

主席報告

Chairman's Statement

本人欣然向股東提呈有關本集團業務營運之報告。

年度經營業績

本集團截至二零零一年十二月三十一日止年度之綜合營業額及年內股東應佔溢利分別約為港幣34億元及港幣1.6億元，比上年度分別增加約110%和65%。每股盈利港幣10.7仙（二零零零年：港幣6.5仙）。

北京市房地產市場經過二零零零年的強勁復甦後，二零零一年繼續維持理想表現。去年，北京市成功售出建築面積約1,200萬平方米，比二零零零年增長26%。北京市房地產市場表現凌厲，主要由於當地經濟興旺，加上得到銀行的按揭政策支持，以及中國成功入世和北京取得二零零八年奧運主辦權等等利好因素，刺激自住買家入市的信心。

雖然營運表現強勁，但董事會有見在追收若干關於一九九九年之前售予機構的土地及物業的應收款項上可能出現困難，審慎起見，決定為上一個財政年度作出港幣約2.18億元的呆賬撥備，令本集團的純利增長落後於營業額與毛利。由於市場已經過渡至個人買家主導模式，故此董事會有信心向機構出售物業的信貸風險日後將不會出現。此外，董事會相信本集團在作出上述撥備後已經有足夠的呆賬撥備，無需在日後再作撥備。

由於舊北京辦公室大樓無法應付日漸增加的業務需要，本集團已遷往自資興建的新辦公室大樓，有關總投資額約港幣3.7億元。

I am pleased to present to the Shareholders my report on the operation of the Group.

Operating Results For the Year

The Group's consolidated turnover and profit attributable to shareholders for the year ended 31st December, 2001 amounted to approximately HK\$3,421 million and HK\$160 million, representing an increase of 110% year-on-year and 65% year-on-year, respectively. Earnings per share was HK10.7 cents (2000: HK6.5 cents).

After a strong recovery in Year 2000, the property market of Beijing continued to perform satisfactorily in Year 2001. Last year, approximately 12 million square metres of gross floor area were sold in the City, representing an increase of 26% over Year 2000. Such robust performance of the Beijing property market was mainly attributable to the booming economy, banks' supportive mortgage policies and strong homebuyers' confidence brought about by China's accession into the WTO and Beijing's hosting of the 2008 Olympic Games.

Against the strong operating performance and as a prudent measure, the Board of Directors decided to make a provision for doubtful debt of HK\$218 million in the last financial year owing to the potential collection problems of certain receivables related to land and properties sold to institutions prior to Year 1999. Consequently, the growth rate of the Group's net profit was lower than those of turnover and gross profit. As the market has already transited into an individual dominated one, the Board of Directors is confident that credit risk in relation to selling of properties to institutions will not be in existence in future. Also, the Board of Directors believes that, after making the aforesaid provision, the Group has made adequate provision for doubtful debts and hence does not need to make further provision in the future.

As the old office building in Beijing cannot fulfil the increasing business requirements, the Group has moved to a new office building constructed by itself and total investment in this regard is approximately HK\$370 million.

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股息

中期股息每股港幣1.0仙，合共港幣約1,500萬元已於年內向股東支付。董事會建議宣派末期股息每股港幣1.2仙，合共港幣約1,800萬元。末期股息將於二零零二年六月三日向二零零二年五月三十一日名列股東名冊的股東支付。

物業發展

本集團二零零一年之經營溢利主要來自出售物業發展單位。下列項目已於二零零一年售出：

Dividends

An interim dividend of HK\$1.0 cent per share, translating into a total amount of approximately HK\$15 million, was paid to shareholders during the year and the Board of Directors recommends a final dividend of HK\$1.2 cents per share, translating into a total amount of approximately HK\$18 million, payable on 3rd June, 2002 to shareholders whose names appear on the Register of Members of the Company on 31st May, 2002.

Property Development

The Group's operating profit for 2001 was principally generated from the sales of property development units. The following projects were sold in 2001:

| 項目名稱 | Name of Project | 建築面積 平方米 Gross Floor Area m ² |
|------|----------------------|--|
| 華清嘉園 | Leisure Garden | 115,532 |
| 華亭嘉園 | Majestic Garden | 98,119 |
| 鳳凰城 | Phoenix City | 55,882 |
| 京通新城 | Jing Tong | 50,461 |
| 徙置房屋 | Resettlement housing | 47,668 |
| 停車場 | Car park | 26,848 |
| | | 394,510 |

本公司於二零零一年度錄得人民幣30億元的銷售額，穩佔北京市房地產市場的5.5%。董事會深信，售樓佳績已令本集團晉身為中國內地最大的房地產發展商之一，而且亦表示本集團為一九九八年房屋改革而採取的市場推廣策略，是一項成功的策略調整。董事會相信本集團穩健雄厚、針對市場的銷售與市場推廣隊伍定能繼續迎接北京市房地產市場激烈競爭所帶來的種種挑戰。

The Group made Rmb3 billion in sales in Year 2001 which represented a 5.5% market share of the Beijing property market. The Board of Directors believes that such numbers made the Group one of the largest property developers in Chinese Mainland. Also, the encouraging results have highlighted the successful adjustment of the Group's marketing strategies, which was adopted as a response to the housing reform in 1998. The Board of Directors believes that the Group's strong and market-oriented sales and marketing team can now live up to any challenge brought about by the keen competition in the Beijing property market.

