

Chairman's Statement

購物中心

北辰購物中心在北部地區商業網點密度加大，競爭日趨激烈的形勢下，保持了持續快速發展的態勢，全年共實現銷售收入人民幣10.5億元，增幅列全市第一，首次進入了十億元銷售商場行列，零售額排名從一九九九年的第六名上升到第五名，單位平方米銷售額、人均創利等指標均列全市第一。

信息技術公司

北京北辰東大阿爾派信息技術有限公司承建的北辰亞運村寬帶多媒體信息網二期工程已於年內完成，從而為亞運村物業在信息服務方面樹立了一流的形象和聲譽。

The planning and design proposal for Jiang Zhuang Hu Garden Villas was already approved by the relevant authorities in April. Besides, demolition of the original structures on the site and re-accommodation of the 132 affected families were completed in October.

While promoting sales of new units, the Group also adjusted its sales and marketing strategy and significantly boosted the sales of the slow-moving stocks. Remaining stocks of Xing Chen Mansion, amounting to 12,000 square meters in gross floor area, were sold out. Besides, the examination and delivery of Shi Ji Cun Estate, Super Garden Villas and Qiao Zhuang have also been completed as scheduled.

Shopping Centre

In face of increasing density of commercial complexes and intensified competition in northern Beijing, Bei Chen Shopping Centre maintained an impressive growth and recorded a sales revenue of RMB1.05 billion as the fastest growing shopping centre in Beijing. This marks an important step in our development as this is the first time we reached a sales volume of RMB1 billion. Ranking of sales revenue jumped to fifth from sixth in 1999. Sales revenue per square meter and profitability per outlet ranked first in Beijing.

Information Technology Company

Construction of Phase II Broadband Multimedia Integrated Information Network in the Asian Games Village has been completed by Beijing North Star Dongdai Aher Information Technology Company Limited during the year. The facility helped establish a top-notch image and reputation in information services for the properties in Asian Games Village.

花園別墅
Super Garden Villas



前景

二零零一年，中國經濟將保持持續增長、平穩發展的態勢，國家繼續實行積極的財政政策和拉動內需的政策效益將日益顯現，中國宏觀經濟形勢趨於樂觀，同時由於中國加入世界貿易組織(WTO)進程的加快以及北京市二零零八年奧運會的申辦，將對北京的物業市場帶來新的發展機遇。針對二零零一年北京物業市場形勢，本集團投資物業將依靠綜合競爭優勢，繼續執行鞏固和擴大市場佔有率的經營策略，全方位開拓客源市場，以保持本集團穩定的收益基礎。

二零零一年，滙園公寓將在穩定長住客源，拓展散客及會議客源、促進效益提高的同時，全力以赴完成A座改賓館任務，確保A樓賓館三月如期開業，年內出效益，兩至三年內成為公司新的效益增長點。

滙園國際公寓將繼續發揮寬帶多媒體網絡功能，穩定日本、韓國市場，優化中國市場，全力開發歐美市場，並全力推進滙欣大廈的租賃。

PROSPECTS

The PRC economy is expected to continue its steady growth in 2001. As the aggressive fiscal policies adopted by the government in boosting domestic demand started to take effect, prospects for the macroeconomic economy of the PRC is becoming more optimistic. Meanwhile, the speeding up in negotiation regarding the PRC's entry into the WTO together with the campaign for hosting 2008 Olympic Games by the Beijing government are likely to bring about new opportunities in the Beijing property market. Targeted at the market situation in 2001, the Group will continue to leverage on its competitive edge across various markets to consolidate and expand its market share. By doing so, the Group aims at extending its customer base to secure its stable recurrent income.

In 2001, Hui Yuan Apartment will continue to retain its tenants of long-term contracts and attract more customers for business stay and for the use of its convention facilities in order to increase effectiveness. Apart from this, the redevelopment of Hui Yuan Apartment Block A into a hotel is progressing at full speed to ensure that it will be in service by March as scheduled. The hotel is expected to generate profit by the end of the year and become the new source of growth of the Company within two to three years.

Capitalizing on its broadband multimedia network facility, Hui Yuan International Apartment will continue to strengthen its foothold in Japan, Korea and the PRC, while expanding into the European and U.S. markets. The Group will also make aggressive efforts in leasing the units of Hui Xin Offices.

