

### 一、經營環境

#### 北京房地產業健康發展 市場走勢強勁

二零零二年中國經濟保持 7.9% 的高增長，北京市經濟增長率達到 10.2%，連續第四年保持雙位數增長。北京市城市建設快速發展，國有土地使用制度改革進一步推進，房地產市場體系日漸完善，為推動全市國民經濟的增長發揮了重要作用。全市房地產業增加值達 129.8 億元人民幣，較上年增長 16.7%，佔國內生產總值的比重達 4.1%，行業總體呈現以下特點：

#### 1、房地產開發投資佔全市投資比重過半

二零零二年北京市房地產開發投資比上年增長 26.2%；佔全市投資額的比重為 54.5%。全市商品房施工面積為 7,510.8 萬平方米，竣工 2,384.4 萬平方米，分別比上年增長 25.9% 及 39.7%，成為拉動北京投資發展的主要動力。

### I. Operating Environment

#### Buoyant development in the Beijing property market over the year

In 2002, the PRC maintained a rapid economic growth of 7.9% with Beijing attaining a substantial double-digit economic growth rate of 10.2% for four consecutive years. With the buoyant development of the city and accelerated regulatory reforms in the use of state-owned land, the Beijing real estate market improved continuously. The development of the property industry has shown remarkable progress thus playing an important role in accelerating the economic growth of Beijing. The total value of the property industry increased to Rmb12.98 billion, representing a corresponding growth of 16.7% accounting for 4.1% of the GDP. The property industry has shown the following characteristics in general:

#### 1. Property development and investment represented a major portion of investment in Beijing

In 2002, property development and investment in Beijing increased by 26.2%, representing 54.5% of the overall investment of the city. The total construction and completed floor area of commodity flats were 75.108 million square metres and 23.844 million square metres respectively, representing a growth of 25.9% and 39.7% from last year. This has become a major driving force of the development and investment of Beijing.

**2、住宅建設成為開發熱點**

二零零二年住宅投資在房地產投資中的比重達到59.3%。商品住宅施工面積為5,397.6萬平方米，較上年增長24.1%；商品住宅竣工面積1,926.2萬平方米，較上年增長38.2%。

**3、房地產商品化程度穩步提高**

二零零二年全市銷售各類商品房1,708.3萬平方米，其中商品住宅1,604.4萬平方米，較上年增長42.3%。在全部住宅銷售面積中，銷售給個人的比例為97.4%。全市人均住宅使用面積達到18.2平方米，住宅商品化程度穩步提高。

**4、商品房平均售價穩中有降**

在北京市政府為中低收入家庭解決住房政策的引導下，二零零二年商品住宅銷售價格穩中有降，12月底，每平方米售價為4,467元人民幣，較上年底下降249元人民幣。公寓和寫字樓租售市場穩中有降。

**2. Residential projects became investment hotspot**

Investment in residential projects accounted for 59.3% of the total property investment in 2002. Total construction area of residential commodity flats was 53,976 million square metres, representing an increase of 24.1% over last year. The completed area of residential commodity flats aggregated to 19,262 million square metres, representing an increase of 38.2% over the previous year.

**3. Commodity properties gaining popularity**

In 2002, 17.083 million square metres of commodity flats were sold, of which 16.044 million square metres were residential commodity flats, representing an increase of 42.3% over last year respectively. 97.4% of the residential flats were sold to individual buyers. With an average residential area of 18.2 square metres per capita, commodity properties are becoming increasingly popular.

**4. Steady decrease in the price of commodity flats**

Under Beijing government's policy promulgated to solve the housing problems of families of middle to low income, the price of residential commodity flats showed modest decline during 2002. By the end of December 2002 the average price of residential commodity flats was Rmb4,467 per square metre, a decrease of Rmb249 from the end of the previous year. The market's demand for apartments and offices also declined slightly.

