared on a going concern basis because the Company had entered into a subscription agreement with Ms. Huang Wenxi ("Ms. Huang") on 1 February 2008. Ms. Huang is a major shareholder and director of the Company. According to the subscription agreement, Ms. Huang will subscribe 420,000,000 new shares of the Company at a price of HK$0.4 per subscription share, for a total consideration of HK$168,000,000 (the "Subscription"). Ms. Huang and the Company had agreed to apply HK$6,000,000 of the net proceeds from the subscription to settle all financial obligations of the Company. The balance of the subscription money will provide the Group with new funds to enhance its existing business operations as well as to enable the Group to make investments in new acquisitions or business ventures when suitable opportunities arise in the future.

The Completion of the said agreement is conditional upon, among others, a proposal for the resumption in trading of shares on the Stock Exchange having been approved in principle by the Stock Exchange; and the resolutions to effect the transactions contemplated therein having been approved by the shareholders at the coming extraordinary general meeting.

In the meantime, Ms. Huang had entered into a loan agreement with Company on 24 April 2008 and had granted a shareholder's loan of HK$10,000,000 to the Group for meeting its financial obligations when they fall due prior to the completion of Subscription. According to such loan agreement, such loan amount is repayable either upon the execution of the Subscription, by offsetting against the subscription monies payable, or at a later date no earlier than twelve months from the date of the loan agreement.

These financial statements do not include any adjustments that would result in the failure of the Group to obtain future funding. Had the going concern basis not been used, adjustments would have to be made to reduce the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets. The effects of these adjustments have not been reflected in the financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current interim period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (collectively referred to as "new HKFRSs") issued by HKICPA which are effective for the Group's financial year beginning on 1 January 2008. The adoption of these new HKFRSs has had no material effect on the results and financial position of the Group for the current and prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 and HKAS 1 (Amendment)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 8	Operating Segments[2]
HK (IFRIC) – Int 13	Customer Loyalty Programmes[1]

[1] Effective for annual periods beginning on or after 1 July 2008.

[2] Effective for annual periods beginning on or after 1 January 2009.

[3] Effective for annual periods beginning on or after 1 July 2009.

The directors of the Company are currently assessing the impact of the new standards, amendments and interpretations but are not yet in position to state whether they would have material impact on the unaudited condensed consolidated financial statements.

3. TURNOVER

Turnover represents the net amounts received and receivables for trading of securities for the period ended 30 June 2008.

4. SEGMENT INFORMATION

For management purposes, the Group organised into three operation divisions – (i) property investment (ii) treasury and investment and (iii) securities trading. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Property investment:

Investment in property to generate rental income.

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.

Securities trading:

Investment in listed securities to generate profit from short-term fluctuation in price.

An analysis of the Group's turnover and results by business segments are as follows:

Six months ended 30 June 2008

	Property investment *HK$'000*	Treasury and investment *HK$'000*	Securities trading *HK$'000*	Total *HK$'000*
TURNOVER				
Rental income	–	–	–	–
Interest income from deposits	–	–	–	–
Proceeds from trading of securities	–	–	7,425	7,425
Total turnover	–	–	7,425	7,425
RESULTS				
Segment results	(7)	(21)	(110)	(138)
Unallocated expenses	–	–	–	(5,684)
Loss for the period				(5,822)

Six months ended 30 June 2007

	Property investment *HK$'000*	Treasury and investment *HK$'000*	Securities trading *HK$'000*	Total *HK$'000*
TURNOVER				
Rental income	–	–	–	–
Interest income from deposits	–	–	–	–
Proceeds from trading of securities	–	–	–	–
Total turnover	–	–	–	–
RESULTS				
Segment results	(10)	(15)	–	(25)
Unallocated expenses	–	–	–	(2,347)
Loss for the period				(2,372)

5. LOSS BEFORE TAX

	Six months ended 30 June **2008** ***HK$'000*** **(Unaudited)**	2007 *HK$'000* (Unaudited)
Loss before tax has been arrived at after charging:		
Cost of security trading	**7,486**	–
Depreciation	**118**	16
Loss on disposal of plant and equipment	**26**	–
Minimum lease rentals in respect of rented premises	**841**	263
Change in fair value of financial assets classified as held-for-trading investments	**50**	–

6. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax for both periods.

No provision for taxation in other jurisdictions has been made as the Group did not have any assessable profits in the respective jurisdictions.

7. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2008 (2007: Nil).