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會議中心在保持大型會議的市場份額前提下，將進一步吸引展覽和中小型會議，寫字樓出租需要進一步挖掘潛力，提高出租率，增加收入。

五洲大酒店要在單樓經營的第二年，加大市場開拓力度，增加收入，並全力推進東樓改造工作。

滙賓大廈將在今年效益大幅度增長的基礎上，堅持運用靈活有效的營銷策略，穩定並擴大市場佔有份額，保持優秀的經濟業績。

購物中心要在抓好商品品牌、結構調整的同時，充分利用現有優勢，研究營銷工作的新策略，特別是節假期的促銷活動，保持持續快速發展。

信和物業管理公司要加大開拓外部市場的力度，擴大其在中高檔物業管理領域的市場份額，信誠物業管理公司在保持現有優勢的同時，作好綠色家園的物業管理工作，積極拓展外部市場並按計劃在全國物業小區評比中取得全國一級物業管理公司資質，進一步提升北辰物業管理的品牌形象。

While maintaining its market share in hosting large-scale conventions, Beijing International Convention Centre will step up its efforts in attracting tenants for exhibitions and small-to-medium scale conventions. Further efforts will be spent for office rental in a bid to increase the occupancy rate and rental income.

With its east wing closed for the second year for redevelopment, Beijing Continental Grand Hotel will step up its marketing efforts to increase revenue and make sure the redevelopment work is progressing at full speed.

Taking advantage of its high profit growth in this financial year, Hui Bin Offices will maintain and expand its market share through the use of adaptive sales and marketing strategies, in order to continue with its remarkable performance.

Apart from building on its brand names and modification in product mix, Bei Chen Shopping Centre will also fully utilize its existing advantages, and formulate new sales and marketing strategies (particularly the seasonal and festive promotional events) to maintain its rapid growth.

Xin He Property Management Company will step up its efforts in expanding its business and increasing its market share in the medium to high-end property management sector. While maintaining its high quality of management services for Green Garden, it will strive to expand its market and attain the recognition as one of the first class national property management companies by the national property estate committee. The brand name of the Group in the property management sector is expected to be further strengthened.

二零零一年，投資物業還將結合發展物業的發展，實施外延擴大型經營模式，增加優質物業的存量，輸出管理。同時，要繼續完善物業定位和結構調整，康樂宮將研究合理改造的方案，會議中心將研究擴充展場的可能並密切追蹤奧運預留地展場項目的動態，以擴大展場面積極適應北京市展覽場地需求上升的市場機會。

二零零一年，發展物業將在北京市住宅供應持續增長和經濟適用房競爭態勢不減的情況下，充分利用申奧、開發世貿中心項目等有利因素，打造北辰發展物業的品牌，在堅持自行開發的基礎上，結合土地轉讓，加快資金回收，積極推進重點項目的工程建設，把經營銷售與規劃設計、工程建設緊密結合，開展專業化的市場營銷工作。

滙欣大廈項目要按計劃於年初完成裝修，實現全面竣工。綠色家園項目要在進一步完善首開區環境和配套設施的基礎上，積極推進二期十棟住宅樓工程和中心公園一期的前期開發，力

In 2001, the development of investment properties will be in line with that of development properties to further expand the Company's market while increasing reserve of quality properties and providing management service. At the same time, it will continue to strengthen its market positioning and restructuring of the property portfolio. A feasibility study on the redevelopment of Beijing Recreation Centre will be conducted. On the other hand, the feasibility study on the extension of the Beijing International Convention Centre will also be proceeded upon. Meanwhile, the Company will closely monitor the latest development of the exhibition project in the Olympic Village Reserved Areas with a view to expanding its exhibition space and to capturing the market opportunities arising from the increasing demand for exhibition halls in Beijing.

In 2001, the supply of development properties in the Beijing residential market will continue to grow. Coupled with the competitive edges in the economical residential properties, the Company will fully utilise the opportunities in the campaign of the PRC hosting of the Olympic Games and the development of World Trade Centre, to establish the brand name for the Company's development properties. Continued with its two-pronged strategy of developing properties for sale and land transfer, the Company will increase its capital return. It will also speed up the construction of its key projects, integrate sales, design and construction plans to commence its professional sales and marketing campaign.

