This summary aims to give you an overview of the information contained in this prospectus and should be read in conjunction with the full text of this prospectus. Since this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares.

BUSINESS

The Group is principally engaged in the brewing, distribution and sale of beer in the PRC. Its predecessor was founded in 1900 and was the oldest brewery in China. According to China Light Industry Information Centre, the Group was one of the top five brewery groups/breweries in the PRC in 2001 in terms of production volume and its principal beer brand — "Harbin" (哈爾濱) (also commonly referred to as "HAPI") is regarded as a leading regional brand in Northeast Region. In terms of production volume, the Directors estimate that the Group had a market share of approximately 75.8%, 43.4% and 19% in Harbin City, Heilongjiang Province and Northeast Region in 2001 respectively. Assuming that the Acquired Breweries had formed part of the Group since 1st January, 2001, the Group's market share in Northeast Region in 2001 would have been approximately 22.4%.

The Group currently operates eight breweries — six in Heilongjiang Province and two in Jilin Province. In recent years, the Group has implemented a growth strategy to increase revenue, profitability and scalability in order to become a significant brewery group in the PRC. The Group has achieved its growth organically and through acquisitions in selected areas where there is a high potential that the Group could achieve a considerable market position. As part of this strategy, the Group has acquired a majority interest in the Acquired Breweries in June 2001 for a consideration of HK$230 million. As a result of the Acquisition, the aggregate production capacity of the Group has increased from approximately 5.3 million hl.p.a. (534,000 t.p.a.) to approximately 10.3 million hl.p.a. (1,044,000 t.p.a.)

Since 1995, the PRC has been the second largest beer consuming country in the world after the United States. The beer consumption in the PRC of approximately 223.1 million hl (22.6 million tonnes) in 2000 has grown by a CAGR of approximately 7.3% from that of 1995. This is the highest growth rate among the top five beer consuming countries during the period. Canadean in its Global Beer Report forecasted that the annual beer consumption in the PRC would reach approximately 242.9 million hl (24.6 million tonnes) in 2001 and further to approximately 320.4 million hl (32.4 million tonnes) in 2006. The Directors believe that China's beer market has significant growth potential as China's consumption per capita of beer, approximately 18 litres per annum in 2000, is the lowest among the top five beer consuming countries. Northeast Region is one of the major areas of beer production in the PRC. According to The China Statistical Yearbook 2001, beer production per capita in 2000 was approximately 35.2 litres in Northeast Region, about double the average for China as a whole in the same year. On the other hand, the beer market in the PRC is highly fragmented and is consolidating.

The Group has the capability to produce a full spectrum of beer catering for different market segments, and is now concentrating on three major segments, namely mass market, middle-income market and premium market. The Group has adopted a market-oriented approach by proactively adjusting its product mix from time to time to meet the changing consumer preference. Since the PRC beer market has been dominated by the mass market, the Group's products for this market have accounted for a significant portion of its turnover. However, envisaging a growth in the middle-income market, the Group has already taken steps to enhance its position in this market. The Group has also been selling its premium products to the premium market to maintain its profile and product coverage.

KEY STRENGTHS

The Directors believe that the Group's key strengths are as follows:

- *strong brand equity as the oldest brewery in the PRC and a leading brand in Northeast Region* — the Group's strong brand equity gives the Group an advantage in securing a leading market position in Northeast Region and provides it with a solid foundation for further promoting its products in other regions of the PRC;

- *competent and experienced management team which is proactive to market changes* — the Group's existing management team is an optimal mix of management professionals and industry specialists and the team's proactive approach to market change adds an edge to the Group's competitiveness;

- *a scaleable operation with a centrally co-ordinated, process-based management model* — the centrally co-ordinated, process-based management model, under which operation process and resources deployment are co-ordinated centrally on a regional basis, has facilitated the Group's scalable operation and enabled the existing breweries within the Group to operate synergistically; and

- *A successful track record of integrating and improving the operating results of acquired breweries* — the Group's ability to improve the efficiency and profitability of newly acquired/established breweries within a relatively short period of time has not only translated into a growth in profitability of the Group but also provided the Group with a solid foundation for further expansion to markets in other provinces of the PRC.

BUSINESS OBJECTIVE, STRATEGIES AND FUTURE PLANS

The Group's objective is to become a leading brewery group in the PRC. The Directors believe that, as China's beer industry is still undergoing its consolidation stage, the beer market in the PRC will eventually become dominated by a few market leaders with a scaleable operation, an effective distribution network and nation-wide brand equity. The Directors believe that the Group is well positioned to capture the opportunities arising from the current market consolidation in the PRC.

