

Interim Report 中期報告

For the six months ended 30th June 2003 截至二零零三年六月三十日止六個月

- Turnover was Rmb 798,062,000, a 8.5% decrease over the same period of last year
營業額為人民幣 798,062,000 元，較去年同期下降 8.5%
- Operating profit was Rmb 154,851,000, a 42.1% increase over the same period of last year
經營溢利為人民幣 154,851,000 元，較去年同期上升 42.1%
- Profit attributable to shareholders was Rmb 100,855,000, recording a 28% increase over the same period of last year
股東應佔溢利為人民幣 100,855,000 元，較去年同期上升 28%
- Basic earnings per share was Rmb 0.054, compared to Rmb 0.042 of basic earnings per share in the same period of last year
每股基本盈利為人民幣 0.054 元，去年同期每股基本盈利為人民幣 0.042 元
- The Board of Directors has resolved not to declare any interim dividend (six months ended 30th June 2002: nil)
董事會建議不派發中期股息 (截至二零零二年六月三十日止六個月：無)

The Board of Directors of Beijing North Star Company Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th June 2003 as set out below:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30th June 2003

		(Unaudited)	
		Six months ended 30th June	
	Note	2003 Rmb'000	As restated 2002 Rmb'000
Turnover	2	798,062	871,844
Cost of sales		<u>(537,302)</u>	<u>(589,038)</u>
Gross profit		260,760	282,806
Other operating income	3	73,484	—
Operating costs		<u>(102,743)</u>	<u>(91,683)</u>
Administrative expenses		<u>(76,650)</u>	<u>(82,155)</u>
Operating profit	4	154,851	108,968
Net finance income	5	7,439	15,218
Share of loss of a jointly controlled entity		<u>(1,483)</u>	<u>(1,393)</u>
Profit before taxation		160,807	122,793
Taxation	6	<u>(54,292)</u>	<u>(42,790)</u>
Profit after taxation		106,515	80,003
Minority interests		<u>(5,660)</u>	<u>(1,196)</u>
Profit attributable to shareholders		<u>100,855</u>	<u>78,807</u>
2002 final dividend paid of Rmb0.030 per share (2001 final dividend paid: Rmb0.030 per share)	7	56,011	56,011
2003 interim, proposed of Rmb nil per share (2002 interim, proposed of Rmb nil per share)		<u>—</u>	<u>—</u>
Basic earnings per share	8	<u>Rmb0.054</u>	<u>Rmb0.042</u>



北京北辰實業股份有限公司(「本公司」)之董事會欣然宣佈本公司及其附屬公司(「本集團」)截至二零零三年六月三十日止六個月未經審計之綜合業績：

簡明綜合損益表

截至二零零三年六月三十日止六個月

	附註	(未經審核)	
		截至六月三十日止六個月	經重列 二零零二年 人民幣千元
		二零零三年 人民幣千元	二零零二年 人民幣千元
營業額	2	798,062	871,844
銷售成本		(537,302)	(589,038)
毛利		260,760	282,806
其他業務收入	3	73,484	—
經營成本		(102,743)	(91,683)
行政費用		(76,650)	(82,155)
經營溢利	4	154,851	108,968
淨財務收入	5	7,439	15,218
— 共同控制實體所佔虧損份額		(1,483)	(1,393)
除稅前溢利		160,807	122,793
稅項	6	(54,292)	(42,790)
除稅後溢利		106,515	80,003
少數股東權益		(5,660)	(1,196)
股東應佔溢利		100,855	78,807
二零零二年度已派末期股息每股人民幣0.030元 (二零零一年度已派末期股息：每股人民幣0.030元)	7	56,011	56,011
二零零三年擬派中期股息每股人民幣無元 (二零零二年擬派中期股息：每股人民幣無元)		—	—
每股基本盈利	8	人民幣0.054	人民幣0.042

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th June 2003

	Note	(Unaudited) 30th June 2003 Rmb'000	As restated 31st December 2002 Rmb'000
Properties, plant and equipment	9	<u>4,460,594</u>	4,253,906
Investment in a jointly controlled entity		<u>15,674</u>	17,157
Deferred tax assets		<u>6,875</u>	8,895
Current assets			
Inventories		237,665	377,561
Land and properties under development for sale		1,082,748	877,761
Trade and other receivables	10	169,435	155,368
Bank balances and cash		<u>786,398</u>	1,108,413
		<u>2,276,246</u>	2,519,103
Current liabilities			
Trade and other payables	11	1,199,672	1,309,191
Taxation payable		20,505	14,604
Bank loan	12	<u>140,000</u>	140,000
		<u>1,360,177</u>	1,463,795
Net current assets		<u>916,069</u>	1,055,308
Total assets less current liabilities		<u>5,399,212</u>	5,335,266
Financed by:			
Share capital	13	1,867,020	1,867,020
Reserves		2,905,570	2,804,715
Proposed dividend	7	—	56,011
Shareholders' funds		<u>4,772,590</u>	4,727,746
Minority interests		142,651	136,991
Deferred tax liabilities		<u>483,971</u>	470,529
		<u>5,399,212</u>	5,335,266



簡明綜合資產負債表

於二零零三年六月三十日

	附註	(未經審核) 二零零三年 六月三十日 人民幣千元	經重列 二零零二年 十二月三十一日 人民幣千元
物業、廠房及設備	9	<u>4,460,594</u>	<u>4,253,906</u>
共同控制實體之投資		<u>15,674</u>	<u>17,157</u>
遞延稅項借方		<u>6,875</u>	<u>8,895</u>
流動資產			
存貨		237,665	377,561
待出售發展中土地及物業		1,082,748	877,761
應收帳款及其它應收款項	10	169,435	155,368
銀行存款及現金		<u>786,398</u>	<u>1,108,413</u>
		<u>2,276,246</u>	<u>2,519,103</u>
流動負債			
應付帳款及其它應付款項	11	1,199,672	1,309,191
應付稅金		20,505	14,604
銀行貸款	12	<u>140,000</u>	<u>140,000</u>
		<u>1,360,177</u>	<u>1,463,795</u>
流動資產淨值		<u>916,069</u>	<u>1,055,308</u>
總資產減流動負債		<u>5,399,212</u>	<u>5,335,266</u>
資金來源：			
股本	13	1,867,020	1,867,020
儲備		2,905,570	2,804,715
擬派股息	7	—	56,011
股東權益		<u>4,772,590</u>	<u>4,727,746</u>
少數股東權益		142,651	136,991
遞延稅項貸方		<u>483,971</u>	<u>470,529</u>
		<u>5,399,212</u>	<u>5,335,266</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th June 2003