8. LOSS PER SHARE

The calculation of basic loss per share is based on the following data:

	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period	**5,822**	2,372
	'000	*'000*
Weighted average number of ordinary shares	**351,384**	351,384

There were no dilutive potential ordinary shares in existence during both periods, accordingly, no diluted loss per share figures are presented.

9. INVESTMENT PROPERTIES

VALUATION	Properties at Shanghai *HK$'000*	Properties at Shandong *HK$'000*	Total *HK$'000*
At 1 January 2006	35,000	237,000	272,000
Transfer from provision for the loss on a guarantee agreement	(22,900)	–	(22,900)
Provision for loss in value	(12,100)	–	(12,100)
Written off	–	(237,000)	(237,000)
At 31 December 2006, 31 December 2007 and 30 June 2008	–	–	–

(a) Investment property located in Shanghai, the PRC

On 23 March 2004, the Group entered into agreements to pledge the property to a bank in the PRC to secure a short-term bank loan of RMB24,000,000 (approximately HK$22,900,000) granted to a third party. In return, the Group receives an income of 8% per annum on the face value of such loan. During the year ended 31 December 2005, the bank loan was overdue and the Group was being demanded for repayment. The property was then sequestrated by a court in the PRC and a provision for the loss of HK$22,900,000 for such guarantee contract was made in year 2005. A further provision of approximately HK$12,100,000 was made in year 2006.

The properties were subsequently disposed of by force sale by the court of Shanghai and was written off during the year ended 31 December 2007.

(b) Investment property located in Shandong, the PRC

During the year ended 31 December 2004, the investment properties were disposed through the disposal of the subsidiary, Grand Noble Group Limited ("Grand Noble"). However, the purchaser of that subsidiary was defaulted in paying the consideration. Accordingly, the Company enforced the share charge in July 2005 and resumed the ownership of the subsidiary and the investment properties.

The Company later found that the properties were awarded to a PRC company to settle the sum owned to the PRC company by Grand Noble pursuant to a court order on 11 July 2006. The properties were written off in year 2006.

10. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2008 HK$'000 (Unaudited)	31 December 2007 HK$'000 (Audited)
Unlisted shares overseas		
Hennabun Capital Group Limited (formerly known as Hennabun Management International Limited) ("HCG") *(note a)*		
At cost	**59,000**	59,000
Impairment losses recognised	**(59,000)**	(59,000)
	–	–
Unlisted shares in PRC		
Heze Century Energy Coalchem Industrial Co. Ltd ("Heze") *(note b)*		
At cost	**12,000**	12,000
Impairment losses recognised	**(12,000)**	(12,000)
	–	–
Zhejiang Risesun Paper Co. Ltd ("Risesun") *(note c)*		
At cost	**7,098**	7,098
Impairment losses recognised	**(7,098)**	(7,098)
	–	–
Wuhu Dongtai Paper Mfg. Co. Ltd ("Dongtai") *(note c)*		
At cost	**70,970**	70,970
Impairment losses recognised	**(70,970)**	(70,970)
	–	–
澤潤投資諮詢(上海)有限公司("Zerun") *(note d)*		
Reclassified from investment in a subsidiary	**919**	919
Impairment losses recognised	**(919)**	(919)
	–	–
	–	–

The above investments represent unlisted equity securities issued by private companies. They are stated at cost less impairment at each balance sheet date.

Notes:

(a) HCG was incorporated in British Virgin Islands with limited liability. It is engaged in securities trading, investment holding and provision of brokerage and financial services. At 30 June 2008, the Group owned 0.65% (2007: 1.67%) equity interests in HCG.

A full impairment loss was recognised on this investment in 2005. At 30 June 2008, the Directors conducted a review on the above investments. According to the latest available financial information, HCG is suffering from a huge accumulated losses. Directors considered that it is unlikely for any future cash flow that would be flowed into the Company, the recognised impairment loss is adequate but not excessive.

(b) At the balance sheet date, the Group owned 11.2% (2007: 11.2%) equity interests in Heze. Heze was incorporated in the PRC with limited liability. A full impairment loss is recognised on this investment in 2006.

At 30 June 2008, Heze has not commenced business. Directors considered that it is unlikely for any future cash flow that would be flowed into the Company, the recognised impairment loss is adequate but not excessive.

(c) At the balance sheet date, the Group owned 25% equity interests each in Risesun and Dongtai which are limited company incorporated in the PRC. They were classified as associates before year 2006. Their operations have been suspended since 2004. A full provision was made for these investment in 2004. After the changes in management of the Company in June 2006, the present management has no representative in the management body nor participation in the daily operating and financing activities in Risesun and Dongtai. Accordingly, the investments in these companies were then classified as available-for-sale investments. At 30 June 2008, the Directors conducted a review on the above investments. Having considered the likelihood of the recoverability of the investments, the Directors consider the provision previously made is adequate but not excessive.