### 首都商業繁榮活躍

二零零二年，在國家積極的財政政策和穩健的貨幣政策為主導的一系列擴大內需政策的推動下，首都消費品市場繁榮活躍，全市城鎮和農村市場零售額分別較上年增長8.8%和13.6%，零售額增幅繼續高於全國平均水平。但商業銷售成本居高不下，商品結構性矛盾依然明顯。二零零二年全市批零商業毛利率為8.2%，銷售利潤率1.69%。

## 二、經營回顧

二零零二年北京市投資物業市場穩中有降，效益普遍下滑，但本公司投資物業敏銳抓住客源結構變化的市場機會，果斷調整產品結構，贏得了擴大市場份額的先機，效益穩步增長；公司發展物業在全市平均房價走低，周邊樓盤壓價競爭的不利形勢下，加強營銷策劃，創賣點、樹品牌，順利完成了既定經營目標；商業面對行業銷售利潤普遍下降，亞運村周邊市場競爭異常激烈的市場環境，運用多種營銷手段，保持了對公司的盈利貢獻。

### Booming sales in Beijing

In 2002, the consumption market in Beijing boomed under the drive of a series of policies to stimulate domestic demand, were manifested by the State's aggressive fiscal policy and prudent monetary policy. Turnover in total retail sales of urban and rural markets increased by 8.8% and 13.6% respectively, as compared to the previous year. The growth in local retail sales remained above the average level of the PRC. However, the market was marked with structural imbalance as sales cost remained high. The gross profit margin of wholesale and retail sales businesses in 2002 was 8.2%, with a margin of 1.69%.

## II. Operational Review

In 2002, the investment property market of Beijing dropped slightly with a general downturn in operation efficiency. Nevertheless, the property investment arm of the Company grasped the opportunity of market restructuring by adjusting its portfolio thus resulting in the Company successfully enlarged its market share together with the increase in operation efficiency. Despite the price pressure from the suburban flats of competitors, the Company's property development arm was still able to attain its business objectives through strengthened marketing efforts in terms of unique selling points and strong branding. The Company's retail business faced a challenging market environment with declining sales revenue and keen competition from the markets surrounding the Olympic Village. In spite of the tough market condition, the Company managed to profit through implementation of various marketing initiatives.

國際會議中心  
Beijing International Convention Centre



## 經營情況

### • 投資物業

二零零二年公司投資物業實現經營溢利 110,339,000 元人民幣，同比增長 21.3%。匯園公寓 M 座、N 座改造成酒店式公寓，扭轉了公寓長住市場滑坡導致的投資物業效益下滑趨勢，平均出租率和租金雙增長；寫字樓在全市寫字樓市場回落調整，空置率增加的不利形勢下，加強對新老客戶的開發，保持了高水平的出租率，租價高於北京市寫字樓平均水平；國際會議中心大膽改革營銷體制，加強成本控制，一舉改變了會議市場長期以來的經營頹勢，為投資物業效益增長作出了重要貢獻。

為保持和擴大投資物業市場份額，提升亞運村物業價值，應對未來奧運村之挑戰，本年度公司繼續對投資物業進行了有計劃的改造。

## Operation statistics

### • Investment properties

Operating profit of the property investment operations for 2002 was Rmb110,339,000, representing an increase of 21.3% over the corresponding period in the previous year. As a result of the conversion of Blocks M and N of Hui Yuan Apartment into serviced apartments, the downward trend of investment properties arising from a sluggish long-term residential market was reverted to a growth in both occupancy and rentals. Against a downturn of the office market and an increasing vacancy rate, the Company through its marketing efforts targeting new and existing customers had successfully maintained a high occupancy rate with rentals above the average rate in Beijing. Resulting from its marketing reform and stringent cost control, the Beijing International Convention Centre has ended the long-time underperformance of its convention operation with a significant contribution to improve the efficiency of the Company property investment arm.

In order to expand its market share and upgrade the Asian Games Village and in view of the future challenges from the Olympic Village, the Company continued to redevelop its investment properties strategically in the year under review.