	(Unaudited)	
	Six months ended 30th June	
	2003 Rmb'000	2002 Rmb'000
Net cash (outflow)/inflow from operating activities	(118,679)	12,650
Net cash used in investing activities	(106,793)	(77,315)
Net cash used in financing activities	(96,543)	(136,853)
Decrease in cash and cash equivalents	(322,015)	(201,518)
Cash and cash equivalents at 1st January	1,108,413	1,608,151
Cash and cash equivalents at 30th June	786,398	1,406,633
Analysis of balances of cash and cash equivalents:		
- Bank balances and cash	786,398	1,406,633

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June 2003

	(Unaudited)								
	Share capital Rmb'000	Capital reserve Rmb'000	Investment properties revaluation Rmb'000	Hotel properties revaluation Rmb'000	Statutory reserve fund Rmb'000	Statutory public benefit fund Rmb'000	Discretionary reserve fund Rmb'000	Retained earnings Rmb'000	Total Rmb'000
At 1st January 2003, as previously reported	1,867,020	1,506,849	762,653	26,717	121,592	109,568	97,527	697,454	5,189,380
Changes in accounting policy - provision for net deferred tax liabilities (Note 1)	—	—	(251,675)	(8,817)	—	—	—	(201,142)	(461,634)
At 1st January 2003, as restated	1,867,020	1,506,849	510,978	17,900	121,592	109,568	97,527	496,312	4,727,746
Profit attributable to shareholders for the period	—	—	—	—	—	—	—	100,855	100,855
2002 final dividend paid	—	—	—	—	—	—	—	(56,011)	(56,011)
At 30th June 2003	1,867,020	1,506,849	510,978	17,900	121,592	109,568	97,527	541,156	4,772,590
At 1st January 2002, as previously reported	1,867,020	1,506,849	708,653	25,898	111,058	99,168	87,271	627,665	5,033,582
Changes in accounting policy - provision for net deferred tax liabilities (Note 1)	—	—	(233,855)	(8,546)	—	—	—	(174,144)	(416,545)
At 1st January 2002, as restated	1,867,020	1,506,849	474,798	17,352	111,058	99,168	87,271	453,521	4,617,037
Profit attributable to shareholders for the period	—	—	—	—	—	—	—	92,498	92,498
Changes in accounting policy - provision for net deferred tax liabilities (Note 1)	—	—	—	—	—	—	—	(13,691)	(13,691)
Profit attributable to shareholders for the period, as restated	—	—	—	—	—	—	—	78,807	78,807
2001 final dividend paid	—	—	—	—	—	—	—	(56,011)	(56,011)
At 30th June 2002	1,867,020	1,506,849	474,798	17,352	111,058	99,168	87,271	476,317	4,639,833



簡明綜合現金流量表

截至二零零三年六月三十日止六個月

(未經審核)
截至六月三十日止六個月

	二零零三年 人民幣千元	二零零二年 人民幣千元
經營業務之現金(流出)／流入淨額	(118,679)	12,650
投資活動之現金流出淨額	(106,793)	(77,315)
融資活動之現金流出淨額	(96,543)	(136,853)
現金及現金等價物之減少	(322,015)	(201,518)
於一月一日之現金及現金等價物	1,108,413	1,608,151
於六月三十日之現金及現金等價物	786,398	1,406,633
現金及現金等價物期末餘額包括：		
— 現金及銀行存款餘額	786,398	1,406,633

簡明綜合股東權益變動表

截至二零零三年六月三十日止六個月

	未經審計								
	股本 人民幣千元	資本公積 人民幣千元	投資物業 重估儲備 人民幣千元	酒店物業 重估儲備 人民幣千元	法定公積金 人民幣千元	法定公益金 人民幣千元	任意公積金 人民幣千元	保留溢利 人民幣千元	合計 人民幣千元
二零零三年一月一日， 如前呈報	1,867,020	1,506,849	762,653	26,717	121,592	109,568	97,527	697,454	5,189,380
採納會計政策之變更 — 遞延稅項淨撥備(附註1)	—	—	(251,675)	(8,817)	—	—	—	(201,142)	(461,634)
二零零三年一月一日， 重新列示的金額	1,867,020	1,506,849	510,978	17,900	121,592	109,568	97,527	496,312	4,727,746
本期股東應佔溢利	—	—	—	—	—	—	—	100,855	100,855
二零零二年未已派股息	—	—	—	—	—	—	—	(56,011)	(56,011)
二零零三年六月三十日	1,867,020	1,506,849	510,978	17,900	121,592	109,568	97,527	541,156	4,772,590
二零零二年一月一日， 如前呈報	1,867,020	1,506,849	708,653	25,898	111,058	99,168	87,271	627,665	5,033,582
採納會計政策之變更 — 遞延稅項淨撥備(附註1)	—	—	(233,855)	(8,546)	—	—	—	(174,144)	(416,545)
二零零二年一月一日， 重新列示的金額	1,867,020	1,506,849	474,798	17,352	111,058	99,168	87,271	453,521	4,617,037
本期股東應佔溢利	—	—	—	—	—	—	—	92,498	92,498
採納會計政策之變更 — 遞延稅項淨撥備(附註1)	—	—	—	—	—	—	—	(13,691)	(13,691)
本期股東應佔溢利， 重新列示的金額	—	—	—	—	—	—	—	78,807	78,807
二零零一年未已派股息	—	—	—	—	—	—	—	(56,011)	(56,011)
二零零二年六月三十日	1,867,020	1,506,849	474,798	17,352	111,058	99,168	87,271	476,317	4,639,833

NOTES TO THE CONDENSED INTERIM ACCOUNTS

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited consolidated condensed interim accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25 - Interim financial reporting, issued by the Hong Kong Society of Accountants (the "HKSA") and Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("the Listing Rules").

