

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」）截至二零零二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。

業績及利潤分配

本集團截至二零零二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 36 頁至第 40 頁。

股息

董事會建議派發截至二零零二年十二月三十一日止年度末期股息，每股人民幣0.03元，合共人民幣 56,011,000 元。

財務概要

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。

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, 2002.

Principal Activities

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

Results and Profit Distribution

The results of the Group for the year ended 31st December, 2002, prepared in accordance with the accounting principles generally accepted in Hong Kong and its financial position as at that date are set out on pages 36 to 40 of the annual report.

Dividend

The Board of Directors recommends the payment of a final dividend of Rmb0.03 per share for the year ended 31st December, 2002, totalling 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.

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 13。

主要物業

本集團擁有之主要物業概要載於年報第85頁至第86頁。

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 22。

購買、出售及贖回本公司之股份

本公司於本年度內並無贖回本公司的股份。本公司及其附屬公司於本年度內並無購買或出售本公司的股份。

董事及監事

於本年度內及截至本報告日期之董事及監事芳名如下：

執行董事

李岩嶺	董事長
趙惠芝	董事
劉建平	董事
賀江川	董事

獨立非執行董事

董安生	董事
龍濤	董事
符耀文	董事

監事

沈倚山	監事長
周燕榮	監事
柳耀忠	監事

董事、監事及高級管理人員之簡介載於年報第20至第22頁。

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 85 to 86 of the annual report.

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.

Directors and Supervisors

The directors and supervisors for the year and up to the date of this report:

Executive Directors

LI Yan-Ling	Chairman
ZHAO Hui-Zhi	Director
LIU Jian-Ping	Director
HE Jiang-Chuan	Director

Independent Non-Executive Directors

DONG An-Sheng	Director
LONG Tao	Director
FU Yiu-Man, Peter	Director

Supervisors

SHEN Yi-Shan	Chairman
ZHOU Yan-Rong	Supervisor
LIU Yao-Zhong	Supervisor

The biographical details of directors, supervisors and senior management are set out on pages 20 to 22 of the annual report.

董事及監事換屆事宜

根據本公司之章程規定，本公司全體董事、監事將於二零零三年任期屆滿。在二零零四年之下屆董事及由股東代表出任的監事換屆選舉將於二零零三年五月二十日舉行之股東週年大會上進行。另一位由職工代表出任的監事將於股東週年大會前，由公司職工進行民主選舉。

董事酬金

董事酬金情況載於財務報表附註7。

最高酬金人士

本年度本集團獲最高酬金之首五名人士其中四名為本公司董事。

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。

董事及監事所佔股本權益

於二零零二年十二月三十一日，各董事或彼等之聯繫人士概無在本公司或任何相關法團（根據證券（披露權益）條例（「披露權益條件」）所指）持有任何股本權益，須遵照證券（披露權益條件）條例第二十八條向本公司及香港聯合交易所申報（包括披露權益條件第三十一條或附表第一部份計作或視作彼等擁有的權益），或遵照該披露權益條件第二十九條登記於該條例所述的登記冊，或遵照上市公司董事證券買賣標準守則向本公司及香港聯合交易所申報的權益。

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。

Election of Directors and Supervisors

According to the Articles of Association of the Company, the Company's directors and supervisors will retire upon the expiry of their terms in 2003. The election of directors and the supervisors representing the shareholders of year 2004 for the new term of office will be held on 20th May, 2003. The other supervisor representing the staff and workers shall be elected by the staff and workers of the Company before this annual general meeting.

Directors' Emoluments

Details of directors' emoluments are set out in note 7 to the accounts.

Highest Paid Individuals

During the year, the five individuals with the highest remuneration in the Group included four 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.

