

董事長致辭 Chairman's Statement

各位股東：

本人欣然向各位提呈北京北辰實業股份有限公司（「本公司」）及其附屬公司（統稱「本集團」）截止二零零一年十二月三十一日止年度報告。

截止二零零一年十二月三十一日本集團年度除稅及少數股東權益後溢利為人民幣212,768,000元，比上年增長34.3%。

二零零一年在北京物業市場的激烈競爭中，本集團全體員工同心協力，主動適應市場，投資物業通過繼續對現有物業的改造，提升亞運村的綜合服務功能，採取靈活多樣的銷售策略，取得了收入的穩定增長，全年租金收入265,511,000元人民幣，比上年增長10.1%。

發展物業通過體制調整，加快了開發步伐，二零零一年新開發面積21萬平方米，為上市以來開發規模最大的一年。同時還加大了營銷力度，全年累計實現銷售收入410,905,000元人民幣，利潤50,236,000元人民幣。二零零一年本集團新增土地儲備15.8萬平方米，為持續發展打下了良好基礎。

本集團商業面對激烈的競爭，堅持品牌戰略，調整商品結構，採用競爭性價格策略，效益穩步增長，二零零一年北辰購物中心實現銷售收入1,037,609,000元人民幣，利潤55,433,000元人民幣，比上年增長35.5%，每平方米銷售額、人均銷售利潤等多項指標連續三年位居北京市前茅。

Dear Shareholders,

I am pleased to present to you the annual report of Beijing North Star Company Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31st December, 2001.

For the year ended 31st December, 2001, the Group's profit after taxation and minority interests amounted to Rmb212,768,000 representing an increase of 34.3% from the previous year.

Despite fierce competition in the property market of Beijing in 2001, with the concerted efforts of the entire staff, the Group proactively adapted to the changing market. Through redevelopment of existing properties, upgrading the integrated services offered in Asian Games Village and the implementation of flexible sales, the Group achieved steady revenue growth. Rental income for the year was Rmb265,511,000 representing an increase of 10.1% from the previous year.

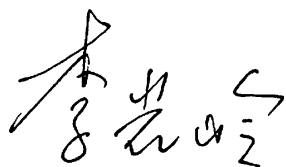
Through structural adjustment, the pace of property development was accelerated. In 2001, newly developed site area amounted to 210,000 square metres, a record high of the Group since its listing. Meanwhile, by promoting sales, an annual revenue and profit from flat sales of Rmb410,905,000 and Rmb50,236,000 were achieved respectively. During the year under review, the land bank of the Group increased by a total site area of 158,000 square metres, laying solid foundation for its sustained growth.

In spite of keen competition of the commercial property market, the Group maintained its branding strategy and adjusted product mix. Using its competitive pricing strategy, stable growth of profit was recorded. In 2001, Bei Chen Shopping Centre posted a sales revenue of Rmb1,037,609,000. Profit amounted to Rmb55,433,000 representing increases of 35.5% respectively when compared to the last year. Bei Chen Shopping Centre has been one of the best performing commercial complex in terms of various indicators including sales revenue per square metre and profitability per capital for three consecutive years in Beijing.

二零零一年本集團圍繞經營管理機制進行了積極改革，加強財務資金管理、工程管理和經濟合同管理，使經營管理進一步規範化。加快了用人制度改革，從市場引進高級管理人才，集團內部實行崗位競聘，對經營管理者實行新的激勵辦法，有效調動了經營者的積極性和創造性。

各位股東，中國已成功加入世界貿易組織（「世貿」），北京已取得二零零八年奧運會主辦權，北京的房地產市場機遇與挑戰並存，北辰實業將繼續努力，抓住機遇，適時調整戰略，主動迎接挑戰。二零零二年本集團將圍繞經營目標真抓實幹，加強公司管治，加大用人機制、激勵機制、約束機制的改革和創新，加強財務資金管理，把現有產業做大做精，實現規模發展，通過重組、併購等手段，實現本集團的快速發展，爭取更好的成績回報廣大股東。

最後，我要感謝本集團全體員工在二零零一年的辛勤工作，對前任董事長沙萬泉先生為本集團成立和發展所做出的貢獻表示衷心感謝！並對各位股東的支持表示衷心感謝！



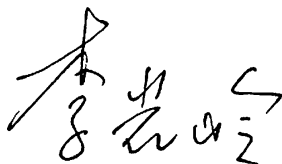
董事長
李岩嶺

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In 2001, the Group reshuffled the operational management mechanism to strengthen financial management, project management and economic contract management so as to further standardise its operational management. Staff deployment reform was speeded up to recruit senior management of high calibre. Internal promotion and recruitment was also implemented which encouraged competition. New incentive system was in place for new management that effectively encourage motivation and innovation among the staff.

China has joined the World Trade Organization (“WTO”) while Beijing has successfully won the bid for hosting the Olympic Games 2008. These will provide the property market of Beijing with both opportunities and challenges. We will continue with our endeavour to seize opportunities and timely adjust strategies to actively meet the challenges ahead. In 2002, the Group will strive for operating targets while enforce its strategy steadfastly through strengthening of corporate governance, expanding manpower, introduction of incentive mechanism and supervision of reform and innovation. It will also strengthen financial capital management, turning the existing assets into large-scale with premium quality. The Group also strives to attain higher economies of scale by ways of corporate restructuring, mergers and acquisitions. It is the Group’s aims to realize rapid growth in fighting for better results to all shareholders.

Last but not least, I would like to express my sincere gratitude to the dedication of all the management and staff in 2001 and to all shareholders for their continuing support. I would also like to extend my special thanks to the former chairman Mr. Sha Wan-Quan for his devotion to the Group’s establishment and development.



Li Yan-Ling
Chairman

Beijing, PRC
25th March, 2002