These condensed interim accounts should be read in conjunction with the 2002 annual accounts.

The accounting policies and methods of computation used in the preparation of these condensed interim accounts are consistent with those used in the annual accounts for the year ended 31st December 2002, except that the Group has adopted the SSAP 12 (revised) "Income Taxes" issued by the HKSA which is effective for accounting periods commencing on or after 1st January 2003. The effect to the Group arising from the adoption of this revised SSAP is set out as below:

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

In prior year, deferred taxation was accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future. The adoption of the revised SSAP 12 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy.

As detailed in the Condensed Consolidated Statement of Changes in Equity, opening retained earnings at 1st January, 2003 has been reduced by Rmb201,142,000 (2002: Rmb174,144,000), which represent the unprovided net deferred tax liabilities. This change has resulted in an increase in deferred tax assets and deferred tax liabilities at 31st December 2002 by Rmb8,895,000 and Rmb 210,037,000 respectively (31st December 2001: Rmb7,835,000 and Rmb181,979,000 respectively). The profit for the six months ended 30th June 2002 has been reduced by Rmb13,691,000. The balances on the Group's investment properties revaluation reserve and hotel properties revaluation reserve at 1st January 2003 have been reduced by Rmb251,675,000 (2002: Rmb233,855,000) and Rmb8,817,000 (2002: Rmb8,546,000), respectively, which represented the unprovided deferred tax liabilities.

2 TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in property development and sales, land development and sales, investment property operations, shopping centre operations, hotel operations, restaurant and recreation operations, and the provision of property management.

Turnover represents sales and provisions of services, net of sales tax, made by the Group to third parties in the People's Republic of China (the "PRC").

帳目附註

1 編制基準及會計政策

此未經審核之簡明綜合中期帳目乃按照香港會計師公會頒佈之香港會計實務準則(“會計實務準則”)第25條“中期財務報告”以及香港聯合交易所有限公司證券上市規則(“上市規則”)附錄十六編製。

未經審核之簡明綜合中期帳目需聯同二零零二年年報一同閱讀。

編製本簡明綜合中期帳目所採用之會計政策及計算方法與截至二零零二年十二月三十一日止年度帳目所採用者一致，惟本集團已採納於二零零三年一月一日或以後開始之會計期間生效之由香港會計師公會頒佈之會計實務準則第12號(經修訂)：「所得稅」。本集團於採納此經修訂之會計實務準則之影響已載列於以下附註。

遞延稅項採用負債法就資產負債之稅基與它們在財務報表之賬面值兩者之短暫時差作全數撥備。遞延稅項採用在結算日前已頒佈或實質頒佈之稅率釐定。

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

遞延稅項乃就附屬公司及共同控制實體之短暫時差而撥備，但假若可以控制時差之撥回，並有可能在可預見未來不會撥回則除外。

往年度，遞延稅項乃因應就課稅而計算之盈利與賬目所示之盈利二者間之時差，根據預期於可預見將來支付或可收回之負債及資產而按現行稅率計算。採納經修訂之會計準則第12號構成會計政策之變動並已追溯應用，故比較數字已重列以符合經修訂之政策。

如簡明綜合股東權益變動表所詳述，二零零三年一月一日止期初保留盈利已減少人民幣201,142,000元(二零零二年：人民幣174,144,000元)，為未撥備遞延稅項負債淨額。是項調整導致二零零二年十二月三十一日之遞延稅項資產及遞延稅項負債分別增加人民幣8,895,000元及人民幣210,037,000元(二零零一年十二月三十一日：人民幣7,835,000元和人民幣181,979,000元)。截至二零零二年六月三十日止六個月期間之盈利已減少人民幣13,691,000元。對截至二零零三年一月一日止期初投資物業重估儲備及酒店物業重估儲備已分別減少人民幣251,675,000元(二零零二年：人民幣233,855,000元)及人民幣8,817,000元(二零零二年：人民幣8,546,000元)，為未撥備遞延稅項負債額。

2 營業額及業務分部資料

本集團主要業務為物業開發及銷售、土地開發及銷售、物業投資、經營購物中心、酒店業務、餐廳及娛樂業務，以及提供物業管理服務。

營業額乃指本集團在中華人民共和國(「中國」)售予第三方之銷售額或服務收益(已扣除銷售稅)。

2 TURNOVER AND SEGMENT INFORMATION (CONTINUED)

The Group operates, in the PRC, with four main business segments:

- Properties and land sales
- Shopping centre operations
- Rental income
- Hotel operations

Other operations of the Group mainly comprise property management, restaurant and recreation operations, none of which are of a sufficient size to be reported separately.

There are no sales or other transactions between the business segments.

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

An analysis of the Group's turnover and contribution to operating profit/(loss) for the period by principal activities is as follows:

	Six months ended 30th June 2003					Group
	Shopping					
	Properties and land sales	centre operations	Rental income	Hotel operations	Other operations	
	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000
Turnover	190,763	441,530	129,904	14,716	21,149	798,062
Segment results	37,824	23,862	46,522	(5,525)	(4,565)	98,118
Other operating income						73,484
Unallocated costs						(16,751)
Operating profit						154,851
Net finance income						7,439
Share of loss of a jointly controlled entity						(1,483)
Profit before taxation						160,807
Taxation						(54,292)
Profit after taxation						106,515
Minority interests						(5,660)
Profit attributable to shareholders						100,855



2 營業額及業務分部資料(續)

