

1. 公司背景

北京北辰實業股份有限公司(「本公司」)為一家於一九九七年四月二日在中華人民共和國(「中國」)成立之股份有限公司，作為一家國有企業名為北京北辰實業集團公司(「控股公司」)(附註28)進行重組(「重組」)之一部分。

根據重組協議，本公司收購主要附屬公司及轄下業務，連同其有關資產及負債。於一九九八年七月二十日，本公司取得為中外合資股份有限公司之資格。

本公司主要業務為物業出租、土地及物業開發、物業投資及管理、餐飲業、經營酒店及百貨業。附屬公司之主要業務為在中國北京進行物業發展及投資。本公司及其附屬公司統稱為「本集團」。

2. 賬目編制基準

本重組是被認為在同一控制架構下進行的重組。在此基礎上，本集團被視作一連續實體。所以，本集團之綜合賬目採用了合併會計法計算。綜合賬目的編制是假設本集團架構在重組日之前的整個期間已經存在。

1 Company background

Beijing North Star Company Limited (the "Company") was a joint stock limited company established in the People's Republic of China (the "PRC") on 2nd April, 1997 as part of the reorganisation ("Reorganisation") of a State-owned enterprise known as Beijing North Star Industrial Group Company (the "Holding Company") (note 28).

Pursuant to the Reorganisation, the Company took over the principal subsidiaries and business undertakings, together with their related assets and liabilities. The Company was granted the status of a Sino-foreign joint venture joint stock limited company on 20th July, 1998.

The Company is principally engaged in property leasing, land and property development, property investment, property Management, provision of food and beverage services as well as the operation of a hotel and a department store. The subsidiaries are mainly engaged in property development and investment in Beijing, the PRC. The Company and its subsidiaries are herein collectively referred to as the "Group".

2 Basis of preparation of accounts

The Reorganisation was treated as a reorganisation of entities under common control. Under this basis, the Group is regarded as a continuing entity, and accordingly, the consolidated accounts of the Group have been accounted for on the basis of merger accounting. The consolidated accounts have been prepared as if the existing group structure had been in place through out the period before the date of Reorganisation.

3. 主要會計政策

賬目乃按照香港普遍採納之會計原則以及香港會計師公會頒佈之會計準則編制。賬目按歷史成本原則編制，並已根據酒店物業及投資物業的重估進行修正。

(a) 綜合基準

綜合賬目包括本公司及附屬公司截至十二月三十一日止年度之賬目。在年內購入之附屬公司，其業績由收購生效日(如適用)起計列入綜合損益賬內。

所有集團內公司間之重大交易及結餘已於編制綜合賬目時對銷。

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中擁有之權益。

(b) 附屬公司

附屬公司為本公司長期持有超過50%附投票權股本的公司，或本公司可控制其董事會組成的公司。

在本公司之資產負債表內，附屬公司之投資以成本值減任何永久減值準備(如有需要)入賬。附屬公司之業績由本公司按已收及應收股息入賬。

3 Principal accounting policies

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants. The accounts have been prepared under the historical cost convention as modified by the revaluation of hotel properties and investment properties.

(a) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st December. The results of subsidiaries acquired during the year are included in the consolidated profit and loss account from the effective date of acquisition, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the operating results and net assets of the subsidiaries.

(b) Subsidiaries

A company is a subsidiary if more than 50% of the voting capital is held for the long term or if the composition of the board of directors is controlled by the Company.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision, if necessary, for any permanent diminution in value. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

3. 主要會計政策 (續)

(c) 聯營公司

聯營公司為本公司長期持有股權並對管理層施加重大影響的非附屬公司或合營公司的公司。

綜合損益賬中包括本集團在一聯營公司於出售前之當年業績之應佔份額，綜合資產負債表包括本集團在該聯營公司之淨資產之應佔份額。

在本公司之資產負債表中，聯營公司之投資以成本值減任何永久減值準備(如有需要)入賬。聯營公司之業績由本公司按已收及應收股息入賬。

(d) 合營公司

合營公司為本集團與他方簽訂合約共同進行某項經營活動，投資者對其實施共同控制，且任何一方不能對其經營活動實施單方面控制。

綜合損益賬中包括本集團在一共同控制實體之當年業績中之應佔份額，綜合資產負債表包括本集團在該共同控制實體之淨資產之應佔份額。

在本公司之資產負債表中，共同控制實體之投資以成本值減任何永久減值準備(如有需要)入賬。共同控制實體之業績由本公司按已收及應收股息入賬。

3 Principal accounting policies (continued)

(c) Associated company

An associated company is a company, not being a subsidiary or a joint venture, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of an associated company for the year before disposal and the consolidated balance sheet includes the Group's share of the net assets of the associated company.