Interests of the Company's Directors and Supervisors

As at 31st December, 2002, the interests of the Directors or their associates in any equity or debt securities of the Company or any associated company (as defined in the Securities (Disclosure of Interests) Ordinance of Hong Kong ("SDI Ordinance")) which were required to be notified to the Company and the Stock Exchange pursuant to section 28 of the SDI Ordinance (including interests which any such Director is deemed to have under section 31 or Part I of the Schedule to the SDI Ordinance), or which were required to be entered in the register kept by the Company pursuant to section 29 of the SDI Ordinance or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Interests of Directors and Supervisors in Contracts

Apart from service contracts, in relation to the Company's business, no contract 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.

董事於競爭性業務之利益

於年內及截至本報告日期止，按香港聯合交易所有限公司證券上市規則（「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。

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
二零零二年最高成交價	港幣 1.69 元
二零零二年最低成交價	港幣 0.86 元
二零零二年最初交易日 開盤價	港幣 1.4 元
二零零二年最後交易日 收盤價	港幣 0.95 元
二零零二年交易總股數	845,296,190 股

股本

本公司於二零零二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%

Interests of Directors in Competitive Business

During the year and up to the date of this report, none of director or management shareholder has any interest in business which competes or may compete with the business of the Group under the Rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

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\$1.69
The lowest trading price during the year	HK\$0.86
The opening price on the first trading day of the year	HK\$1.4
The closing price on the last trading day of the year	HK\$0.95
Total number of shares traded during the year	845,296,190 shares

Share Capital

The Company's total number of issued shares as at 31st December, 2002 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，顯示於二零零二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	佔有關類別 估總	
			股本比率	股本比率
北京北辰實業集團公司	內資股	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件第十六（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元。

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

截至二零零二年十二月三十一日，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 SDI Ordinance shows that as at 31st December, 2002, the Company had been notified of the following shareholders' interest, being 10% or more of the Company's issued share capital:

Name of shareholders	Class of shares	No. of shares held	Percentage of	
			the relevant share class	Percentage of total shares
Beijing North Star Industrial Group Limited	Domestic shares	1,160,000,000	100.00%	62.13%

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, 2002, 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3(q)。

員工宿舍

本年度本集團並無向員工提供任何員工宿舍。

關連交易

截至二零零二年度止，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土地租賃協議，二零零二年年租金為人民幣15,000,000元，本公司已於二零零二年十二月三十一日前支付予北辰集團公司。

Staff Retirement Scheme

Details of the Group's staff retirement scheme are set out in note 3(q) to the accounts.

Staff Housing Quarters

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

Connected Transactions

During the year ended 2002, the Company entered into 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, the rental for the year 2002 was Rmb15,000,000 and has been fully settled by 31st December, 2002.

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，截至二零零二年十二月三十一日止年度與北辰集團公司之間就該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公司的主要服務項目：

		定價基準	Pricing Basis	人民幣總值 千元 Gross Amount Rmb'000
保安	Security services	市場價	Market Price	963
熱力	Heating	國家價	State Price	16,374
總計	Total			17,337

本公司提供予北辰集團公司的主要服務項目：

		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	108
電視	Television	市場價	Market Price	4
電話	Telephone	市場價	Market Price	10
總計	Total			122

2. Pursuant to a miscellaneous service agreement dated 11th April, 1997 signed with BNS Group Company, the principal services provided by BNS Group Company to the Group as at 31st December, 2002 are as follows:

Principal services provided by BNS Group Company to the Group:

Principal services provided by the Group to BNS Group Company:

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。

除上述關聯交易外，本公司與北辰房地產股份有限公司（本公司之附屬公司）就姜莊湖債權轉讓的關聯交易公告已於二零零三年一月二十八日分別載於《香港文匯報》和《虎報》。除上文披露者外，並無其他須披露的交易。

銀行貸款及其他借貸

於二零零二年十二月三十一日，本集團之銀行貸款及其他借貸詳情載於財務報表附註 20。

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 14。

重大訴訟

本年內本集團概無重大訴訟或仲裁事項。

Save as provided otherwise in the relevant agreement, the services provided by the Company or BNS Group Company were charged in accordance with the pricing scheme determined by the government. Where there is no such pricing scheme, the service charge would be determined by reference to comparable local market rate. If no such market rate is available, the price shall be determined on the basis of the reasonable cost incurred by the Company or BNS Group Company (as appropriate) in providing the services.

