

董事會報告

Report of the Directors

本公司董事會謹向股東提呈董事會報告及本公司及其附屬公司（「本集團」）截至二零零一年十二月三十一日止年度經審核之財務報告。

主要業務

本公司之主要業務為物業投資、物業出租、土地和物業開發、百貨業、經營酒店及餐飲業。附屬公司之主要業務是在中國北京進行物業發展及投資。

本集團截至二零零一年十二月三十一日止年度按香港普遍採納之會計準則編製之營業額及經營溢利／（虧損）貢獻，根據主要業務分析如下：

The Board of Directors is pleased to present to the shareholders their report together with the audited accounts of the Company and its subsidiaries ("the Group") for the year ended 31st December, 2001.

Principal Activities

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

For the year ended 31st December, 2001, the Group's turnover and contribution to operating profit/(loss), by principal activities under accounting principles generally accepted in Hong Kong, are analysed as follows:

| | | 營業額 Turnover 人民幣千元 Rmb'000 | 經營溢利／（虧損） Operating profit/ (loss) 人民幣千元 Rmb'000 |
|---------|----------------------------|-------------------------------------|--|
| 物業及土地銷售 | Properties and land sales | 410,905 | 50,236 |
| 購物中心業務 | Shopping centre operations | 1,037,609 | 55,433 |
| 租金收入 | Rental income | 265,511 | 90,957 |
| 酒店業務 | Hotel operations | 74,776 | 13,448 |
| 其他業務 | Other operations | 67,881 | (15,122) |
| 未分配成本 | Unallocated cost | — | (19,771) |
| 總計 | Total | 1,856,682 | 175,181 |

由於本集團的營業額及經營溢利／（虧損）全部來自中國，故此並沒有為區域劃分作分析。

Since all the Group's turnover and operating profit/(loss) are derived from activities in the PRC, no geographical analysis is shown.

業績及利潤分配

本集團截至二零零一年十二月三十一日止年度按香港普遍採納之會計準則之業績及於該日之財務狀況載於年報第 44 頁至第 48 頁。

股息

董事會建議派發截至二零零一年十二月三十一日止年度末期股息，每股人民幣 0.030 元，合共人民幣 56,011,000 元。

財務摘要

本集團於過往五年之合併業績、資產及負債摘要載於年報第 4 頁至第 5 頁。

主要客戶及供應商

本年度內，本集團從其五位最大供應商購入之貨品及服務少於百分之三十，向其五位最大客戶售出之貨品及服務亦少於百分之三十。

概無董事、彼等之聯繫人士或任何股東（指據董事所知擁有本公司百分之五以上股本權益之股東）於上述之主要供應商或客戶中擁有任何權益。

固定資產

本集團在本年度的固定資產變動情況分別載於財務報表附註十三。

主要物業

本集團擁有之主要物業概要載於年報第 96 頁至第 97 頁。

Results and Profit Distribution

The results of the group for the year ended 31st December, 2001, prepared under accounting principles generally accepted in Hong Kong and its financial position as at that date are set out on pages 44 to 48 of the annual report.

Dividend

The Board of Directors recommends the payment of a final dividend of Rmb0.030 per share for the year ended 31st December 2001, totaling Rmb56,011,000.

Financial Highlights

The Group's consolidated results and summaries of assets and liabilities for the last five years are set out on pages 4 to 5 of the annual report.

Principal Customers and Suppliers

During the year, the Group purchased less than 30% of its goods and services from its five largest suppliers and sold less than 30% of its goods and services to its five largest customers.

None of the directors, their associates or any shareholders (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers above-mentioned.

Fixed Assets

Details of the movements of fixed assets of the Group and the Company are set out in note 13 to the accounts.

Principal Properties

The summary of principal properties owned by the Group is set out on pages 96 to 97 of the annual report.

