

# Chairman's Statement

*I am pleased to announce that Beijing Enterprises Holdings Limited (the "Group") recorded profit growth for a consecutive three year period. Consolidated turnover jumped 36% to HK\$5,213 million. Attributable profit to shareholders increased by 5.4% to HK\$516 million. Earnings per share increased by the same extent to HK\$0.83.*

In 2000, the Group's businesses continued to record steady growth. After relatively large-scale technology upgrades and corporate restructuring in preceding years, certain enterprises entered their speedy growth period with signs of continued and high growth. Some enterprises that had been in unfavourable operating environment also showed a significant turnaround in 2000.

It is encouraging that BISC, in spite of remarkably keen competition, maintained a significant market share in the switching market. Yanjing Brewery also started its series of well-planned acquisitions to expand its scale and to enhance its popularity and competitiveness. Among the Group's companies, Sanyuan Food, which is currently in preparation for separate listing on the A share market, is the one that has the greatest improvement in effectiveness. With its asset swap arrangement with the Dong An Group, Wangfujing has greatly enhanced its asset quality and profitability. In brief, the corporate restructuring in 2000 has enhanced the Group's asset quality and maintained its good financial condition, laying a solid foundation for future high growth.

2001 heralds a new century. From a global prospective, development and associated upheavals of the international economy coupled with slowdowns in the growth trend of the US economy have led to interwoven complications in the international capital market. With respect to the domestic situation, the overall running of the economy is back on track for the next cycle of speedy growth that will be affected by factors like the accession of the WTO. This will undoubtedly hasten the paces of reform and liberation of our market. The Hong Kong economy has regained its resilience and continued with its upward trend. In respect of Beijing, the capital of the largest developing country of the world, it will have solid foundations and good conditions for swift development in



the new century, which when combined with factors like the “application for holding the Olympics”, will multiply the economy size of Beijing. In general, the overall economic environment at the advent of the new century will witness a co-existence of unlimited opportunities, challenges and chances amidst the upheavals.

Adhering to our existing two-prong approach, we are committed in the growth of our traditional business through upgrading profitability and technology application and enhancing quality of assets. On the other hand, we will continue with our commitments in respect of the investment of new projects, in particular, investments in the new high technology arena.

The gist of our work for 2001 is to devote our efforts in increasing profitability by leveraging our foundations as well as strengthening the development of the operations of our assets. We will adopt a corporate development strategy of appropriate expansions and contractions through acquisitions, mergers, spin-offs and reorganizations in realizing as well as maximizing corporate operating efficiency. Another gist of our work for 2001 is to rely on developing high technology and its industries as a breakthrough, focus on constructing a high technology industry flagship, increase the input into the new high technology arena and accelerate industry restructuring.

The Group's continued profit growth is attributable to the competent management team and the high-calibre staff. I would like to take this opportunity to thank our staff for their dedication throughout the year.

胡 昭 廣

*Chairman*

Hong Kong  
10 April 2001