



北京控股有限公司

BEIJING ENTERPRISES HOLDINGS LIMITED

News Release

CONTACTS : Charles Deng
(852) 2105 6303
Lousie Chen
(852) 2105 6313
Corporate Affairs Department
Fax : (852) 2857 5084

2000 ANNUAL RESULTS

Hong Kong 10th April 2001 – Beijing Enterprises Holdings Limited (0392 HK) (the “Group”) is pleased to announce its 2000 annual results.

BASED ON CONTINUED GROWTH OF ITS BUSINESSES, BEIJING ENTERPRISES’ 2000 NET ATTRIBUTABLE OPERATING PROFIT UP 5.4%

Hong Kong 10th April 2001 – Beijing Enterprises Holdings Limited (the “Group”) (0392 HK) reported today that for the year ended December 31, 2000, the Group’s attributable operating profit rose 5.4% to HK\$516 million as compared to HK\$489 million in 1999. The Board has proposed a final dividend of HK15 cents per share which, together with the interim dividend of HK10 cents per share already paid, will make a total annualised distribution for 2000 of HK25 cents per share. Basic earning per share was HK\$83 cents.

Beijing Yanjing Brewery Company Ltd. and Beijing International Switching System Co., Ltd. (BISC) were the top performers of the Group in 2000. The brewery business accounted for 27% of the Group’s net profit while BISC accounted for 32% despite keen competition in the telephone switching system manufacturing business. Benefiting from air traffic volume growth, Beijing Capital Expressway Development Co. Ltd. recorded stable profit growth in 2000 as well.

CONSUMER GOODS

Beijing Yanjing Brewery Co., Ltd., with production capacity exceeding 2,000,000 tons per annum, recorded net turnover increased by 17% to HK\$1.5 billion while net operating profit decreased by 6% to HK\$246 million as compared to 1999 due to the substantial increase in marketing expenses for “Yan Jing” trademark promotion. After the completion of recent acquisition, Yanjing Brewery owns 11 beer production facilities spreading over six provinces in China and will concentrate its resources to improve the acquired brewery plants in all aspects.

Beijing San Yuan Foods Co., Ltd., producer of dairy products and the dominant supplier of fresh milk to Beijing residents, recorded substantial increase of turnover by 43% to HK\$663 million, while net profit increased by 14.35% to HK\$52 million as compared with 1999. The steady growth of gross margin resulted from San Yuan’s successful shift to premium dairy products market. San Yuan is planning for A-share listing in China in the first quarter of 2002.



Beijing McDonald's Food Co. Ltd., an associated company 50% owned by Beijing San Yuan Foods Co. Ltd., continued to develop. The total number of its outlets have reached to 67 at the end of 2000. Beijing McDonald's franchise has been extended to other cities in Hebei and Shanxi provinces. Its turnover and net profit recorded a significant increase in 2000 as compared with 1999.

Winery

The combined net turnover and profit after tax of Shun Xing Winery and Feng Shou Winery for 2000 amounted to 73 million and HK\$8.70 million respectively, representing a corresponding growth of 17% and 33% as compared with 1999.

INFRASTRUCTURE

Beijing Capital Expressway Development Co. Ltd., which manages and operates the Capital Airport Expressway connecting the Capital Airport and the city center, experienced 14% growth in traffic volume compared to 1999 amounting to almost 26.20 million vehicles in 2000. The opening of new passenger terminal has stimulated a rapid increase of air traffic volume. Turnover increased by 17% to HK\$271 million as compared to 1999. Net profit increased by 28% to HK\$137 million against HK\$108 million in 1999. The substantial growth in toll revenue is expected following the sustained growth of business activities and tourists arrivals in Beijing.

The Phase I of No.9 Water Treatment Plant's net profit after amortization derived from the concession and tax amounted to HK\$127 million in 2000. This concession provides a steady after tax cash income to the Group annually.

TOURISM AND RETAIL SERVICES

Jian Guo Hotel Joint Venture, one of the upper scale Beijing hotels favored by overseas visitors, recorded an increase on average occupancy rate by 8% to 76% in 2000 due to the completion of renovation of the hotel in early 2000 while average room rate decreased by 5% to RMB587 in the same period.

The turnover and the profit after tax both increased by 4% and 165% respectively as compared with 1999. The turnover amounted to HK\$120 million while the profit after tax was HK\$16.4 million.

The Badaling Great Wall site registered an increase of 10% of visitor arrivals to approximately 3.67 million in 2000. Both occupancy rate and room rate of **The Badaling Hot Spring Resort** remained stagnant in 2000. Combined net turnover of the Great Wall site and the Hot Spring Resort increased by 9% to HK\$123 million and combined profit after tax increased by same percentage to HK\$10.5 million as compared with 1999.

Longqingxia scenic area recorded 7% increase in visitor arrivals to 582,594 in 2000. The turnover and profit after tax amounted to HK\$33 million and HK\$4.5 million respectively.



Beijing Wanfujing Department Store (Group) Co. Ltd., one of the largest department store chain in China, recorded 71% increase in turnover to HK\$2.2 billion as compared to 1999. Although Wangfujing's operation has made moderate profit, it registered an exceptional loss of HK\$120 million arising from asset swap with Dong An Group. The asset swap is beneficial to Wangfujing Group in long term as significant amortisation can be saved from disposals of the non-performing assets.

TECHNOLOGY

The Group's 40% owned **Beijing International Switching System Corporation Ltd.**, one of the market leaders in the manufacture and sale of the telephone switching system, recorded a substantial increase in sales volume by 26% to 8.78 million ports in 2000. Turnover increased by 24% to HK\$2.93 billion while profit after tax declined by 11% to HK\$363 million in 2000 as compared to 1999. The reason for better profit in 1999 was due to an one-off tax rebate of HK\$69 million from the Tax Authority.

The Group reaped significant investment gain upon realising the interests in Greencool Technology Holdings Limited. Beijing Municipal Administration and Communications Card Co. Ltd., a subsidiary of the Group engaged in managing smart card used in all transportation systems in Beijing has obtained business licence and is expected to commence operation in the fourth quarter in 2001. The Group has also completed capital injection of RMB 65 million in Beijing Enterprises Teletron Information Technology Co. Ltd. a company specializing in network infrastructure construction and ISP services fields in Beijing, China.

The Group continues its prudent financial management by maintaining a pool of cash to withstand volatile market conditions and to expand its businesses as opportunities arise.

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

“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”. Mr. Hu concluded.

Beijing Enterprises Holdings Limited is the sole overseas listed conglomerate controlled by the Beijing Municipal Government for channeling capital, technology and management expertise from international markets into Beijing's development priorities. Its core businesses comprise consumer goods, infrastructure, tourism and retail services and technology.

For more information, please visit the Group's site at : <http://www.behl.com.hk>