儲備

於本年度內本集團及本公司儲備之變動情況載於財務報表附註二十二。

購買、出售或贖回證券

本公司於本年內並無贖回本公司之股份，本公司及其附屬公司概無購買或出售本公司的股份。

執行董事

| | |
|------------------|-----|
| 李岩嶺 | 董事長 |
| (於二零零一年六月十三日獲委任) | |
| 沙萬泉 | 董事長 |
| (於二零零一年六月十三日退任) | |
| 趙惠芝 | 董事 |
| 劉建平 | 董事 |
| 賀江川 | 董事 |
| 張連芳 | 董事 |

獨立非執行董事

| | |
|--------|----|
| 董安生 | 董事 |
| 龍濤 | 董事 |
| 楊振鑫 | 董事 |
| (另名楊釗) | |
| 符耀文 | 董事 |

監事

| | |
|-----|-----|
| 沈倚山 | 監事長 |
| 寧景英 | 監事 |
| 王剛 | 監事 |

根據本公司之章程規定，所有董事及監事將於二零零三年本公司股東週年大會之日期任期屆滿退任，可以連選連任。

Reserves

Details of the movements in reserves of the Group and the Company for the year are set out in note 22 to the accounts.

Purchase, Sale and Redemption of Shares

The Company did not redeem any of its shares during the year. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's issued shares during the year.

Executive Directors

| | |
|--------------------------------|----------|
| LI Yan-Ling | Chairman |
| (Appointed on 13th June, 2001) | |
| SHA Wan-Quan | Chairman |
| (Resigned on 13th June, 2001) | |
| ZHAO Hui-Zhi | Director |
| LIU Jian-Ping | Director |
| HE Jiang-Chuan | Director |
| ZHANG Lian-Fang | Director |

Independent Non-Executive Directors

| | |
|------------------------------|----------|
| DONG An-Sheng | Director |
| LONG Tao | Director |
| YEUNG Chun-Kam | Director |
| (alias Charles YEUNG and 楊釗) | |
| FU Yiu-Man, Peter | Director |

Supervisors

| | |
|----------------|------------|
| SHEN Yi-Shan | Chairman |
| NING Jing-Ying | Supervisor |
| WANG Gang | Supervisor |

In accordance with the provisions of the Company's Articles of Association, all directors and supervisors will retire upon the expiry of their terms at the date of the annual general meeting of the Company for the year of 2003 and shall be eligible for re-election.

本公司已接獲楊振鑫先生提出辭任本公司獨立非執行董事之函件及張連芳先生提出辭任本公司執行董事之函件。在即將召開之本公司股東週年大會上將提呈決議案批准此等辭任。

於二零零二年三月二十五日本公司職工代表大會批准寧景英女士辭任本公司由職工代表出任的監事及選出柳耀中先生出任本公司由職工代表出任的監事以代替寧景英女士。

本公司亦已接獲王剛先生提出辭任本公司由股東代表出任的監事之函件及本公司一位股東的書面通知有意提名周燕榮女士為本公司由股東代表出任的監事以代替王剛先生。在即將召開之本公司股東週年大會上將提呈決議案批准此等辭任及委任。

董事、監事及高級管理人員之簡介載於年報第 23 頁至第 26 頁。

董事酬金

董事酬金情況載於財務報表附註六。

最高酬金人士

本年度本集團獲最高酬金之首五名人士均為本公司董事。

管理合約

除本報告中提到的關聯交易所簽訂之合約外，本年度內，本公司並無就整體業務或任何重要業務之管理或行政工作簽訂或存在任何合約。

The Company has received a letter from Mr. YEUNG Chun-Kam resigning as an independent non-executive director of the Company and a letter from Mr. ZHANG Lian-Fang resigning as an executive director of the Company. Resolutions will be proposed at the forthcoming annual general meeting of the Company to approve such resignations.

On 25th March, 2002, a general meeting of the representatives of the staff and workers of the Company approve the resignation of the representative of Ms. NING Jing-Ying as a supervisor representing the staff and workers of the Company and elected Mr. LIU Yao-Zhong as a supervisor representing the staff and workers of the Company to replace Ms. NING Jing-Ying.

The Company has also received a letter from Mr. WANG Gang resigning as a supervisor representing the shareholders of the Company and a written notice from a shareholder of the Company of the intention to nominate Ms. ZHOU Yan-Rong as candidate for election as a supervisor representing the shareholders of the Company to replace Mr. WANG Gang. Resolutions will be proposed at the forthcoming annual general meeting of the Company to approve such resignation and appointment.