二零零二年主要改造項目

Major redevelopment projects in 2002

五洲大酒店東樓改造	Redevelopment of East Wing of Beijing Continental Grand Hotel	即將完成 Almost completed
匯園公寓 M、N 樓改造成酒店式公寓	Conversion of Blocks M and N of Hui Yuan Apartment into serviced apartments	已完成 Completed
國際公寓 D 座改造成商務大廈	Conversion of Block D of Hui Yuan International Apartment into commercial building	進行中 In progress
國際會議中心廣場改造	Reconstruction of the plaza of Beijing International Convention Centre	已完成 Completed
匯賓大廈 B 座改造	Redevelopment of Block B of Hui Bin Office	已完成 Completed

二零零二年投資物業出租率、租價表

Occupancy and rentals of investment properties in 2002

投資物業	Investment properties	出租率 Occupancy rate		平均租金 Average rentals	
		二零零二年 2002 %	二零零一年 2001 %	二零零二年 2002 美金 / 天 / 平方米 USD/day/m <sup>2</sup>	二零零一年 2001 美金 / 天 / 平方米 USD/day/m <sup>2</sup>
五洲大酒店 (註)	Beijing Continental Grand Hotel (Note)	69.00	70.00	46	43
匯園國際公寓	Hui Yuan International Apartment	72.91	72.44	0.52	0.48
匯欣寫字樓	Hui Xin Office	96.96	96.93	0.75	0.75
匯園公寓	Hui Yuan Apartment	82.00	80.00	0.52	0.50
匯賓大廈	Hui Bin Office	92.70	95.60	0.72	0.72
國際會議中心 寫字樓	Office of Beijing International Convention Centre	99.30	95.65	0.76	0.73

註：五洲大酒店平均租金單位為美金／天／房間，其他租金單位為美金／天／平方米。

Note: Rental for Beijing Continental Grand Hotel is presented as USD/day/room whereas the other properties are USD/day/m<sup>2</sup>.

• 發展物業

二零零二年本公司發展物業本著開拓發展、理性決策、規範管理、專業運作的思路，在做好現有在建項目開發的同時，亦加快了新項目的開拓力度。全年開復工面積近 50 萬平方米，竣工面積 2.9 萬平方米。開發物業從普通住宅、公寓到別墅，實現了檔次和類型的多樣化。綠色家園二期今年五月開盤的 2.9 萬平方米新樓盤，本年度已售出 65%，是歷年銷售最快的一年。

• Development properties

The Company's principle of operation for development properties in 2002 was to pursue for expansion, precise decision making, standardise management and operating in a professional manner. As such, the Company accelerated the development of new projects, while strong emphasis was also placed on the existing construction projects on hand. The total floor area for construction in the year was approximately 500,000 square metres, with the completion of 29,000 square metres of floor area. The Company maintained a diversified portfolio of development properties, from residential flats to apartments and villas. 65% of Green Garden Phase II, which was launched in May 2002 with a total floor area of 29,000 square metres have been sold, being the best selling project ever.

項目進展 Construction progress	面積 Area 平方米／m <sup>2</sup>	現況 Status
綠色家園二期 Green Garden Phase II	205,000	(新動工) (Newly commenced)
姜莊湖別墅 Jiang Zhuang Hu Garden Villas	26,000	(新動工) (Newly commenced)
東郊項目 Eastern Suburban Project	43,000	(新動工) (Newly commenced)
北辰大廈 Bei Chen Building	原項目已拆除，北辰大廈完成初步設計 Completed the demolition of the original project and completed preliminary design of Bei Chen Building	



滙欣公寓  
Hui Xin Apartment



發展物業銷售表

Table for sales of development properties

項目	Project	附註 Notes	銷售面積 Total area sold	
			二零零二年 2002 平方米 /m <sup>2</sup>	二零零一年 2001 平方米 /m <sup>2</sup>
加利大廈	Kerrie Plaza	1	16,127	3,685
興辰大廈	Xing Chen Mansion Residential Buliding		922	378
世紀村	Shi Ji Cun Estate		3,600	—
綠色家園一期	Green Garden Phase I		8,951	24,540
綠色家園二期	Green Garden Phase II	2	18,570	—
匯欣大廈	Hui Xin Office		—	7,783
匯欣公寓	Hui Xin Apartment		1,348	9,599
總計	Total		49,518	45,985