集團於中國經營四項主要業務分部：

- 物業及土地銷售
- 購物中心業務
- 租金收入
- 酒店業務

集團其他業務主要為物業管理、餐廳及娛樂業務，三者的規模皆不足以作出獨立報告。

各類業務分部之間並無進行買賣活動或其他交易。

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。

本期間各主要業務佔集團營業額及經營溢利／(虧損)之貢獻分析如下：

	截至二零零三年六月三十日止六個月					集團 人民幣千元
	物業及 土地銷售 人民幣千元	購物 中心業務 人民幣千元	租金收入 人民幣千元	酒店業務 人民幣千元	其他業務 人民幣千元	
營業額	190,763	441,530	129,904	14,716	21,149	798,062
分部業績	37,824	23,862	46,522	(5,525)	(4,565)	98,118
其他業務收入						73,484
未分配成本						(16,751)
經營溢利						154,851
淨財務收入						7,439
— 共同控制實體所佔虧損份額						(1,483)
除稅前溢利						160,807
稅項						(54,292)
除稅後溢利						106,515
少數股東權益						(5,660)
股東應佔溢利						100,855

2 TURNOVER AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30th June 2002					As restated Group Rmb'000
	Properties and land sales	Shopping centre operations	Rental income	Hotel operations	Other operations	
	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	
Turnover	120,798	563,281	138,163	31,407	18,195	871,844
Segment results	25,178	35,113	60,497	1,813	(4,451)	118,150
Other operating income						—
Unallocated costs						(9,182)
Operating profit						108,968
Net finance income						15,218
Share of loss of a jointly controlled entity						(1,393)
Profit before taxation						122,793
Taxation						(42,790)
Profit after taxation						80,003
Minority interests						(1,196)
Profit attributable to shareholders						78,807

3 COMPENSATION FOR RELOCATION

Pursuant to the "Monetary Compensation Agreement regarding the relocation of Non-residential Properties in the Stadium Area for the 27th Olympic Games" entered into between the Company and the Beijing Land Reserve Centre under the Beijing Municipal People's Government (the "Government") in May 2003, certain land occupied by certain Group's operating units has been returned to the Government for use of the Olympic Games. A compensation for relocation of Rmb91,408,000 has been received by the Company.

The compensation reflected in the profit and loss account during the Period is net of the net book value of the related land use rights and buildings, developments and structures of Rmb15,724,000 and provision for relocation costs of Rmb2,200,000.

4 OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

	Six months ended 30th June	
	2003 Rmb'000	2002 Rmb'000
Crediting:		
Write back of net provision of trade and other receivables	9,146	18
Charging:		
Depreciation	15,757	15,290



2 營業額及業務分部資料(續)

	截至二零零二年六月三十日止六個月					經重列 集團 人民幣千元
	物業及 土地銷售	購物 中心業務	租金收入	酒店業務	其他業務	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
營業額	120,798	563,281	138,163	31,407	18,195	871,844
分部業績	25,178	35,113	60,497	1,813	(4,451)	118,150
其他業務收入						—
未分配成本						(9,182)
經營溢利						108,968
淨財務收入						15,218
— 共同控制實體所佔虧損份額						(1,393)
除稅前溢利						122,793
稅項						(42,790)
除稅後溢利						80,003
少數股東權益						(1,196)
股東應佔溢利						78,807

3 拆遷補償

依照本公司與北京市人民政府(「政府」)屬下之北京市土地整理儲備中心於二零零三年五月簽訂的《第27屆奧林匹克運動會場館區非住宅房屋拆遷貨幣補償協議》，本集團部分業務單位佔用的土地已歸還政府作奧林匹克運動用途。本公司所獲得之補償為人民幣91,408,000元。

該項補償在本期間之損益表中已扣除相關的土地使用權與房屋建築物及構築物賬面淨值人民幣15,724,000元及搬遷成本人民幣2,200,000元。

4 經營溢利

經營溢利已計入及扣除下列項目：

	截至六月三十日止六個月	
	二零零三年 人民幣千元	二零零二年 人民幣千元
計入：		
冲回應收賬款及其他應收款項之淨準備	9,146	18
扣除：		
折舊	15,757	15,290

5 NET FINANCE INCOME

	Six months ended 30th June	
	2003 Rmb'000	2002 Rmb'000
Interest income		
- bank deposits	7,439	14,490
- a third party customer	—	728
Total interest income	7,439	15,218
Interest expenses		
- amount due to the holding company	—	(1,627)
- bank loan	(4,089)	(1,172)
Total interest expenses	(4,089)	(2,799)
Less: amount capitalised in land and properties under development for sales	4,089	2,799
	—	—
Net finance income	7,439	15,218

6 TAXATION

No Hong Kong profits tax has been provided as the Group has no taxable profit in Hong Kong for the period (six months ended 30th June, 2002: Nil). The Group is subject to PRC income tax at 33% (six months ended 30th June 2002: 33%) on its taxable profit.

	Six months ended 30th June	
	2003 Rmb'000	As restated 2002 Rmb'000
PRC income tax	38,830	30,073
Deferred taxation	15,462	12,717
	54,292	42,790

7 DIVIDENDS

	Six months ended 30th June	
	2003 Rmb'000	2002 Rmb'000
2002 final dividend, paid, of Rmb0.030 (2001 final paid: Rmb0.030) per share	56,011	56,011
2003 interim, proposed of Rmb nil per share (2002 interim, proposed of Rmb nil per share)	—	—

At a meeting held on 25th March 2003, the Board of Directors proposed a final dividend of Rmb0.030 per share for the year ended 31st December 2002, which was paid on 13th June 2003 and has been reflected as an appropriation of retained earnings for the six months ended 30th June 2003.

The Board of Directors has resolved not to declare any interim dividend in respect of the six months ended 30th June 2003 (six months ended 30th June 2002: nil).