The biographical details of directors, supervisors and senior management are set out on pages 23 to 26 of the annual report.

Directors' Emoluments

Details of directors' emoluments are set out in note 6 to the accounts.

Highest Paid Individuals

During the year, the five individuals with the highest remuneration in the Group are the Company's directors.

Management Contracts

Except for the connected transactions as stated in this report, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

公司董事及監事權益

於二零零一年十二月三十一日，各董事、主要行政人員、監事、其聯繫人士及其配偶及十八歲以下子女概無持有任何本公司註冊股本權益而須記錄於根據證券（披露權益）條例第二十九條之規定設置之登記冊上，或根據上市公司董事進行證券交易的標準守則通知本公司及香港聯合交易所。

在本年度，本公司、其控股公司或任何本公司之附屬公司或同系附屬公司並無授予董事、行政總裁或監事取得本公司或其他法人團體之股本及債券的權利。於本年度內，本公司概無授出購買本公司股本或債券的權利，及於本年度內及截至此報告日期並沒有任何人士兌換或行使此等權利。

董事及監事換屆事宜

除本公司董事長外，本公司董事會及監事會現有成員系於二零零零年六月十五日舉行之股東周年大會上批准選舉的董事會及監事會新一屆董事及監事。

Interests of the Company's Directors and Supervisors

As at 31st December, 2001, none of the directors, chief executives, supervisors or their associates or their spouse and children under 18 years of age had any beneficial interests in the share capital of the Company or any of its associated companies as defined in the Securities (Disclosure of Interests) Ordinance and to be recorded in the register required to be maintained pursuant to Section 29 thereof or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transaction by Directors of Listed Companies.

At no time during the year was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors, chief executives or supervisors of the Company to acquire benefits by means of acquisitions of shares in or debentures of the Company or any other body corporate. No rights to subscribe for equity or debt securities of the Company has been granted by the Company to, nor have any such rights been exercised by, any person during the period ended 31st December, 2001 and up to the date of this report.

Election of Directors and Supervisors

Except the chairman of the Company, the existing members of the Company's current directors and supervisors have been re-elected and approved to be the directors and supervisors for a new term of office in the annual general meeting held on 15th June, 2000.

股票發行與上市情況

| | |
|------------|-----------------|
| 股份類別 | H 股 |
| 上市地點 | 香港 |
| 發行價格 | 2.40 港元 |
| 上市日期 | 一九九七年五月十四日 |
| 發行股數 | 707,020,000 股 |
| 全年最高成交價 | 港幣 2.45 元 |
| 全年最低成交價 | 港幣 0.73 元 |
| 全年最初交易日開盤價 | 港幣 0.78 元 |
| 全年最後交易日收盤價 | 港幣 1.40 元 |
| 全年交易總股數 | 3,963,000,000 股 |

Share Offering and Listing

| | |
|--|----------------------|
| Types of shares | H shares |
| Listing place | Hong Kong |
| Offer price | HK\$2.40 |
| Listing date | 14th May, 1997 |
| Number of issued shares | 707,020,000 shares |
| The highest trading price during the year | HK\$2.45 |
| The lowest trading price during the year | HK\$0.73 |
| The opening price on the first trading day of the year | HK\$0.78 |
| The closing price on the last trading day of the year | HK\$1.40 |
| Total number of shares traded during the year | 3,963,000,000 shares |

股本

本公司於二零零一年十二月三十一日之已發行股份總數為 1,867,020,000 股，包括：

| | | |
|-----|---------------|-----------|
| 內資股 | 1,160,000,000 | 佔 62.131% |
| H 股 | 707,020,000 | 佔 37.869% |

Share Capital

The Company's total number of issued shares as at 31st December, 2001 was 1,867,020,000 shares, comprising:

| | | |
|-----------------|---------------|----------------------|
| Domestic shares | 1,160,000,000 | Representing 62.131% |
| H Shares | 707,020,000 | Representing 37.869% |