(d) At the balance sheet date, the Group owned 100% in Zerun. After the changes in management of the Company in June 2006, the present management has instructed legal advisors to locate the previous management and staff of Zerun. However, as informed by the legal advisors, they were unable to contact them. Consequently, the present management of the Company has neither representative in the management body nor the ability to govern the operating and financing policies in Zerun. Accordingly, the investment in Zerun was classified as available-for-sale investments. A full impairment loss is recognised on this investment.

At 30 June 2008, the Directors conducted a review on the above investments. Having considered the likelihood of the recoverability of the investments, the Directors consider the recognised impairment loss is adequate but not excessive.

11. DEPOSIT REFUNDABLE

On 12 April 2005, the Group entered into a share transfer agreement with a third party to acquire 80% equity interest in Daoqin Hospital Management Company Limited (上海道勤醫院投資管理有限公司) ("Daoqin Hospital") at a consideration of HK$30,200,000 (the "Acquisition"). Daoqin Hospital is a company established in the PRC with limited liability and was established for the purpose of provision of hospital management services. During the year ended 31 December 2005, the Group made partial payment of HK$13,780,000.

The Acquisition has not been completed on 27 April 2006, the Group entered into another agreement to cancel the Acquisition and the Vendor was required to refund the payment to the Group within fifteen days from the date of agreement. The Group has not received the payment as at 31 December 2006 and up to the date of this report.

The Company has attempted to take legal action to recover the amount. However, as advised by the legal advisor, they were unable to contact the parties concerned. A full provision was made for the year ended 31 December 2006. At 30 June 2008, the Directors reviewed the situation. Having considered the likelihood of the recoverability was very remote, the Directors consider the recognised impairment loss is adequate but not excessive.

12. DEPOSITS IN AN ASSETS MANAGEMENT COMPANY

The amount of approximately HK$32,586,000 represents the deposits placed in an assets management company (the "Manager") which was a limited company incorporated in the PRC. The Manager was engaged in investment advisory, asset management and other related business. The deposit was contracted for the period from 1 July 2004 to 1 July 2005. The amount was overdue and no repayment schedule was made.

An ex-director, Li Zhaohui has equity interests in the Manager. Mr. Li Zhaohui was appointed as a director of the Company on 19 October 2004 and was removed on 8 June 2006.

The Company was informed that the Manager was in the process of liquidation in the PRC. Based on this information, the directors considered the likelihood of the recoverability of the amount was very remote and a full provision was made for the year ended 31 December 2006.

At 30 June 2008, the Directors reviewed the situation and considered the recognised impairment loss is adequate but not excessive.

13. SHARE CAPITAL

	Number of ordinary shares of HK$0.4 each	**Nominal value**
	'000	*HK$'000*
Authorised:		
At 31 December 2007 and 30 June 2008	1,000,000	400,000
Issued and fully paid:		
At 31 December 2007 and 30 June 2008	351,384	140,553

There was no movement in the Company's share capital during the period ended 30 June 2008.

14. OPERATING LEASE COMMITMENTS

The Group and the Company as lessee

At the balance sheet date, the Group and the Company had commitments for future minimum lease payments under non-cancellable operating lease which fall due as follows:

	30 June 2008	31 December 2007
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**1,014**	1,252
In the second to fifth year inclusive	**325**	812
	1,339	2,064

Operating lease payments represent rentals payable by the Group for its office premises. Lease is negotiated for a term of two years and rentals are fixed for two years.

15. CAPITAL COMMITMENTS

The Group and the Company

	30 June 2008	31 December 2007
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Capital expenditure contracted for but not provided in the financial statements in respect of:		
– the acquisition of plant and equipment	**–**	159
– the acquisition of subsidiaries	**68,400**	–
	68,400	159
Capital expenditure authorized but not contracted for in respect of:		
– the acquisition of subsidiaries	**–**	73,400

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the period ended 30 June 2008, the Group recorded a turnover of approximately HK$7,425,000 whereas there was no turnover incurred in the same period last year. The turnover was derived from the Group's securities trading business. Gross loss from such securities trading business was HK$61,000. During the period under review, loss attributable to the shareholders was HK$5,822,000, compared to loss of HK$2,372,000 in year 2007. The increase in the loss for the period is mainly due to substantial amount of legal and professional fees of approximately HK$2,400,000 incurred in relation to several corporate finance activities undertaken by the Group during the period under review for the purpose of resumption of trading in the Company's shares.