5 淨財務收入

	截至六月三十日止六個月	
	二零零三年 人民幣千元	二零零二年 人民幣千元
利息收入		
— 銀行存款	7,439	14,490
— 第三方客戶	—	728
利息收入總額	<u>7,439</u>	<u>15,218</u>
利息支出		
— 應付控股公司帳款	—	(1,627)
— 銀行貸款	(4,089)	(1,172)
利息支出總額	<u>(4,089)</u>	<u>(2,799)</u>
減：待出售發展中土地及物業之成本資本化	4,089	(2,799)
利息費用總計	<u>—</u>	<u>—</u>
淨財務收入	<u><u>7,439</u></u>	<u><u>15,218</u></u>

6 稅項

本集團於本期間並無任何香港應課稅溢利，故並無提撥任何香港利得稅準備（截至二零零二年六月三十日止六個月期間：無）。本集團須按其應課稅溢利33%（截至二零零二年六月三十日六個月期間：33%）繳納中國所得稅。

	截至六月三十日止六個月	
	二零零三年 人民幣千元	經重列 二零零二年 人民幣千元
中國所得稅	38,830	30,073
遞延稅項	15,462	12,717
	<u><u>54,292</u></u>	<u><u>42,790</u></u>

7 股息

	截至六月三十日止六個月	
	二零零三年 人民幣千元	二零零二年 人民幣千元
二零零二年已派末期股息，每股人民幣0.030元 （二零零一年已派末期股息：每股人民幣0.030元）	56,011	56,011
二零零三年擬派中期股息每股人民幣零元 （二零零二年擬派中期股息：每股人民幣零元）	—	—
	<u><u>—</u></u>	<u><u>—</u></u>

於二零零三年三月二十五日舉行之會議上，董事會提議擬派截至二零零二年十二月三十一日止十二個月期間之末期股息每股人民幣0.030元。該末期股息於二零零三年六月十三日支付並列為截至二零零三年六月三十日止六個月期間內的保留溢利分派。

董事會決議不派發截至二零零三年六月三十日止六個月期間之中期股息（截至二零零二年六月三十日止六個月：無）。

8 EARNINGS PER SHARE

The Company has no dilutive potential ordinary shares as at 30th June 2003 and 2002.

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders for the six months ended 30th June 2003 of Rmb100,855,000 (six months ended 30th June 2002: Rmb78,807,000, as restated) and 1,867,020,000 shares (six months ended 30th June 2002: 1,867,020,000 shares) in issue during the period.

9 CAPITAL EXPENDITURE

	Properties, plant and equipment	
	30th June 2003 Rmb'000	31st December 2002 Rmb'000
Opening net book amount	4,253,906	3,859,722
Additions	238,899	617,593
Disposals/transfers	(16,454)	(184,873)
Depreciation	(15,757)	(38,536)
Closing net book amount	<u>4,460,594</u>	<u>4,253,906</u>

10 TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade debtors and their ageing analysis is as follows:

	30th June 2003 Rmb'000	31st December 2002 Rmb'000
Within half year	13,247	10,139
Over half year and within one year	8,192	21,914
Over one year	18,480	11,783
Total	<u>39,919</u>	<u>43,836</u>

The credit terms granted to the customers are set out in the sale and purchase agreements and vary from agreements.

11 TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables and their ageing analysis is as follows:

	30th June 2003 Rmb'000	31st December 2002 Rmb'000
Within half year	88,473	97,140
Over half year and within one year	10,077	10,091
Over one year	21,524	18,326
Total	<u>120,074</u>	<u>125,557</u>

12 BANK LOAN

As at 30th June 2003 and 31st December 2002, the Group's revolving unsecured bank loan of Rmb140,000,000 is repayable within one year.



8 每股盈利

本公司於截至二零零三年及二零零二年六月三十日止六個月期間並無潛在之攤薄普通股份。

每股基本盈利是根據本期間截至六月三十日止的六個月內股東應佔本集團溢利人民幣100,855,000元(截至二零零二年六月三十日止六個月期間：人民幣78,807,000元，經重列)及期間內已發行股份1,867,020,000股(截至二零零二年六月三十日止六個月期間：1,867,020,000股)計算。

9 資本性支出

物業、廠房及設備

	二零零三年 六月三十日 人民幣千元	二零零二年 十二月三十一日 人民幣千元
期初帳面淨值	4,253,906	3,859,722
增加	238,899	617,593
出售／轉賬	(16,454)	(184,873)
折舊	(15,757)	(38,536)
期末帳面淨值	<u>4,460,594</u>	<u>4,253,906</u>

10 應收帳款及其它應收款項

包括在應收帳款及其它應收款項中的應收帳款之帳齡分析如下：

	二零零三年 六月三十日 人民幣千元	二零零二年 十二月三十一日 人民幣千元
半年以內	13,247	10,139
半年以上一年以內	8,192	21,914
一年以上	18,480	11,783
合計	<u>39,919</u>	<u>43,836</u>

給予客戶之信貸期限按不同之買賣合約而訂立。

11 應付帳款及其它應付款項

包括在應付帳款及其它應付款項中的應付帳款帳齡分析如下：

	二零零三年 六月三十日 人民幣千元	二零零二年 十二月三十一日 人民幣千元
半年以內	88,473	97,140
半年以上一年以內	10,077	10,091
一年以上	21,524	18,326
合計	<u>120,074</u>	<u>125,557</u>

12 銀行貸款

截至二零零三年六月三十日及二零零二年十二月三十一日，本集團之無抵押繼期銀行貸款為人民幣140,000,000元，並需在一年以內歸還。

13 SHARE CAPITAL

	30th June 2003 Rmb'000	31st December 2002 Rmb'000
Registered, issued and fully paid:		
1,160,000,000 Domestic shares of Rmb1.00 each	1,160,000	1,160,000
707,020,000 H shares of Rmb1.00 each	707,020	707,020
	<u>1,867,020</u>	<u>1,867,020</u>

The Domestic shares and H shares are ranked pari passu in all respects.