Renovation works for Hui Xin Offices are scheduled to be completed in the first half of this year. Upon further strengthening the peripheral and ancillary facilities of the Green Garden project, preliminary development for the ten buildings of Phase II and the Phase I work of

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爭二期十棟住宅樓中的A、B、C、住宅樓和中心公園一期綠化工程於二季度前後開工，二期住宅樓中的另7棟D-K住宅樓、托兒所、配電室於下半年開工，B1區工程於雨季后開工，實現二零零一年開工面積20萬平方米的目標。

在樓盤銷售方面，將進一步進行滙欣公寓、綠色家園首開區的市場推廣，爭取年內基本售完。綠色家園項目二期開發項目的開盤策劃和實施組織工作要盡快實施，適時進入市場，取得銷售收益。存量房的銷售要以加利大廈為核心，通過改善環境和重新定位包裝，推向市場。

在新項目開發方面，發展物業在二零零一年要立足亞運村，在積極爭取參與奧運村、世貿中心等項目建設的同時，向中關村、CBD等優質地域拓展，並研究城區危舊房改造、城市邊緣組團和綠化隔離帶地區的開發政策，增加土地儲蓄和新項目持有，同時盡快完成北辰房地產發展戰略、策劃和市場定位的研究，力爭今後三到五年，發展物業開復工面積和土地儲備有大幅提高。

the central park will be kicked off. In order to commence construction on a site with an area of 200,000 square meters, it is intended that Block A, B and C of the ten residential buildings of Phase II as well as the landscape engineering for Phase I of the central park be commenced in the second quarter. Construction for the remaining seven buildings from Blocks D to K of Phase II as well as a nursery and power switch room will be commenced in the second half of the year. Construction for Area B1, on the other hand, is scheduled to start following the raining season.

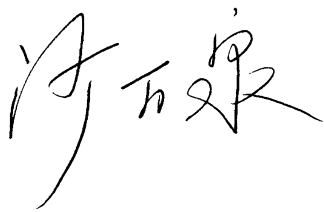
On the property sales front, the marketing efforts for the sales of Hui Xin Apartment and first batch of Green Garden sales will be further stepped up with a view to dispose of the majority of such properties during the year. Meanwhile, the planning and implementation for the launch of Green Garden Phase II will be commenced soon to tap into the market and realize sales revenue in a timely manner. On the other hand, stocks of Kerrie Plaza will be the focus of sales and will be relaunched after improvements and upon repackaging.

As for new development projects, development properties will be centred around Asian Games Village in 2001. While making endeavours to expand into premium areas such as Zhong Guan Cun and CBD, the Company will also bid for construction projects including Olympic Village and World Trade Centre. In addition, the Company will study development strategy for redevelopment of old urban residential quarters in the urban area, sub-urban development and development of green belt areas. While replenishing its land bank, the Company will step up its study on property development strategy, planning and market positioning with the view to significantly increasing the area under construction and its land bank in 3 to 5 years.

為拓展本集團新的融資渠道，優化集團股本結構，保證集團持續快速發展，集團計劃在年內採用公募方式增發不超過1.5億股(A股)。本次公募增發擬募集資金約6億元人民幣，計劃投資於北辰綠色家園住宅區開發項目二期工程。本次A股增發工作爭取在二零零一年內完成。

憑借本集團在北京物業市場的綜合競爭優勢和不繼調整完善經營發展戰略，以及本集團已形成的專業經驗和積極進取的敬業精神，董事會相信本集團可不斷實現新的發展並能為所有股東提供滿意的回報。

本人藉此機會感謝各位股東和社會各界對本集團的信心和支持，感謝為本集團勤勉工作的專業機構及專業人士，同時，也對本公司管理層和全體員工在過去一年裡所做的努力和貢獻深表謝意。



沙萬泉
董事長

中國 • 北京

二零零一年四月十七日

In order to provide the Group with new financing channel so as to strengthen its capital standing and to ensure continuous rapid development, the Group plans to issue no more than 150 million "A" shares. Proceeds raised from the share issue is approximately Rmb600 million and will be used for the investment in development of Phase II of the Green Garden. The "A" share issue will be completed in 2001.

With the Group's competitive edges in the Beijing property market, the Group continues to adjust its development strategy according to market needs. Along with its expertise, experiences and commitments, the Board of Directors is confident that Group is well positioned for realizing new developments and bringing satisfactory returns to shareholders.

I would like to take this opportunity to thank all shareholders for their trust and immense support, and all our advisers for their dedication. I would also like to express my gratitude and appreciation to our management and all the staff for their efforts and contributions made throughout the year.

Sha Wan-Quan
Chairman

Beijing, PRC

17th April, 2001