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物業投資

本集團現時在北京市最繁華的購物區之一——西單北路之兩項投資物業——華威大廈和華南大廈分別擁有50%和20%之權益。本集團已經預留更多資源，改善本身的租賃業務。董事會相信該等物業的租金與佔用率會於不久將來上升。

僱員及酬金政策

於二零零一年十二月三十一日，本集團在中國內地和香港合共僱用約230位全職僱員。本集團會按照僱員之表現、經驗和當時之市場價格，向僱員發放酬金，並酌情授予表現花紅。其他僱員福利包括公積金、保險與醫療計劃、資助教育及培訓計劃，以及購股權計劃。

負債及資本負債比率

於二零零一年十二月三十一日，本集團之借貸總額約達港幣17.7億元，其中27%為美元可轉換股債券，其餘則來自中國之人民幣借貸。美元可轉換股債券將於二零零四年四月到期，在債券持有人之選擇下，本集團可於二零零二年四月三十日按本金之132.868%連同應計利息贖回該等債券之未兌換本金。至於人民幣借貸，主要為短期借貸，一般可在到期時滾存至下年度。本集團在中國之財務費用介乎5.5%至6%。除美元可換股債券外，中國借貸的利率跟隨中國央行釐定的基本利率浮動。本集團有意將人民幣借貸重組，藉此達至削減利息成本與減少短期貸款比重的兩大目標。董事會相信本集團來自中國之借貸中，最終約有60%會成為長期借貸，而整體債務成本會接近中國人民銀行所定之基礎利息水平，亦即人民幣的最低理論借貸成本。

Property Investment

The Group currently has a 50%-stake in Huawei Centre and a 20%-stake in Huanan Building, which are investment properties located in Xidan North Avenue — one of the busiest shopping areas in Beijing City. The Group has already set aside more resources for the improvement of the leasing business. And the Board of Directors believes that both the rental value and the occupancy rates of such properties will increase in the near future.

Employee and Remuneration Policies

As of 31st December, 2001, the Group employed approximately 230 full time staff in Mainland China and Hong Kong. The Group remunerates its employees based on their performance, work experience and the prevailing market price. In addition, performance bonuses are granted on a discretionary basis. Other employee benefits include provident fund, insurance and medical coverage, company-sponsored training programmes as well as share option scheme.

Debt and Gearing

As of 31st December, 2001, the total borrowings of the Group amounted to approximately HK\$1.77 billion, of which 27% was US dollar convertible bonds and the remaining was Renminbi borrowings in China. The US dollar convertible bonds will mature in April 2004 but at the option of the bondholders, the Group could be asked to redeem the outstanding principal of the bonds on 30th April, 2002 at 132.868% of the face value together with the accrued interest. On the other hand, the Renminbi borrowings were mainly short term in nature and could usually be rolled over for another year upon maturity. The cost of debt for the Group in the PRC ranged of between 5.5% and 6%. Except for the US dollars convertible bonds, the interest rate of the PRC borrowings is floating in accordance with the base rate fixed by the central bank in the PRC. The Group intends to restructure its Renminbi borrowings with the dual objectives of lowering the interest cost and lengthening the borrowing period. The Board of Directors believes that around 60% of the Group's borrowings in China will eventually become long term in nature and the overall cost of debt will fall close to the Base Interest Rate levels set by the People's Bank of China, which is the theoretical minimum lending cost for Renminbi.

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資本負債比率乃按負債淨額對股東權益之比率計算，於結算日時約為12%。由於項目增加，董事會相信本集團本年度的資本負債比率會上升，但本集團政策會將比率控制在40%以下。

於二零零一年十二月三十一日，本集團之現金及現金等值總額約達港幣13億元，其中26%為港幣，其餘為人民幣。由於人民幣比其他貨幣相對穩定，故本集團現時預期不會面對重大之匯率風險，因此亦無進行任何匯率對沖。

土地儲備

本集團目前擁有二十八個物業發展項目的權益，並且透過其北京附屬公司擁有建築面積約470萬平方米的土地儲備。土地儲備中，約300萬平方米來自以前政府的行政劃撥和本集團的自行購入。新發展項目主要位於北京市區和市郊，包括翡翠城、優仕閣、鳳凰城第二期、沙河和太湖。董事會有信心，以目前的土地儲備，本集團應可把握北京市的發展良機，而且土地儲備的數量足以應付未來五至六年的發展。

前景

董事會對於北京市房地產市場未來的發展非常樂觀，預計市場在以下的利好因素配合下，每年可以10至15%的速率增長：

1. 生活質素與日提升：目前，北京的人均居住面積為15.8平方米，仍比國際標準低。預期人均居住面積會隨北京市民日益富裕而逐步上升，至二零零五年時約達18平方米。為了滿足北京市預期對增加居住面積

Gearing, as defined by the ratio of net debt to shareholders' equity, was approximately 12% at the balance sheet date. With more project developments in the pipeline, the Board of Directors believes that gearing of the Group will increase in this year but the Group's policy is to control its gearing level at below 40%.