主要股東持股情況

根據香港證券（披露權益）條例（「披露權益條件」）第十六（一）條而設置之主要股東登記冊，顯示於二零零一年十二月三十一日本公司已接獲下列持有本公司已發行股本百分之十或以上重大權益之通知：

| 股東名稱 | 股份類別 | 持股數 | 佔有關 | | Name of shareholders | Class of shares | Percentage of | | |
|------------|------|---------------|---------|--------|---|-----------------|--------------------|--------------------------|----------------------------|
| | | | 類別 | 佔總股本比率 | | | No. of shares held | the relevant share class | Percentage of total shares |
| 北京北辰實業集團公司 | 內資股 | 1,160,000,000 | 100.00% | 62.13% | Beijing North Star Industrial Group Company | Domestic shares | 1,160,000,000 | 100.00% | 62.13% |

除上述外，董事會未知悉公司尚有任何其他之主要股東須記錄於根據披露權益條例第十六（一）條之規定設置之登記冊上予以記錄。

發行H股募集所得資金運用情況

本公司於一九九七年五月發售H股並於一九九七年五月十四日在香港聯合交易所有限公司掛牌上市，共籌集資金淨額（扣除費用後）約為人民幣1,730,440,000。

籌集資金淨額之運用乃根據公司於一九九七年五月六日發行之招股說明書中「所得款項用途」一欄所述，本集團前次募集資金已全部使用完畢。

委託存款及逾期定期存款

截止二零零一年十二月三十一日，本集團並無任何委託存款放於中國金融機構，本集團之所有現金存款現均存放在中國之商業銀行，並符合適用之法例及規則。本公司並未遇到銀行存款到期而未能取回的情況。

Substantial Shareholders' Shareholding

The register of substantial shareholders maintained under Section 16(1) of the Securities (Disclosure of Interests) Ordinance of Hong Kong ("SDI Ordinance") shows that as at 31st December, 2001, the Company had been notified of the following shareholders' interest, being 10% or more of the Company's issued share capital:

Save as disclosed above, the Board of Directors is not aware of any other substantial shareholders required to be recorded in the register maintained under Section 16(1) of the SDI Ordinance.

Use of Proceeds of H Share Issue

The Company issued H shares in May 1997. The H shares commenced trading on The Stock Exchange of Hong Kong Limited on 14th May, 1997. The net proceeds of the issue (after deducting expenses) amounted to approximately Rmb1,730,440,000.

The net proceeds have been utilised in accordance with the section headed "Use of Proceeds" in the Company's prospectus dated 6th May, 1997. All the net proceeds from the previous issue have been fully utilised.

Designated Deposits and Due Fixed Deposits

As at 31st December, 2001, the Group had no designated deposits that were placed with financial institutions in the PRC. All of the Group's cash deposits are placed with commercial banks in the PRC and are in compliance with relevant laws and regulations. The Group has not experienced any incident of not being able to withdraw bank deposits when due.

僱員退休福利計劃

本集團之僱員退休福利計劃載於財務報表附註八。

員工宿舍

本年度本集團並無向員工提供任何員工宿舍。

董事及監事之合約權益

於本年度末及本年度內任何時間，除有關本公司業務之服務合約外，本公司、其控股公司、任何本公司之附屬公司或同系集團之附屬公司概無訂有本公司各董事及監事直接或間接擁有重大利益之重要合約。

董事於競爭性業務之利益

於年內及截至本報告日期止，按上市規則規定，本公司之董事及管理層股東無與本集團業務有所競爭或可能競爭之業務中持有權益。

關連交易

截至二零零一年度止，本公司與北京北辰實業集團公司（「北辰集團公司」）進行之交易列示如下。於一九九七年十月六日，香港聯合交易所有限公司已有條件豁免本公司遵守上市規則第十四條規定的責任。據此，本公司毋須以新聞通告形式及／或通函方式披露該等關連交易的詳情及／或事前取得獨立股東的批准。

1. 根據於一九九七年四月十一日與北辰集團公司簽訂的一項租賃協議（「租賃協議」），北辰集團公司同意將本集團投資物業及其配套設施物業（「亞運

Staff Retirement Scheme

Details of the Group's staff retirement scheme are set out in note 8 to the accounts.