Save as disclosed above and the connected transaction entered into between the BNS Group Company and Beijing North Star Real Estate Development Company Limited, a subsidiary of the Company, in relation to the assignment of the rights and interests in the loan to Jiang Zhuang Hu of which the details were published in the announcement of the Company dated 28th January, 2003 on Hong Kong Wen Wei Po and The Standard, the Company has not entered into any other discloseable connected transaction.

Bank Loans and Other Borrowings

As at 31st December, 2002, the bank loans and other borrowings of the Group are set out in note 20 to the accounts.

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

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.

經營業績

二零零二年財政年度與二零零一年財政年度之比較：

Results of Operations

Comparison of Financial Year 2002 to Financial Year 2001:

		二零零二年 2002 (人民幣千元) (Rmb'000)	二零零一年 2001 (人民幣千元) (Rmb'000)	二零零二年 比二零零一年 上升/(下跌) Increase/ (decrease) when compared to 2001 (%)
營業額	Turnover	1,761,529	1,856,682	(5.1)
股東應佔溢利	Profit attributable to shareholders	156,990	212,768	(26.2)
分部溢利：	Segment results:			
物業及土地銷售	Properties and land sales	17,821	50,236	(64.5)
購物中心業務	Shopping center operations	55,748	55,433	0.6
租金收入	Rental income	110,339	90,957	21.3
酒店業務	Hotel operations	13,492	13,448	0.3
其他業務	Other operations	(3,553)	(15,122)	—

所得稅政策

根據有關中國政府機構二零零零年一月十一日及二零零零年十月十三日發出的通函，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。

Policies on Income Tax

In accordance with circulars issued by the relevant PRC government authorities on 11th January 2000 and 13th October 2000, 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 at the statutory corporate income of 33%.

財政資源及流動資金狀況

於二零零二年十二月三十一日之股東權益較二零零一年十二月三十一日之股東權益有3.3%的上升。本集團在二零零二年財政年度結束日之借款淨額為人民幣189,317,000元。本集團之借款主要來自銀行。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2,519,103,000元。而流動負債數額則為人民幣1,463,795,000元。於二零零二年十二月三十一日，銀行存款及現金的餘額為人民幣1,108,413,000元。

Financial Resources and Liquidity

At 31st December, 2002, the shareholders' funds of the Group showed an increase of 3.3% from that of 31st December, 2001. The Group's net borrowing as at the end of the financial year of 2002 was recorded at Rmb189,317,000 with a majority of the funding being obtained from banks. 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 Rmb2,519,103,000, whereas the Group's current liabilities amounted to Rmb1,463,795,000. As at 31st December, 2002, cash at bank and on hand amounted to Rmb1,108,413,000.

其他重大事項

因公司項目發展需要，本公司擬於二零零三年在中國大陸申請首次發行 A 股。

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，另一名由本公司職工經民主選舉選出及罷免，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。

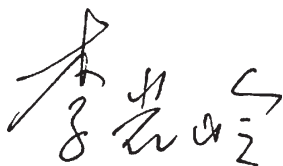
除此之外，本公司截至二零零二年十二月三十一日止均有遵守最佳應用守則。

核數師

本公司帳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

By Order of the Board



李岩嶺

Li Yan-ling

董事長

Chairman

中國 • 北京，二零零三年三月二十五日

Beijing, PRC, 25th March, 2003

Other Major Events

Due to the Company's need for further business development, the Company proposed its first issue of A Shares in the PRC in 2003.

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, 2002 with the Code of Best Practice.

Auditors

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