BUSINESS REVIEW

Resumption proposal

On 16 April 2008, the Company submitted a Resumption Proposal to the Stock Exchange. The management of the Company is actively pursuing an approval from the Stock Exchange on its Resumption Proposal for the resumption of trading in its shares.

Property Investment and Leasing Business

The Jinan Property

During the year ended 31 December 2004, the investment properties were disposed through the disposal of the subsidiary, Grand Noble Group Limited ("Grand Noble"). However, the purchaser of that subsidiary was defaulted in paying the consideration. Accordingly, the Company enforced the share charge in July 2005 and resumed the ownership of the subsidiary and the investment properties.

The Company later found that the properties were awarded to a PRC company to settle a sum allegedly owned to the PRC company by Grand Noble pursuant to a court order dated 11 July 2006. The properties were written off in year 2006.

In November 2006, a firm of PRC lawyers was appointed to make applications to the Courts in Jinan, Qingdao and the Provincial Court of Shandong to apply for the recovery of the monies held by the Court. Legal action is still underway.

The Shanghai Property

On 23 March 2004, the Group entered into agreements to pledge the properties to a bank in the PRC to secure for a short-term bank loan of RMB24,000,000 (approximately HK$22,900,000) granted to a third party. In return, the Group receives an income of 8% per annum on the face value of such loan. During the year ended 31 December 2005, the bank loan was overdue and the Group was being demanded for repayment. The property was then sequestrated by a court order in the PRC and a provision of HK$22,900,000 for such guarantee contract was made in year 2005. A further provision of HK$12,100,000 was made in year 2006.

The Shanghai Property was subsequently disposed of by force sale by the Court of Shanghai in November 2007 and hence was written off during the year ended 31 December 2007. Another firm of PRC lawyers was instructed to lodge application to the Court of Shanghai to apply for the recovery of the balance monies now held by the Court.

Securities Trading Business

The Group has resumed its securities trading activities during the period under review. The Group has undertaken trading of listed shares in Hong Kong with a turnover of approximately HK$7,425,000 as at 30 June 2008.

Treasury and Investment Business

At 30 June 2008, the Directors conducted a review on the investments in (a) Hennabun Capital Group Limited ("HCG"), (b) Heze Century Energy Coalchem Industrial Co., Ltd. ("Heze"), (c) Zhejiang Risesun Paper Co. Ltd ("Risesun"), Wuhu Dongtai Paper Mfg. Co. Ltd. ("Dongtai") and (d) 澤潤投資諮詢(上海)有限公司 ("Zerun") and believed that any retrieval or cash inflow from these investments are remote. Having considered the likelihood of the recoverability of those investments, the Directors considered the provisions previously made are adequate but not excessive.

BUSINESS OUTLOOK

The Group is principally engaged in property investment, treasury and investment, securities trading. The Group intended to diversify into various other businesses, including property development, property management, real estate agency, industrial manufacturing, trading, oil and gas related businesses, utility projects, telecommunications, IT and internet related projects, to complement its ongoing operations.

Starting from 2007, the Group has gradually adjusted its strategy, with a view to transform the Company from an investor into an investor/developer.

Upon successful re-capitalization, the Group will have adequate resources to continue with sustainable business operations. The professional expertise of the current board is capable to bring the Company back on profitable track once the trading of the Company's shares is resumed.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2008, bank balances and cash of the Group amounted to HK$2,908,000 (31 December 2007: HK$55,000). Current assets of the Group, which comprised of held-for-trading investments, other receivables and bank balances and cash, amounted to HK$8,032,000. Current liabilities of Group as at 30 June 2008 were HK$31,837,000 which mainly consisted of amounts due to the Company's substantial shareholders and executive directors, Ms. Huang of HK$26,140,000 and Mr. Richard Cheung of HK$3,750,000 respectively. On 7 April 2008, Ms. Huang has further granted an interest free shareholder's loan by providing up to HK$79,000,000 exclusively to finance the Company's acquisition as mentioned in the "Very Substantial Acquisition" section below. Currently, the Group finances its operation principally by its shareholders. Apart from those shareholders loans, the Group has no borrowings from independent third parties during the period under review.