14 COMMITMENTS

- (a) Capital commitments in respect of investment properties/properties under development, construction in progress and purchase of equipment and machinery:

	30th June 2003 Rmb'000	31st December 2002 Rmb'000
Authorised but not contracted for	1,077,728	1,077,912
Contracted but not provided for	949	108,784
	<u>1,078,677</u>	<u>1,186,696</u>

- (b) Capital commitments in respect of development costs attributable to land and properties under development for sale:

	30th June 2003 Rmb'000	31st December 2002 Rmb'000
Authorised but not contracted for	2,315,462	2,187,981
Contracted but not provided for	925,484	391,292
	<u>3,240,946</u>	<u>2,579,273</u>

- (c) At 30th June 2003 and 31st December 2002, the Group had future aggregate minimum rental receivables and payments under non-cancellable operating leases as follows:

	30th June 2003 Rmb'000	31st December 2002 Rmb'000
Rental receivables		
- not later than one year	127,253	96,079
- later than one year and not later than five years	67,209	57,878
- later than five years	5,026	6,694
	<u>199,488</u>	<u>160,651</u>
Rental payables		
- not later than one year	15,000	15,000
- later than one year and not later than five years	60,000	60,000
- later than five years	442,500	450,000
	<u>517,500</u>	<u>525,000</u>

13 股本

註冊、已發行及繳足股本：

1,160,000,000股每股人民幣一元之內資股
707,020,000股每股人民幣一元之H股

二零零三年 六月三十日 人民幣千元	二零零二年 十二月三十一日 人民幣千元
1,160,000	1,160,000
707,020	707,020
<u>1,867,020</u>	<u>1,867,020</u>

內資股和H股在所有方面享有同等權益。

14 承擔

(a) 發展中投資物業/物業、在建工程及購買設備及機器的資本承擔分析如下：

已批准但未訂約
已訂約但未撥備

二零零三年 六月三十日 人民幣千元	二零零二年 十二月三十一日 人民幣千元
1,077,728	1,077,912
949	108,784
<u>1,078,677</u>	<u>1,186,696</u>

(b) 待出售發展中土地及物業之發展成本的資本承擔分析如下：

已批准但未訂約
已訂約但未撥備

二零零三年 六月三十日 人民幣千元	二零零二年 十二月三十一日 人民幣千元
2,315,462	2,187,981
925,484	391,292
<u>3,240,946</u>	<u>2,579,273</u>

(c) 於二零零三年六月三十日及二零零二年十二月三十一日，集團根據不可撤銷之應收及應付之經營租賃而於未來收入/支付之最低租賃款總額如下：

應收租金
— 第一年內
— 第二至第五年內
— 五年後

二零零三年 六月三十日 人民幣千元	二零零二年 十二月三十一日 人民幣千元
127,253	96,079
67,209	57,878
5,026	6,694
<u>199,488</u>	<u>160,651</u>

應付租金
— 第一年內
— 第二至第五年內
— 五年後

15,000	15,000
60,000	60,000
442,500	450,000
<u>517,500</u>	<u>525,000</u>

15 RELATED PARTY TRANSACTIONS

The following is a summary of significant related party transactions entered into by the Group which were carried out in the normal course of the Group's business during the period:

	Six months ended 30th June	
	2003	2002
	Rmb'000	Rmb'000
Transactions with the Holding Company		
- assignment of the rights and interest in a loan (note a)	75,146	—
- interest expense (note a)	—	1,627
- operating lease payment for land (note b)	7,500	7,500
- a short term loan (note c)	53,771	—
	<u> </u>	<u> </u>
Transactions with fellow subsidiaries		
- heating fees paid to 北辰熱力廠 (note d)	8,910	7,000
- design and installation charge paid to 北辰機電發展中心 (note e)	850	2,991
	<u> </u>	<u> </u>

Notes:

- (a) Interest had been accrued on a loan in the principal sum of RMB50,000,000 to Beijing Jiang Zhuang Hu Property Co., Limited, a subsidiary of the Company, from Beijing North Star Industrial Group Company (the "Holding Company") at the prevailing market rate. In January 2003, Beijing North Star Real Estate Development Company Limited ("BNSRE"), a subsidiary of the Company entered into a deed of assignment with the Holding Company whereby the Holding Company's rights and interest in the said loan was assigned to BNSRE for a cash consideration of Rmb75,145,750 (including the principal sum of Rmb50,000,000).
- (b) The Company has entered into a lease agreement with the Holding Company for certain land of the investment properties, hotel property and buildings of the Company. According to the agreement, the rental for the six months ended 30th June 2003 was Rmb7,500,000 (six months ended 30th June 2002: Rmb7,500,000).
- (c) On 13th May 2003, a short term loan has been provided to the Holding Company with an amount of Rmb53,771,000. On 30th June 2003, the Holding Company repaid Rmb13,300,000 and the remaining Rmb40,531,000 was repaid on 21st July 2003. The loan was an interest free loan due to its short term in nature.
- (d) The Company has entered into a miscellaneous services agreement, dated 11th April 1997, with the Holding Company whereby the Holding Company agreed to provide certain services to the Company. The details of these services and pricing basis are as follows:

	Price basis
Security services	Market Price
Transport services	Cost
Maintenance of roads and open park	Cost
Heating	State Price

These arrangements (other than maintenance of roads and open park 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.

- (e) The Company has entered into supply contracts for residential area automatic car park garage equipment and technology with a company controlled by the Holding Company. According to the contracts, the design and installation charges paid amounted to Rmb850,000.