In the Company's balance sheet the investment in an associated company is stated at cost less provision, if necessary, for any permanent diminution in value. The results of the associated company is accounted for by the Company on the basis of dividends received and receivable.

(d) Joint venture

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The consolidated profit and loss account includes the Group's share of the results of a jointly controlled entity for the year, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entity.

In the Company's balance sheet, the investment in a jointly controlled entity is stated at cost less provision, if necessary, for any permanent diminution in value. The results of the jointly controlled entity is accounted for by the Company on the basis of dividends received and receivable.

3. 主要會計政策 (續)

(e) 收益確認

出售已完成物業之收入在簽訂具法律約束力之合約及客戶取得物業之擁有權時始作確認。

出售發展中物業及土地之收入按附註3(h)所載者確認。

經營租賃之租金收入在租賃期內按直線法確認。

銷售轉售貨物之收益在擁有權之風險及回報轉移後確認，風險及回報之轉移通常與貨品付運予客戶及擁有權轉移同時發生。

提供服務收益在服務提供後確認。

利息收入在考慮未償還本金額及適用利率後按時間比例確認。

3 Principal accounting policies (continued)

(e) Revenue recognition

Revenue from the sale of completed properties is recognised when the legally binding sales contracts are signed and the customers take possession of the properties.

Revenue from the sale of properties under development and the sale of land under development are recognised as set out in note 3(h).

Operating lease rental income is recognised on a straight line basis over the term of the lease.

Revenue from the sale of goods for resale is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

Revenue from the provision of services is recognised when the services are rendered.

Interest income is recognised on a time apportionment basis, taking into account the principal amounts outstanding and the interest applicable rates.

3. 主要會計政策 (續)

(f) 投資物業

投資物業乃所持土地及樓宇中所佔之權益，而該等土地及樓宇之建築工程及發展已經完成，因其具有投資價值而持有，任何租金收入均按公平原則磋商。

持有之投資物業，若其租約尚餘年限超過二十年，皆由獨立估值師最少每隔三年估值一次；相隔期間每年由本集團內具專業資格之高級職員負責估值。估值是以個別物業之公開市值為計算基準，而土地及樓宇並不分開估值。估值會用於年度賬目內。重估之增值撥入投資物業重估儲備，減值則首先以整個組合為基礎與先前之增值對銷，然後從經營溢利中扣除。其後如有任何增值將以先前扣減之金額為限撥入經營溢利。對於這些物業不計提折舊。

租約尚餘二十年或以下年期之投資物業均按租約尚餘年期折舊。

在出售投資物業時，投資物業重估儲備中與先前估值有關之變現部份，將從投資物業重估儲備撥入損益賬。

3 Principal accounting policies (continued)

(f) Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties held on leases with unexpired periods greater than 20 years are valued at intervals of not more than three years by independent valuers; in each of the intervening years valuations are undertaken by professionally qualified executives of the Group. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties revaluation reserve; decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited. No depreciation is provided in respect of these properties.

Investment properties held on leases with unexpired periods of 20 years or less are depreciated over the remaining portion of the leases.

Upon the disposal of an investment property, the relevant portion of the investment properties revaluation reserve realised in respect of previous valuations is released from the investment properties revaluation reserve to the profit and loss account.

3. 主要會計政策 (續)**(g) 酒店物業**

酒店物業乃土地及樓宇(包括在經營酒店時一併使用的連體固定資產)之權益。此等權益按由獨立物業估值師每隔不多於三年以公開市值作出評估之價值列賬；期間每年由本集團具專業資格的行政人員進行估值，估值將載於每年賬目內。重估之增值撥入酒店物業重估儲備，減值則首先與以前年度重估儲備對銷，其後於經營溢利中扣除。其後如有任何增值，將以先前扣減之金額為限撥入經營溢利。

本集團的慣常做法是將酒店物業維持良好保養，並不時進行改善工程。因此，董事認為，基於酒店物業的估計可使用年期，與其頗高剩餘價值，折舊將會微不足道，故不計提折舊。該等保養及改善工程之開支已於產生時支出。按尚餘年期為二十年或以下的租約持有的酒店物業按租約餘下年份計提折舊。

出售一項酒店物業後，與以前年度酒店物業重估儲備之相關部分，將從酒店物業重估儲備轉入保留溢利，並且記入儲備的變動之中。

3 Principal accounting policies (continued)**(g) Hotel properties**

Hotel properties are interests in land and buildings and their integral fixed plant which are collectively used in the operation of the hotel. They are stated in the balance sheet at their open market value based on valuations carried out at intervals of not more than three years by independent valuers; in each of the intervening years valuations are undertaken by professionally qualified executives of the Group. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the hotel properties revaluation reserve, decreases in valuation are first set off against increases on earlier valuations and thereafter debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

It is the Group's practice to maintain the hotel properties in a continual state of sound repair and, to make improvements thereto from time to time and, accordingly, the directors consider that given the estimated useful lives of the hotel properties, any depreciation would be insignificant due to their high residual value. Such expenditure on repairs and improvements is expensed as incurred. Hotel properties held on leases with unexpired periods of 20 years or less are depreciated over the remaining portion of the leases.