Staff Housing Quarters

During the year, the Company did not provide any housing quarters to its staff.

Interests of Directors and Supervisors in Contracts

Apart from service contracts, in relations to the Company's business, no contracts of significance to which the Company, its holding company, any of its subsidiaries or its fellow subsidiaries was a party, and in which a director or supervisor had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Interests of Directors in Competitive Business

During the year and up to the date of this report, directors and management shareholders do not have interest in business which competes or may compete with the business of the Group under the Listing Rules.

Connected Transactions

During the year ended 2001, the Company carried out the following business transactions with its controlling shareholders, Beijing North Star Industrial Group Company ("BNS Group Company"), to which The Stock Exchange of Hong Kong Limited has, subject to certain conditions, granted a waiver on 6th October, 1997 to the Company from compliance with the requirements stipulated in Chapter 14 of the Listing Rules to disclose details of such connected transactions by press notice and/or to obtain prior independent shareholders' approval.

1. Pursuant to a lease agreement dated 11th April, 1997 signed with BNS Group Company ("Lease Agreement"), BNS Group Company has agreed to lease to the Company all the land (the "Land") on which some of the Group's investment properties and ancillary

村J) 所在之全部土地(該土地) 租與本公司。該土地的地盤面積約 195,000 平方米，租期由40年至70年不等，視乎該土地不同部分的用途而定。二零零一年年度租金為人民幣 15,000,000 元，已於二零零一年十二月一日前支付。

2. 根據本公司與北辰集團公司於一九九七年四月十一日簽訂的一項綜合服務協議（「綜合服務協議」），北辰集團公司將提供其中包括：(i)為本公司僱員提供社會及交通服務及(ii)為本公司提供熱力及保安服務。北辰集團公司亦會負責翻新、維修保養亞運村的道路及花園。北辰集團公司與本公司將共用若干位於亞運村內的道路及花園。本公司將為北辰集團公司提供電力、電視及電話服務。

該等安排由綜合服務協議簽訂之日起計十年內有效，惟道路及花園的翻新、維修及保養則為期約五十年。

除協議另有訂明者外，本公司或北辰集團公司所提供的各種服務的代價均按現行政府所定的價格而計算。然而，如並無可供使用的政府所定價格，則有關價格將按可供比較的當地市價（如無當地市價，則按本公司或北辰集團公司於提供有關服務時所出現的合理成本（視情況而定））計算。

facilities properties of the Group (“Asian Games Village Properties”) are situated. The land has a site area of approximately 195,000 square metres and is leased for a fixed term ranging from 40 to 70 years depending on the respective land use of various parts of the Land. The rental for the year ended 31st December, 2001 was Rmb15,000,000 per annum and has been fully settled by 1st December, 2001.

2. Pursuant to a miscellaneous service agreement (“Miscellaneous Service Agreement”) dated 11th April, 1997 signed with BNS Group Company, BNS Group Company will provide, inter alia, (i) social and transport services to the Company’s employees and (ii) heating and security services to the Company. BNS Group Company will also be responsible for the upgrading, repair and maintenance of roads and parks in the Asian Games Village. BNS Group Company and the Company will also share the use of certain roads and parks in the Asian Games Village. The Company will provide BNS Group Company with the use of electricity, television and telephone.

These arrangements (other than the upgrading, repair and maintenance of roads and parks, which are for a term of approximately 50 years) are valid for a term of ten years from the date of signing of the Miscellaneous Services Agreement.

The considerations for the various services provided by the Group or BNS Group Company under the Miscellaneous Services Agreement are, save as otherwise stipulated therein, based on applicable government prescribed prices. However, in the absence of such government prescribed prices, the relevant consideration will be based on comparable local market prices, or failing which, the reasonable costs incurred by the Company or BNS Group Company, as the case may be, in providing the relevant services.