附註：

1. 加利大廈為本年度完成環境改造後重新推出。
2. 綠色家園二期 A、B、C 三棟樓為本年度 5 月新開售項目。

Notes：

1. Kerrie Plaza was re-launched in the year after the completion of the environment-enhancing project.
2. Blocks A, B and C of Green Garden Phase II were newly launched in May 2002.

#### • 商業

2002 年北辰購物中心在不停業的情況下進行局部裝修和重新佈局，營業面積比上年有所減少，但購物環境得以改善、商品佈局更為合理。通過調整商品結構、展開系列促銷活動，嚴格控制成本等措施，使經營溢利比上年略有增長，保持了對公司利潤的貢獻。在銷售額超過十億元的北京十大商場中，北辰購物中心銷售額排名第三，每平方米創利第一。

#### • Commercial operation

The operation area of the Bei Chen Shopping Centre in 2002 was smaller than last year, primarily due to the partial renovation and redesign conducted, however, the shopping environment was improved due to better display of products. Through the adjustment of product mix, a series of promotional activities and stringent cost control, Bei Chen Shopping Centre's operation profit experienced a slight increase thus continue to contribute towards the profitability of the Company. Bei Chen Shopping Centre ranked third among the top ten shopping malls in Beijing with sales revenue of over Rmb1 billion and its profit per square metres ranked number one.

北辰購物中心經營情況

Operating Statistics of Bei Chen Shopping Centre

年度	Year	營業額 Turnover (人民幣百萬元) (Rmb million)	經營溢利 Operating Profit (人民幣百萬元) (Rmb million)	毛利率 Gross Profit Margin %
二零零二年	2002	974.33	55.75	15.17
二零零一年	2001	1,037.61	55.43	15.21

管理措施

二零零二年本公司調整了部份轄屬企業的經營模式，合併五洲大酒店西樓和會議中心，實行統一領導、統一核算、統一銷售。五洲酒店東樓引入了六洲酒店管理集團執掌的皇冠假日酒店品牌；實行總會計師委派制，加強對轄屬公司的財務指導和監督；新成立「預算部」，出台《項目招投標管理辦法》、《工程洽商管理辦法》等，使公司項目和工程的專業運作水平上了一個新台階。

Management Initiatives

The Company has adjusted its operation for some of its subsidiaries in 2002. The Beijing Continental Grand Hotel and the Beijing International Convention Centre were put under common management with centralised systems of auditing and sales. The Crowne Plaza brandname managed by the Six Continents Hotel Management Group was introduced into the operation of the East Wing of Beijing Continental Grand Hotel. Under the new management, chief accountants were appointed to strengthen the supervision of the financial management of its subsidiaries. The project and construction operation of the Company was elevated to a new level with the setting up of a new "Budgetary Department" and the issuance of "Administrative Measures of Tenders" and "Administrative Measures of Project Negotiation".

五洲大酒店  
Beijing Continental Grand Hotel





### 三、明年展望

二零零三年國家將繼續擴大內需，實施積極的財政政策和穩健的貨幣政策。北京市經濟工作重點之一是繼續擴大投資、消費和出口，進一步擴大消費需求，逐步提高消費在國民生產總值中的比重。二零零三年還是奧運項目招標揭曉，開始施工建設的一年。宏觀環境將有利於本公司業務的成長，是公司充滿希望的一年。