15 有關連人士交易

以下為本集團與有關連人士在本期間於本集團之日常業務中進行之重要交易概要：

	截至六月三十日止六個月	
	二零零三年 人民幣千元	二零零二年 人民幣千元
與控股公司的交易		
— 債權轉讓(附註a)	75,146	—
— 利息支出(附註a)	—	1,627
— 已付經營性土地租賃租金(附註b)	7,500	7,500
— 提供資金(附註c)	53,771	—
與同系附屬公司的交易		
— 已付北辰熱力廠之熱力費用(附註d)	8,910	7,000
— 已付北辰機電發展中心設計及安裝費(附註e)	850	2,991

附註：

- (a) 北京北辰實業集團公司(「控股公司」)應收本公司之子公司北京姜庄湖園林別墅開發有限公司一筆金額為人民幣50,000,000元的貸款，按現行市場利率收取利息。二零零三年一月，本公司之子公司北京北辰房地產開發股份有限公司(「北辰房地產」)與控股公司簽訂債權轉讓協議，北辰房地產據此以現金值人民幣75,145,750元(其中包括上述本金人民幣50,000,000元)受讓該筆債權及其權益。
- (b) 本公司和控股公司簽訂了一項關於本公司之某些投資物業、酒店物業和樓宇的土地的租賃協議。根據該協議，截至二零零三年六月三十日止六個月租金為人民幣7,500,000元(截至二零零二年六月三十日止六個月期間：人民幣7,500,000元)。
- (c) 於二零零三年五月十三日起，本公司提供短期資金予控股公司，金額共計人民幣53,771,000元，控股公司於二零零三年六月三十日還人民幣13,300,000元，於二零零三年七月二十一日，控股公司歸還人民幣40,531,000元，由於資金佔用時間較短，該筆款項免於計息。
- (d) 本公司與控股公司於一九九七年四月十一日簽訂了一項綜合服務協議。據此，控股公司同意向本公司提供若干服務。有關服務及定價基準如下：

	定價基準
保安服務	現行市場價
交通服務	成本
道路及花園之翻新、維護及保養	成本
熱力	政府定價

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、維護及保養則為期約五十年。

- (e) 本公司與一由控股公司控制之公司簽訂居住地下自動停車庫設備及技術合同，依據該合同所支付設計及安裝費為人民幣850,000元。

REVIEW OF OPERATIONS

Operating Environment

Despite a jump-start in the first half of 2003, Beijing's economy suffered a heavy blow from the Severe Acute Respiratory Syndrome ("SARS") in the second quarter. As highlighted by the Acting Major of Beijing Mr. Wang Qishan on the Fifth Plenary Session of the Ninth Beijing Municipal Party Committee, there was a decline of 1.7% and 6.8% in the economic growth rate in each of April and May respectively. Bearing most of the brunt, the tertiary industry lost a total of Rmb1,740,000,000, resulting in a marginal growth of 0.1%. The Municipal Government estimated that under the impact of SARS, annual growth rate of Beijing's economy was diminished by approximately 1.5%.

Business Review

The various operations of the Company had a promising start in the first quarter of the year, but have suffered, to various extents, the outbreak of SARS since April. The impact on investment properties was particularly severe. Both the occupancy rate and rentals of Beijing Continental Grand Hotel dropped sharply in April and May with the cancellation of 67 tour bookings. The conferences and exhibitions scheduled in April and May at the Beijing International Convention Centre were cancelled, leading to a 55% decrease in revenue from conference services as compared with the corresponding period of the previous year. While the average occupancy rate of the apartments experienced a significant plunge compared with the corresponding period of the previous year, rentals remained relatively stable. Against this gloomy background, office properties maintained their outstanding performance. Hui Bin Office in particular attained growth in both rentals and occupancy rate during the first half of the year.

During the first half of the year, the supermarket, situated on the ground floor of Bei Chen Shopping Centre underwent renovation and reconstruction. Under the dual impact of reduced operating area and the onslaught of SARS, the number of customers suffered a sharp decline. Consequently, turnover fell to the lowest in May, 35% less than that of the corresponding period in the previous year. However, through a series of proactive and effective sales initiatives, such as replenishing supplies, expanding product mix, creating a carefree shopping environment and boosting the customers' number of purchases per visit, Bei Chen Shopping Centre managed to remain at the forefront among the other retail businesses in Beijing with a half-yearly turnover of Rmb441,530,000.

The development properties was also affected by SARS. Sales offices of various properties saw a sharp decrease in the number of visitors during April and May, with a reduction in average sales from 1.1 units to 0.6 unit. Despite an unfavourable environment, a total floor area of 33,108 square metres were sold between January and June, representing an increase of 140% from the corresponding period of the previous year. More than 10,000 square metres of floor area of Blocks D to G of Green Garden II have been sold since its launch on 8th March. During the outbreak of SARS, a series of isolation measures were introduced at the construction sites which caused delays in the arrival of construction materials. Despite such challenges, the Company endeavoured to progress according to schedule thus managed to commence or resume construction on an aggregate of approximately 600,000 square metres during the first half of the year. Amongst the projects, the construction of approximately 500,000 square metres of Green Garden has commenced or resumed, while new construction has commenced on approximately 110,000 square metres. The construction of over 40,000 square metres of Eastern Suburban Project (Chang Dao Lan Qiao (長島瀾橋)) has commenced or resumed, and 53 blocks of duplex villas with a total of 118 units were topped out. The sales launched on 28th June was well received. As for Jiang Zhuang Hu Garden Villas, the construction of over 30,000 square metres has commenced or resumed in the first half of 2003, and a total of 30 blocks were completed. During the first half of the year, after comparison and selection, the Company acquired the development rights of a residential project located at the shore of Wenyu River (溫榆河), with a total gross floor area of over 200,000 square metres.

During the first half of the year, the Company confronted the challenges from SARS with unity and composure. Beijing Continental Grand Hotel and Beijing International Convention Centre closed certain rooms, restaurants and conference rooms temporarily to undergo redevelopment in early May. The Company exercised stringent cost control and introduced proactive sales promotions to minimise the losses arising from the outbreak of SARS. With SARS coming under control in June, the various operations of the Company was back on track. Sales generated from the Shopping Center rebounded in June, and there was a significant rise in the occupancy rates of Hui Yuan International Apartment and Hui Yuan Apartment. Since the lifting of the travel advisory towards Beijing by World Health Organization, 12 conferences of various scales have taken place at the Beijing International Convention Centre. Sales of development properties have also increased with an average of 1.5 units sold per day in each of June and July.