As of 31st December, 2001, total cash and cash equivalents of the Group amounted to approximately HK\$1.3 billion, of which 26% was in HK dollar and the remaining was in Renminbi. The Group does not foresee a substantial exposure to the fluctuation in exchange rate as Renminbi has maintained relatively stable against other currencies. Thus, the Group has not committed itself into any currency hedge.

Land Bank

The Group currently has interests in 28 property development projects and, through its Beijing subsidiary, owns a land bank of approximately 4.7 million square metres, in gross floor area terms. Within the land bank, approximately 3 million square metres were added through allocation and direct purchases in last year. New development projects, which are mainly located in the sub-urban and city areas of Beijing, include Jade City, Youth Court, Phoenix City Phase 2, Sha He and Tai Hu. The Board of Directors is confident that the current land bank should allow the Group to capitalize on the growth opportunities of Beijing City and the size of it should be adequate for the development in the next 5-6 years.

Prospects

The Board of Directors is very optimistic about the future prospects of the Beijing property market. The Group foresees the market to grow at a rate of 10-15% each year, based on the following favourable factors:

1. Improvement in the quality of living: Currently, the average per capita living space in Beijing is 15.8 square metres, which is low by international standard. It is expected that the average per capita living space will gradually rise to around 18 square metres by 2005, supported by the increasing affluence of the

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的渴求，相信未來四年將要興建約1,760萬平方米的住宅單位，滿足市場每年達440萬平方米的潛在需求。

2. 北京市區改造：為了改善北京市的整體基建和環境，在未來四至五年內，每年約有100,000戶居民受遷徙。相信這些重置居民在政府的遷徙補助下，將為房地產市場帶來更多需求。
3. 世貿效應：中國成功入世預期可吸引更多資金流入北京，帶動對辦公室和商住單位的需求。
4. 二零零八年奧運：為了籌辦二零零八年奧運，北京市政府將會投入龐大資源，改善市內基建和運輸網絡。這些基建改善工作應會刺激北京市房地產市場的整體發展，尤其是北京市郊的發展。
5. 按揭充裕：國內銀行有見房地產市場發展潛力優厚，已經預留更多資源投入按揭市場。相信在銀行按揭的幫助下，個人買家應可應付自置物業，為市場帶來更大的物業需求。

除了專注北京市的房地產市場外，董事會亦看好其他城市房地產市場發展的勢頭。本集團已經預留所需資源發展這些新市場，而且亦已籌組新的地區附屬公司。董事會預期可於不久將來公佈實質的發展計劃。

people. In order to fulfill the expected increase of living space, around 17.6 million square metres of residential property needed to be built in the next 4 years, translating into 4.4 million square metres of potential demand per year.

2. Redevelopment of Beijing City: In order to improve the overall infrastructure and environment of Beijing, around 100,000 households would be resettled by the government each year in the next 4-5 years. It is likely that these households, armed with the resettlement compensation provided by the government, will re-enter the property market and therefore provide an extra thrust to the end demand.
3. WTO effect: China's accession into the WTO is expected to attract more investments into Beijing, which should in turn call for more office, commercial and residential spaces.
4. 2008 Olympic Games: In order to prepare for the 2008 Olympic Games, the Beijing Municipal Government will invest substantial resources to improve the infrastructure and transportation networks of the City. Such infrastructural improvements should boost the development of the property market of Beijing in general, and that of the suburban areas in particular.
5. Abundance of mortgage facilities: Eyeing its vast potential, banks in China have been setting aside more and more resources for the mortgage market. With the help of mortgage facilities, flats should become more affordable to the average homebuyers, which should in turn induce more demand.

Apart from our home base in Beijing, the Board of Directors is also bullish on the property markets in other Chinese cities. The Group has already set aside necessary resources for the development of these new markets. Moreover, new regional subsidiaries are in the process of being formed. The Board of Directors expects that concrete development plan can be announced in the near future.

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憑藉本集團雄厚穩健的財務狀況和昭著信譽，以及在房地產發展及管理的豐富經驗，本集團有信心在未來提高公司的市場佔有率，為股東帶來理想回報。

本人謹代表董事會，向過去一年努力不懈的員工致以由衷謝意。

主席
寧高寧

香港，二零零二年四月十二日

With its strong financial position, good reputation, and substantial experience in property development and management, the Group is confident to further expand its market share and bring satisfactory return to shareholders.

On behalf of the Board of Directors, I would like to express my sincere appreciation to all the staff for their hard work in the past financial year.

Ning Gaoning
Chairman

Hong Kong, 12th April, 2002