#### 北京房地產市場將平穩發展

面對房地產投資持續高增長，政府推出了嚴控土地供應總量，特別是高檔住宅和寫字樓用地的供應量，停止別墅類用地的土地供應政策，將使北京房地產業的風險大為降低。從供應情況看，高價位商品住宅供應量將逐步減少，而經濟適用房和低價位商品住宅供應量將繼續增加，二手房市場會進一步發展，將繼續拉低北京平均房價。需求方面，隨着人均收入的增長，個人消費更新能力將進一步提高。北京市政府近期出台的鼓勵外地人在京置業政策，將進一步增強外地人購房願望。預計二零零三年北京房地產市場整體將繼續保持平穩發展態勢，平均房價將繼續呈溫和回落走勢。

### III. Prospects for the Coming Year

The PRC government will continue to stimulate its internal demand in 2003 by implementing active fiscal strategies while in the meantime maintaining a stable monetary policy. One of the economic focuses of Beijing is to continue expanding investment, consumption and exports. Beijing city looks forward to a boost in consumer demand and a higher percentage of consumption in GDP. In 2003, the list of the winning bidders for the Olympic projects will be released and the construction work commence. The macroeconomic environment will be beneficial for the future business growth together with a promising year for the Company.

#### Beijing property market will maintain steady progress

Facing the continued rapid growth in the property market, the government has introduced policies to tighten its control in the supply of land, in particular, premium residential and office sectors. It has also suspended the supply of land for the development of villa type housing. Such efforts will help substantially in reducing the investment risks associated with the Beijing property market. Based on the current market supply and the gradual decrease in the supply of premium residential commodity flats, the amount of economy flats and economic commodity houses available in the market will continue to grow, thus accelerating the development of the secondary market. Such market trends are expected to send housing prices in Beijing on the downward trend. On the demand side, the increase in per capita income will give an additional boost to the purchasing power of individuals in terms of housing replacement. Recently, the Beijing municipal government has launched a new policy that encourages non-residents to own houses in Beijing. This provides additional incentives for non-residents to purchase houses in Beijing. It is forecasted that the general Beijing property market will continue to maintain its steady development, and the average housing prices will stay on course of its gradual downward adjustment.

二零零三年北京住宅市場的總供應量將繼續增長，特別是上半年新增公寓項目較為集中，公寓市場的競爭將更加激烈，預計公寓租售價格將繼續小幅回落。二零零三年是中國正式加入世界貿易組織（「入世」）第三年，入世效應將會進一步顯現。京城甲級寫字樓市場的表現隨著與世界貿易組織相關的外資行業的需求也將會逐漸旺盛起來。而二零零三年進入市場的甲級寫字樓項目有限，短期內對市場不會造成明顯的衝擊。預計二零零三年的寫字樓市場將保持平穩，價格將不會出現明顯波動。

#### 零售商業穩中有升

二零零三年北京將加快建設現代流通市場體系，市場購銷環境將繼續改善，消費市場總體將以穩中有升為基調，購銷將保持繁榮活躍局面。同時，在規範現有各類型商業市場有序競爭的同時，會進一步發展物流配送、電子商務等新型業態，零售業市場業態將更加豐富。二零零三年也是北京市引進外資商業的高峰年，多家國際知名零售商可能會陸續進入本市，本公司商業將置身於更加激烈的競爭之中。

Total supply in the residential market in Beijing will continue to grow. This is particularly so in the first half of 2003 when a number of new apartment projects will be launched to the market, intensifying the competition. It is forecasted that the rental and sales prices of apartments will continue to fall within a narrow range. 2003 is the third year after China joined the World Trade Organisation (“WTO”), with which the impact will be strongly felt. Fuelled by the demand of such industries that are opened to foreign investment under the conditions of WTO, the market for Grade A offices in Beijing is also expected to become more and more buoyant. The new supply for Grade A offices in 2003 is limited thus the negative impact on the market is not material. It is forecasted that the stability of the office sector will be maintained thus there will be no significant fluctuations in prices during 2003.