本集團於截至二零零一年十二月三十一日止年度與北辰集團公司之間就綜合服務協議所收取及支付之款項詳情如下：

北辰集團公司提供予本集團的主要服務項目：

During the year ended 31st December, 2001 the Group and BNS Group Company received and paid the following amounts respectively in respect of the Miscellaneous Services Agreement:

Principal services provided by BNS Group Company to the Group:

| | | 定價基準 | Pricing Basis | 人民幣 總值千元 Gross Amount Rmb'000 |
|----|--------------------|------|---------------|--|
| 熱力 | Heating | 國家價 | State Price | 15,800 |
| 保安 | Security services | 市場價 | Market Price | 964 |
| 交通 | Transport services | 成本價 | Cost | 269 |
| 總計 | Total | | | 17,033 |

本集團提供予北辰集團公司的主要服務項目：

Principal services provided by the Group to BNS Group Company:

| | | 定價基準 | Pricing Basis | 人民幣 總值千元 Gross Amount Rmb'000 |
|----|-------------|------|---------------|--|
| 電力 | Electricity | 市場價 | Market Price | 124 |
| 電視 | Television | 市場價 | Market Price | 3 |
| 電話 | Telephone | 市場價 | Market Price | 21 |
| 總計 | Total | | | 148 |

除上文披露者外，本公司與北辰集團公司並無其他須予披露的交易。

Save as disclosed above, there are no discloseable transactions between the Company and BNS Group Company.

銀行貸款及其他借貸

於二零零一年十二月三十一日，本集團之銀行貸款及其他借貸詳情載於財務報表附註二十。

Bank Loans and Other Borrowings

As at 31st December, 2001, the bank loans and other borrowings of the Group are set out in note 20 to the accounts.

優先購買權

根據本公司的章程及有關法律，並無規定本公司發行新股時須先讓現有股東按其持股比重購買新股。

附屬公司

本公司各主要附屬公司之詳細資料載於財務報表附註十四。

重大訴訟

本年內本集團概無重大訴訟或仲裁事項。

經營業績

二零零一年財政年度與二零零零年財政年度之比較：

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles and related laws which oblige the Company to offer new shares on pro-rata basis to existing shareholders.

Subsidiaries

Details of the Company's subsidiaries are set out in note 14 to the accounts.

Major Litigation

The Group did not engage in any litigation or arbitration of material importance during the year.

Results of Operations

Comparison of Financial Year 2001 to Financial Year 2000:

| 貨幣單位：人民幣千元 | Currency: Rmb'000 | 二零零一年 2001 | 二零零零年 2000 | 二零零一年 比二零零零年 上升／(下跌) Increase/ (decrease) when compared to 2000 (%) |
|------------|-------------------------------------|---------------|---------------|--|
| 營業額 | Turnover | 1,856,682 | 1,952,090 | (4.9) |
| 股東應佔溢利 | Profit attributable to shareholders | 212,768 | 158,443 | 34.3 |
| 分部溢利： | Segment results: | | | |
| 物業及土地銷售 | Properties and land sales | 50,236 | (20,605) | 343.8 |
| 購物中心業務 | Shopping center operations | 55,433 | 40,897 | 35.5 |
| 租金收入 | Rental income | 90,957 | 100,937 | (9.9) |
| 酒店業務 | Hotel operations | 13,448 | 9,285 | 44.8 |
| 其他業務 | Other operations | (15,122) | 5,503 | (374.8) |

所得稅政策

根據北京市財政局於一九九七年三月十二日發出的批文，自本公司成立日期起，本集團的所得稅稅率為33%。該批文亦訂明，本公司可於繳納稅項後按本集團應佔課稅溢利之18%的申請退稅。

根據國務院二零零零年一月十一日發出的通函，自二零零零年一月一日起，所有地方政府將停止財政返還。財政部與國家稅務局於二零零零年十月十三日共同發出通函，放寬了前通函的限制，地方政府可以對上市公司繼續實行先征33%的所得稅後返18%的政策（實際稅率為15%）直至二零零一年十二月三十一日。自二零零二年一月一日起，除法律法規或行政法規之改變外，所有公司將一律按33%計提企業所得稅。