To achieve its objective, the Group has adopted the following strategies:

- *building a nation-wide brand with a regional-based approach* — the Group will focus on strengthening the scaleable markets in Northeast Region and at the same time leverage on its own dominant market position in Northeast Region to develop markets in other regions of the PRC which are identified as having a significant market potential;

- *making acquisitions in selected areas to further expand production scale and distribution network* — the Group will continue to seek strategic investment opportunities to synergistically enlarge its production scale and expand its nation-wide distribution network;

- *restructuring acquired breweries based on principles underlying the Group's centrally co-ordinated, process-based management model* — the Group will continue to implement its centrally coordinated, process-based model as its key management tool in managing and coordinating different functions and breweries; and

- *marketing in a centrally co-ordinated manner* — the Group will continue to adopt an integrated effort with central coordination at the regional level in various areas, including branding strategy, product mix management, pricing strategy and distribution to promote its corporate image and brand awareness.

REASONS FOR THE SHARE OFFER AND USE OF PROCEEDS

The Group intends to raise additional funds through the Share Offer to capture on the growth opportunities arising from the consolidating China beer industry and reduce debts incurred in connection with prior acquisitions of breweries in order to optimise its capital structure for future growth and development. Assuming an Offer Price of HK$1.485 (the mid-point of the indicative Offer Price range stated in this prospectus) and the Over-allotment Option is not exercised, the net proceeds of the Share Offer to be received by the Company after deducting related expenses, are estimated to be approximately HK$270 million. The Group currently intends to use such net proceeds as follows:

- approximately HK$150 million for reduction of debt, including part of the bank debts and shareholders' loans borrowed to finance the Acquisition;

- approximately HK$100 million for future expansion, including possible future acquisitions and capital expenditures; and

- approximately HK$20 million as general working capital.

Should the Over-allotment Option be exercised in full and assuming an Offer Price of HK$1.485 (the mid-point of the indicative Offer Price range stated in this prospectus), the Company will receive additional net proceeds of approximately HK$46 million. The Group currently intends to use such additional net proceeds for general working capital.

To the extent that the net proceeds of the Share Offer are not immediately applied for the above purposes, it is the present intention of the Directors that they will be placed on interest bearing deposits with financial institutions in Hong Kong.

TRADING RECORD

Summary of combined results of the Group

Set out below is a summary of the audited combined results of the Group for each of the three years ended 31st December, 2001 extracted from the accountants' report set out in appendix I to this prospectus. The table below also contains information on the unaudited figures for earnings before interest, tax, depreciation and amortisation ("EBITDA") of the Group, which are not contained in the accountants' report set out in appendix I to this prospectus. The summary includes the results of the Acquired Breweries for the six months ended 31st December, 2001 only as (1) the Acquisition was completed on 29th June, 2001, prior to which the Acquired Breweries were not operated under the management of the Group; and (2) in the opinion of the Directors, the effect of the results of the Acquired Breweries from 29th June, 2001 to 30th June, 2001 on the Group is not material. The summary should be read in conjunction with the accountants' report set out in appendix I to this prospectus.

		Year ended 31st December,		
		1999	**2000**	**2001**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	(a)	453,806	581,185	836,704
Cost of sales		(245,751)	(303,797)	(455,567)
Gross profit		208,055	277,388	381,137
Other revenue		2,518	5,251	8,755
Selling and distribution costs		(78,841)	(86,497)	(133,088)
Administrative expenses		(59,125)	(65,207)	(83,580)
Other operating expenses		(14,482)	(14,718)	(20,963)
Profit from operating activities		58,125	116,217	152,261
Finance costs		(17,445)	(17,192)	(33,473)
Profit before tax		40,680	99,025	118,788
Tax	(b)	(7,284)	(14,343)	(33,775)
Profit before minority interests		33,396	84,682	85,013
Minority interests		149	273	(3,578)
Net profit from ordinary activities attributable to shareholders		33,545	84,955	81,435
EBITDA	(c)	96,944	171,865	241,553

		Year ended 31st December,		
		1999	2000	2001
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Transfer to proposed reserve fund	(d)	2,051	4,590	5,314
Transfer to proposed enterprise expansion fund	(d)	2,051	4,590	5,314
Dividend		29,443	75,775	Nil
Earnings per Share — Basic, HK cents	(e)	5.08	12.87	12.34

Notes:

(a) Turnover represents the net invoiced value of goods sold, after allowances for returns, trade discounts, value-added tax and consumption tax. All significant intra-group transactions have been eliminated on combination.