VERY SUBSTANTIAL ACQUISITION

On 8 April 2008, Mega Top Capital Resources Limited ("Mega Top"), a wholly owned subsidiary of the Company, entered into a sale and purchase agreement ("Sale and Purchase agreement") (as supplemented by the Supplemental Agreement dated 4 June 2008 and the Revised Supplemental Agreement dated 19 August 2008) with two independent third parties ("Vendors"), pursuant to which Mega Top has conditionally agreed to acquire from the Vendors the entire share capital of Gold Coast Tourist Development Limited ("Gold Coast") and accept the assignment of shareholders' loan of approximately HK$24,207,000 due by Gold Coast to the Vendors at cash consideration of RMB70,000,000 (equivalent to approximately HK$78,400,000). The completion of Sale and Purchase Agreement is conditional upon fulfillment of certain conditions.

Gold Coast is an investment holding company incorporated in Hong Kong with 10,000 shares in issue at a par value of HK$1.00 each and holds the entire equity interest in 海豐金麗灣度假村有限公司 (the "PRC Subsidiary"), a wholly-owned foreign company established in the PRC with a registered capital of US$3,100,000. The PRC Subsidiary is principally engaged in development and operation of resort tourism business. Its principal asset is the properties located in Baian Peninsula, Houmen Town, Haifeng Country, Shanwei City, Guangdong Province, the PRC with a total site area of approximately 35,932 square meters and comprising two parcels of land. Currently, a resort named 海豐金麗灣度假村 (Jinliwan Resort Complex) consisting of nineteen (19) blocks of villa with a total gross floor area of approximately 2,317.1 square meters have been erected on the site (the "Property"). According to the valuation report prepared by an independent valuer, American Appraisal China Limited, the Property was valued at RMB71,000,000 as at 31 March 2008.

Ms. Huang Wenxi, the substantial shareholder has committed to finance the acquisition by providing up to HK$79,000,000 interest free loans exclusively for the settlement of the consideration of RMB70,000,000 in the event that completion of the acquisition takes place earlier than that of her subscription of the company's new shares. For details of the share subscription by Ms. Huang, please refer to the Subscription Announcements dated 10 March 2008 and announcements published by the Company dated 28 March 2008, 30 May 2008 and 31 July 2008 respectively in relation to the delay in despatch of the circular.

CAPITAL COMMITMENT

As at 30 June 2008, the Group had a capital commitment of HK$68,400,000 in respect of the acquisition of subsidiaries contracted for but not provided in the financial statements.

CHARGES ON ASSETS

As at 30 June 2008, the Group had not charged any of its assets.

EMPLOYEES

As at 30 June 2008, the Group employed 4 employees and the related staff cost amounted to HK$900,000. Staff remuneration packages are reviewed annually. The Group does not maintain a share option scheme.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2008, the interests and short positions of the Directors and their respective associated in the shares and convertible notes of the Company and it's associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Name of Directors	Type of Interests	Number of shares held	% of total issued shares
Mr. Cheung Chung Leung Richard	Corporate *(Note)*	98,000,000	27.89
Ms. Huang Wenxi	Personal	94,079,000	26.77

Note:

The interest disclosed represent the 98,000,000 shares held by Smartmax Holdings Limited which is 90% owned by Ms. Sun Bo. The other 10% was held by Mr. Cheung Chung Leung Richard, an Executive Director of the Company.

All the interests stated above represented long positions in the shares of the Company as at 30 June 2008, there were no short positions recorded in the register required to be kept under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the period was the Company, its subsidiaries or jointly controlled entity, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in the Company or of any other body corporate.

None of the Directors or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company or had exercised any such right during the period.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2008, so far as is known to the Directors, save as for the interest of the directors which had been disclosed in the foregoing paragraph on Directors' Interests in Securities, there was no interest or short positions of the persons, other than the directors of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

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 period under review.

CORPORATE GOVERNANCE

The Company has applied the principles and complied generally with the requirements of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rule") of the Stock Exchange of Hong Kong Limited throughout the period for six months ended 30 June 2008.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, they have confirmed that they have complied with the required standard set out in the Model Code throughout the period under review.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the requirements as set out in Appendix 14 of the Listing Rules, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three Independent Non-executive Directors of the Company. The Audit Committee has reviewed the Group's unaudited interim results for the period ended 30 June 2008.

By order of the board of directors
Beauforte Investors Corporation Limited
Cheung Chung Leung Richard
Executive Director

Hong Kong, 17 September 2008

As at the date of this report, the directors of the Company are as follows:

Executive Directors	Ms. Huang Wenxi *(Chief Executive Officer)* Mr. Cheung Chung Leung Richard
Non-executive Directors	Mr. Huang Shih Tsai *(Chairman)* Ms. Chan I Siu, Fair
Independent non-executive Directors	Mr. Cheng Hong Kei Mr. Leung Kwan, Hermann Mr. Lum Pak Sum