財政資源及流動資金狀況

於二零零一十二月三十一日之股東權益較二零零零年十二月三十一日之股東權益有4.51%的上升。

本集團在二零零一年度財政年度年結束日之借款淨額為人民幣361,049,000元。本集團之借款主要來自本集團之控股公司。本集團之流動資產主要是銀行存款及現金、持作出售之土地及發展中物業，流動資產的數額為人民幣2,999,552,000元。而流動負債數額則為人民幣1,684,847,000元。於二零零一年十二月三十一日，銀行存款及現金的餘額為人民幣1,608,151,000元。

Policies on Income Tax

In accordance with an approval document issued by the Beijing Municipal Finance Bureau on 12th March, 1997, with effect from the date of establishment of the Company, the income tax rate applicable to the Group is 33%. The approval document also provides for the Company to apply for a financial refund, following payment, at a rate of 18% of taxable profit attributable to the Group.

On 11th January, 2000, a circular was issued by State of Council which requires all local government to cease financial refund effective on 1st January, 2000. On 13th October, 2000, a circular was jointly issued by the Ministry of Finance and State Administration of Taxation which relaxes the requirements announced in previous circular. In particular, it stipulates that "the preferential treatment of tax at 33% with subsequent refund of 18%" (effective tax rate 15%) granted to listed companies by local government will continue until 31st December, 2001. Effective from 1st January, 2002, except in the event when there is a change in law and other administrative regulation, all enterprises should be taxed based on the statutory corporate income of 33%.

Financial Resources and Liquidity

At 31st December, 2001, the shareholders' funds of the Group showed an increase of 4.51% from that of 31st December, 2000.

The Group's net borrowing as at the end of the financial year of 2001 was recorded at Rmb361,049,000 with a majority of the funding being obtained from its holding company. Current assets of the Group, which mainly comprised cash at bank and on hand, and land and properties under development for sale, were recorded at Rmb2,999,552,000, whereas the Group's current liabilities amounted to Rmb1,684,847,000. As at 31st December, 2001, cash at bank and on hand amounted to Rmb1,608,151,000.

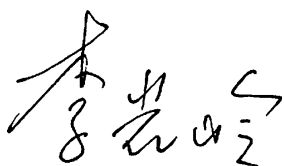
最佳應用守則

本公司董事會尚未按照上市規則附錄 14 之「最佳應用守則」（「最佳應用守則」）第 14 段，成立一個旨在檢討及監察本公司的財務匯報程序及內部控制的審核委員會（「審核委員會」）。但本公司組織架構內已設立一個職能與之相若的監事會，所不同的是本公司的監事會成員由三人組成，其中兩名由股東大會選出及罷免，另一名則由本公司職工經民主選出及罷免。監事會向股東大會負責而非向董事會負責，而一個審核委員會的成員則為一家公司的非執行董事。除此之外，本公司截至二零零一年十二月三十一日止年度內均遵守最佳應用守則。

核數師

本年度賬目經由羅兵咸永道會計師事務所審核。彼等依章告退，但願繼續受聘為本公司之核數師。

承董事會命



李岩嶺
董事長

中國·北京

二零零二年三月二十五日

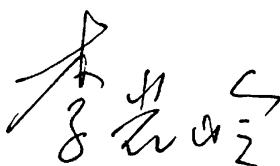
Code of Best Practice

The Directors has not established an audit committee (the "Audit Committee") to review and supervise the Company's financial reporting process and internal control pursuant to paragraph 14 of the Code of Best Practice set out in Appendix 14 to the Listing Rules (the "Code of Best Practice"). However, the Company has set up, in lieu thereof, a Supervisory Committee which carries out functions similar to that of an Audit Committee. The differences are that the Company's Supervisory Committee comprises three representatives of whom two are elected and removed in general meeting of shareholders and one is elected and removed by the staff and workers of the Company, and reports to the shareholders in the general meeting instead of to the Board of Directors, whereas an Audit Committee comprises the non-executive directors of a company. Apart from this, the Company has complied throughout the year ended 31st December, 2001 with the Code of Best Practice.

Auditors

The accounts have been audited by PricewaterhouseCoopers, who retire and being eligible, offer themselves for reappointment.

By Order of the Board



Li Yan-ling
Chairman

Beijing, PRC

25th March, 2002