(b) Tax for 2001 was approximately HK$33.8 million, or an effective tax rate of approximately 28.4%, as compared to approximately 14.5% in 2000. Increase in effective tax rate was mainly attributable to the tax holiday enjoyed by HB Company, the Group's major operating subsidiary, ended in 2000, and a full 24% statutory corporate income tax was provided for by HB Company (2000: 12%). In addition, the net profit from ordinary activities attributable to shareholders for the year ended 31st December, 2001 included certain tax non-deductible items under the PRC tax rule. As a result, effective tax rate for the Group in 2001 was higher.

(c) EBITDA represents earnings from operating activities before interest, tax, depreciation and amortisation.

(d) The reserve fund and the enterprise expansion fund are non-distributable and the transfers to these funds are determined by the respective boards of directors of the PRC subsidiaries in accordance with the relevant laws and regulations of the PRC. The reserve fund and the enterprise expansion fund can be used to make good future losses or to increase the capital of the PRC subsidiaries.

(e) The calculation of basic earnings per Share is based on the net profit from ordinary activities attributable to shareholders for the Track Record Period and on the assumption that 660,000,000 ordinary Shares were in issue and issuable during the Track Record Period, comprising 1,000,000 Shares in issue as at the date of the Prospectus and 659,000,000 Shares to be issued pursuant to the Capitalisation Issue, as more fully described in the paragraph headed "Written resolutions of the shareholders of the Company passed on 3rd June, 2002 and 17th June, 2002" in the section headed "Further information about the Company" in Appendix VI to the Prospectus.

No diluted earnings per Share have been presented for the Track Record Period as the Company did not have any dilutive potential ordinary Shares during the Track Record Period.

DIVIDEND

For the three years ended 31st December, 2001, the Company declared and paid a dividend of approximately HK$29.4 million, HK$75.8 million and nil respectively. The Directors have confirmed that there has not been any material adverse impact on the Group's financial position as a result of the payment of such dividends.

The Directors at present do not intend to recommend any dividends for the year ending 31st December, 2002. The Directors expect that, in the future, interim and final dividends will be paid in October and May of each year respectively and interim dividends will normally represent approximately one-third of the expected total dividends of each year.

Prospective investors are reminded that the historical records of the dividends paid by the Group have no correlation to the Group's future dividend policy, which is subject to changes from time to time. There is no assurance that the amount of future dividends will be similar to historical dividends or will be declared at all, and prospective investors should be aware that historical dividends should not be used as a reference or basis upon which the Group's future dividends may be determined.

DIRECTORS' REMUNERATION

Each of Mr. Li Wentao, Mr. Peter Lo, Mr. Fu Hui and Mr. Bao Liusuo has entered into a service contract with the Company for a term of three years commencing from 1st June, 2002 unless and until terminated by the Company or the relevant Director (as the case may be) by giving to the other party twelve/six months' (as the case may be) prior notice in writing, which notice period shall not expire at any time during the first year. Mr. Lee Kong Leong and Mr. Au Peter Jeva have not entered into any service contract with the Company.

Under the service contracts, there are sign-on and/or sign-off payments for the respective Directors. The sign-on and sign-off payments refer to incentive and gratuity payments that will be paid to the relevant Directors by the Company when they sign the service contract and when the service contract is terminated respectively. Each of the executive Directors will be entitled to a discretionary bonus provided that the total amount of bonuses payable to all the Directors for such year shall not exceed 10% of the audited consolidated net profit after tax but before extraordinary and exceptional items of the Group (the "Profit") and provided further that the Profit before payment of the total discretionary bonuses payable to all the executive Directors shall exceed HK$80 million. Each of the executive Directors will also be entitled to all reasonable out-of-pocket expenses and medical expenses.

Under the present arrangements, the aggregate of the remuneration paid or payable to, and benefits in kind received or receivable by, the Directors for the year ending 31st December, 2002 are estimated to be approximately HK$5 million.