Upon the disposal of a hotel property, the relevant portion of the hotel properties revaluation reserve realised in respect of previous valuations is transferred from the hotel properties revaluation reserve to retained profits and is shown as a movement in reserves.

3. 主要會計政策 (續)

(h) 發展中土地、投資物業及物業

擬作為長期投資的發展中土地、投資物業及物業列作物業、廠房及設備，並以成本列賬，成本包括土地成本、安置拆遷成本、建築成本、利息開支及其他直接發展成本。

待出售發展中物業列作流動資產，成本包括土地成本、安置拆遷成本、建築成本、利息開支、其他直接發展成本及已入賬之溢利，扣除已收取的售樓分期付款及任何可預見虧損之撥備。當一項發展中物業於落成前出售，而物業落成可以肯定，則溢利將於發展過程中確認，每年按佔完成時的總估計利潤的一定比例計算，此比例按其於結算日已付的開發成本與估計總開發成本的比例及於結算日已收取之售樓所得款項與已簽訂合同的總銷售應得款項的比例兩者中之較低者計算。如買方於落成時無法支付買價的餘額，而本集團行使權利轉售該物業，則於物業落成前已收取的訂金將予沒收，並計入經營溢利；任何於物業落成前已入賬的溢利將予撤回。

3 Principal accounting policies (continued)

(h) Land, investment properties/properties under development

Land, Investment properties/properties under development for long term investment purposes are included under property, plant and equipment and stated at cost which comprise land cost, resettlement costs, construction costs, interest costs and other direct costs attributable to the development.

Properties under development for sale are included under current assets and comprise land costs, resettlement costs, construction costs, interest costs, other direct costs attributable to the development and profit taken to date, less sale instalments received and provisions for any foreseeable losses. When a development property is sold in advance of completion of construction, and when such completion is certain, profit is recognised over the course of the development and is computed each year as a proportion of total estimated profit to completion, the proportion used being the lower of the proportion of development costs paid at the balance sheet date to estimated total development costs and the proportion of sales proceeds received at the balance sheet date to contract value. Where purchasers fail to pay the balance of the purchase price on completion and the Group exercises its entitlement to resell the property, sales deposits received in advance of completion which are forfeited are credited to operating profit; any profit recognised up to the date of completion is written back.

3. 主要會計政策 (續)

(h) 發展中土地、投資物業及物業 (續)

待出售發展中土地列作流動資產，成本包括土地成本、安置拆遷成本、建築成本、利息開支和其他直接發展成本及已入賬之溢利，扣除已收到的分期付款及任何可預見虧損之撥備。當一項發展中土地於完成前出售，而此項目完工可以肯定，則溢利將於發展過程中確認，每年按佔完成時總的估計利潤的一定比例計算，此比例按其於結算日已付的開發成本與估計總開發成本的比例及於結算日已收取之售地所得款項與已簽訂合同的總銷售應得款項的比例兩者之較低者計算。如買方於完成時無法支付買價餘額，而本集團行使權利轉售該發展中土地，則於完成前已收取的訂金將予沒收，並計入經營溢利；任何於完成前已入賬的溢利將予撤回。

一項土地／物業發展的完成按工程質量檢驗證書的發出日或相關政府部門證書的發出日兩者中較早者確認。

3 Principal accounting policies (continued)

(h) Land, investment properties/properties under development (continued)

Land under development for sale are included under current assets and comprises land cost, resettlement costs, construction costs, interest costs, other direct costs attributable to the development and profit taken to date, less sale instalments received and provisions for any foreseeable losses. When a parcel of land under development is sold in advance of completion of development, and when such completion is certain, profit is recognised over the course of the development and is computed each year as a proportion of total estimated profit to completion, the proportion used being the lower of the proportion of development costs paid at the balance sheet date to estimated total development costs and the proportion of sales proceeds received at the balance sheet date to contract value. Where purchasers fail to pay the balance of the purchase price on completion and the Group exercises its entitlement to resell the land under development, sales deposits received in advance of completion which are forfeited are credited to operating profit; any profit recognised prior to the date of completion are written back.

A land/property development is considered complete upon the issuance of engineering quality inspection certificate or relevant government authority's certificate, whichever is the earlier.