#### Steady progress for retailers

In 2003, the PRC policy for expansion of domestic consumption and proactive fiscal policy and prudent monetary policy will remain unchanged. In Beijing, local consumption environment is likely to continue to improve due to a number of positive factors for the consumer market. Overall, the consumer market is expected to be on an upward trend, with local consumption maintaining its vigour in the coming year. Beijing regulates all commercial sectors so as to compete in an orderly manner, and will also further the development of emerging sectors such as logistics and e-commerce. The operation of the retail market is becoming more exciting than ever. 2003 is also likely to see the peak of foreign investment in Beijing. A number of internationally-renown retailers are expected to enter the retail scene during the year. As such, the retail operation of the Company stands to face more intense competition.

### 發展策略

面對希望和困難，二零零三年公司將努力改變現狀，加快業務發展進程。投資物業重點是繼續對亞運村內物業進行改造，提升其價值並擇機尋求亞運村以外的發展；發展物業從規模、品牌、營銷三方面入手，提高可持續發展能力；商業作為公司新興支柱產業，將重點參與奧運中心區商業發展規劃和北辰大廈的商業配套。

### 業務計劃

- 1、繼續對現有物業有計劃地進行改造，提升其功能價值。二零零三年將改造公寓樓250套，新增寫字樓面積約1萬平方米，酒店式公寓100餘套。
- 2、發展物業二零零三年開復工總面積將超過70萬餘平方米，新開工面積不低於30萬平方米，竣工面積約20萬平方米。繼續尋找優質土地儲備和新項目，力爭獲得兩個新項目。北辰大廈是亞運村內的重點工程，在作好方案論證及前期準備工作基礎上，二零零三年開工建設。
- 3、二零零三年商業爭取改變單店經營模式，新建或收購一家新店。

### Development strategies

In the face of the opportunities and challenges ahead, the Company will devote immense effort in re-adjustment of its business to be in line with the market trend and simultaneously speeding up the progress of its business development. The property investment operation will continue to focus on the redevelopment of the properties in Asian Games Village to enhance their value. Besides, the Company will actively look for opportunities for investment in property developments outside the Asian Games Village. The Company will seek to strengthen its capability for its property development operation, in terms of scale, branding and marketing, to maintain a sustained growth. The commercial division of the Company will become a new pillar with focus placed on the development planning for the Olympic commercial zone and the development of commercial facilities for Bei Chen Building.

### Business plans

1. The Company will continue to embark upon a strategic redevelopment of its existing properties to enhance their functional value. In 2003, 250 apartment buildings are planned for redevelopment into new office space of approximately 10,000 square metres in floor area and over 100 serviced apartments.
2. For property development, the Company strives to secure a total floor area of over 700,000 square metres, development area of at least 300,000 square metres with the completion of 200,000 square metres in 2003. It will explore for quality lots to enlarge its land reserve and a continual search for new development projects so as to attain its target of two additional projects. As for the Bei Chen Building, a major project for the Asian Games Village, the Company will strive to commence the construction in 2003, as soon as the feasibility study and the preliminary works have been completed.
3. The Company will adjust its strategy in its commercial division by altering its operation of individual stores either by acquisition or through construction.

- 4、積極參與奧運項目的投標，爭取中標。
- 5、作好A股發行的各項準備工作，為業務發展作好資金準備。
- 6、加強公司管治，繼續健全各項規章制度。

各位股東，二零零三年本公司管理層將與北辰實業全體員工一道，共同努力，爭取良好的業績回報股東。在此，北辰實業全體管理人員對股東的支持表示衷心感謝。

承董事會命

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二零零三年三月二十五日

4. The Company will also actively participate in bidding for the Olympic projects.
5. The Company will prepare for the issue of A shares to raise funds for financing its business development.
6. The Company will also strengthen its corporate governance and step up its efforts in improving all aspects of its corporate policies.

The management of the Company, together with all the staff, will continue to dedicate themselves to work diligently and bring satisfactory results to the shareholders. The Company's management and its staff would like to take this opportunity to express their sincere gratitude for the support of the shareholders.

By Order of the Board

Zhao Hui-Zhi  
General Manager

Beijing, PRC  
25th March, 2003