SHARE OFFER STATISTICS

	Based on an Offer Price of HK$1.38 per Offer Share	Based on an Offer Price of HK$1.59 per Offer Share
Market capitalisation *(note 1)*	HK$1,214.4 million	HK$1,399.2 million
Historical earnings per Share *(note 2)*	9 cents	9 cents
Historical price/earnings multiple *(note 3)*	14.9	17.2
Adjusted net tangible asset value per Share *(note 4)*	HK$0.58	HK$0.63

Notes:

1. The market capitalisation is based on 880,000,000 Shares expected to be in issue following the Share Offer. The market capitalisation of the Shares does not take into account any Shares which may fall to be allotted and issued pursuant to the conversion of the Convertible Notes or upon exercise of the Over-allotment Option or upon exercise of any options granted under the Pre-IPO Share Option Scheme or any options which may be granted under the Share Option Scheme or which may fall to be issued or repurchased by the Company under the general mandates for the issue or repurchase of Shares granted to the Directors referred to in appendix VI to this prospectus.

2. The calculation of the historical earnings per Share for the year ended 31st December, 2001 is based on the Group's combined net profit attributable to shareholders for that financial year and on the basis of an issued share capital of 880,000,000 Shares, being the aggregate of the number of Shares in issue and to be issued as mentioned in this prospectus. The basis of computation is different from that in the accountants' report in appendix I to this prospectus and does not take into account the effect of interest on the net proceeds from the Share Offer.

3. The historical price/earnings multiple is based on the historical earnings per Share of 9 cents for the year ended 31st December, 2001 and on the basis of an issued share capital of 880,000,000 Shares as referred to in note 2 above.

4. The adjusted net tangible asset value per Share has been arrived at after making the adjustments referred to in the paragraph headed "Adjusted net tangible assets" in the section headed "Financial information" of this prospectus and on the basis of a total of 880,000,000 Shares expected to be in issue following the Share Offer but does not take into account any Shares which may fall to be allotted and issued pursuant to the conversion of the Convertible Notes or upon exercise of the Over-allotment Option or upon the exercise of the options granted under the Pre-IPO Share Option Scheme and any option which may be granted under the Share Option Scheme or which may fall to be issued or repurchased by the Company under the general mandates for the issue or repurchase of Shares granted to the Directors referred to in appendix VI to this prospectus.

   If the Convertible Notes and/or Over-allotment Option are/is converted or exercised (as the case may be) in full or in part, the adjusted net asset value per Share will increase correspondingly.

RISK FACTORS

The operations of the Group involve certain risks. Prospective investors should read carefully the section headed "Risk factors" of this prospectus rather than rely solely on this summary. These risks can be categorized into (i) risks relating to the Group; (ii) risks relating to the industry; (iii) risks relating to the PRC; and (iv) risks relating to the Shares, and are summarized below:

Risks relating to the Group

- The Acquisition and the process of integrating the Acquired Breweries into the Group have placed high demands on the Group's operational resources
- As no profit forecast has been included in this prospectus, prospective investors should exercise caution when investing in the Shares
- The Group may not be able to successfully implement its business plans and growth strategies
- The Group's performance may be affected by its relationship with its distributors
- There may be disputes among partners of joint ventures operated by the Group, resulting in the operations and financial conditions of these businesses being affected
- The Group's business may be adversely affected by any infringement of its trademarks
- The Group has been financing its operations and expansion substantially through third party borrowings. This has resulted in the Group's net current liabilities position and may add risk on the Group's financial position
- The Group's future growth and operating performance may be adversely affected if the Group is not able to comply with the covenants provided in the financing agreements
- The Group's profitability may be affected if turnover derived from sales of original products decline

Risks relating to the industry

- The Group's business performance may be affected by a change in consumers' preference and/or purchasing power
- The Group's business and results of operations may be adversely affected by any disruptions in the supply of, or the price fluctuations for, its major raw materials

- The Group's business may be adversely affected by intensified competition, particularly after China's entry into the WTO

- The Group's business and financial position may be adversely affected by any claims in respect of product liability

- The Group's profitability may be adversely affected by any change in environmental laws or regulations

Risks relating to the PRC

- The Group's business may be affected by the political and economic environment of the PRC

- The Group's business is exposed to currency conversion and exchange rate risks

- Change in legal environment may affect the Group's operations

Risks relating to the Shares

- An active market for the Shares may not develop or be sustained

- There are risks associated with statistics contained in this prospectus

- There are risks associated with forward-looking statements

Potential investors should carefully consider all information set out in this prospectus and, in particular, the risks associated with the Group and investment in the Shares as set out in the section headed "Risk factors" of this prospectus before making any decision in relation to an investment in the Offer Shares.