During the first half of the year, the Company revised and improved the construction plan for Bei Cheng Building. Preparation work such as application for official approvals, surveying and environmental assessment have been completed. The Company's plan for issue of A shares progressed according to schedule, with the related resolutions passed at the Annual General Meeting, Extraordinary General Meeting and Class Meeting of the Holders of H Shares held on 20th May 2003. In addition, the consortium formed by the Company and certain investment partners has successfully entered the second round of bidding for the Olympics Games projects and preparation for the second round bidding has commenced.

經營回顧

經營環境

二零零三年上半年，北京市經濟開局良好，進入第二季度北京遭受嚴重急性呼吸系統綜合症（「SARS」）襲擊，經濟活動受到強烈衝擊。北京市代理市長王岐山先生在中共北京市委九屆五次全會上指出，四月、五月北京市經濟增長分別下降1.7個百分點和6.8個百分點。受SARS影響最大的第三產業在五月份損失達人民幣1,740,000,000元，僅增長0.1%。據市政府估計，SARS影響北京市全年經濟增長約達1.5個百分點。

業務回顧

本公司各項業務在第一個季度開局良好，四月以後SARS疫情給公司各項業務帶來了不同程度的影響，投資物業遭受重創。五洲大酒店四至五月間有67個旅行團取消了預訂，酒店出租率和租金大幅下滑；國際會議中心四、五月份會展項目全部取消，會議收入比去年同期減少55%；公寓平均出租率比去年同期大幅下跌，但租價則保持穩定；寫字樓在危機之中保持佳績，尤其是匯賓大廈上半年實現了租價和出租率的雙增長。

上半年北辰購物中心對一樓超級市場進行了裝修改造，在營業面積減少和SARS的雙重影響下，購物中心顧客流量大幅下降，五月月底時銷售量比去年同期下降35%，但通過補充貨源、增加品種、營造放心購物環境、提高顧客一次購物率等一系列積極有效的促銷和自救措施，北辰購物中心上半年銷售收入達人民幣441,530,000元，在北京市零售商業企業中仍居榜首。

發展物業也受到SARS影響，在四、五月的兩個月時間內，售樓處訪客量銳減，日均售房由1.1套下降至0.6套，銷售速度明顯放緩。在不利的市場環境中，發展物業一月至六月共銷售樓盤33,108平方米，比去年同期增長1.4倍。綠色家園二期D至G樓於三月八日開盤以來，已售出10,000餘平方米。SARS期間，雖然建築工地封閉管理，建築材料不能及時到位，但是本公司克服重重困難，想方設法保持進度，發展物業上半年開復工面積近600,000平方米，其中綠色家園開復工面積近500,000平方米，新開工110,000平方米，東郊和平項目（長島瀾橋）上半年開復工面積40,000餘平方米，53棟（118套）聯體別墅完成結構封頂，並於六月二十八日試盤發售，認購態勢良好；姜莊湖項目上半年開復工面積30,000餘平方米，30棟別墅全部實現結構封頂。上半年發展物業經過比較和篩選，收購了位於溫榆河畔一個住宅項目的開發權，該項目總建築面積逾200,000平方米。

今年上半年本公司面對SARS的挑戰，團結一心、沉著應對，五洲大酒店及國際會議中心果斷關閉部份客房、餐廳及會議廳，於五月上旬進行停業改造。本公司嚴控成本，積極促銷，努力自救，以降低損失。進入六月以來，隨著SARS疫情得到有效控制，公司各項業務亦開始逐步恢復正常。購物中心六月的銷售額已止跌回穩；匯園國際公寓、匯園公寓出租率明顯回升；國際會議中心自世界衛生組織解除對北京的旅遊警告以來，已接待大小會議共12個。發展物業銷售也大為好轉，六、七月兩個月份的日均售房為1.5套。

今年上半年，本公司對北辰大廈的建設方案進行了修改和改善，完成了重新立項、工程勘探、環境評估等系列工作；本公司的A股發行按計劃推進，與發行A股相關的各項議案已於今年五月二十日舉行的股東周年大會、臨時股東大會、以及H股類別股東大會通過；此外，本公司與其他投資伙伴組成的投標聯合體，已順利入圍奧運項目第二輪投標，現正進行第二輪投標準備工作。

OUTLOOK FOR THE SECOND HALF OF THE YEAR

Market Conditions

The outbreak of SARS has to a certain extent affected Beijing's economic growth for the year. Nevertheless, the capital's rapid momentum of economic development remained intact. With the effect of SARS fading since June, and now that the travel advisory has been lifted and the city is removed from the list of SARS affected areas, Beijing's economic recovery is gathering momentum. According to the forecast of the Beijing Municipal Government, Beijing may be able to maintain growth in its gross domestic product at a rate of 9% to 10% for the year.

Being an international metropolis, Beijing has been a centre for business and property investment for both domestic and foreign investors. After the outbreak of SARS, it is believed that the Beijing's public hygiene, environment and contingency support will be improved, thus enhancing the intrinsic value of property investments. As for the purchase of residential properties, the outbreak of SARS incident has accelerated the potential home buyers to make purchases of properties earlier so as to improve their living standards. On the policy side, the promulgation of the Public Land Transaction Policy (土地公開交易政策) and the People's Bank of China's tightening of the housing loan policy have raised the entry barrier of the properties market. Nevertheless, this will facilitate the control of the overall supply of commodity houses and help maintain the stability of property prices. This is undoubtedly beneficial for developers with good financial standings.

Focuses in the second half of the year

As a result of the prompt control of SARS and the series of sales promotional measures of the Company, the operations of the Company have been back on track since June. The Company will forge ahead with its business activities in the second half of the year, with the major focuses as follows:

Redevelopment of investment properties:

The redevelopment of the East Wing of Beijing Continental Grand Hotel was completed. The trial opening of Continental Crowne Plaza (五洲皇冠假日酒店) is scheduled for August. The West Wing of Beijing Continental Grand Hotel has been closed since 10th May, pending system reconstruction which is expected to be completed within the third quarter. The partial redevelopment of Beijing International Convention Centre will be completed by the end of August, while Block B of the Asian Games Village Hotel (亞運村賓館) which was converted from Block B of Hui Yuan International Apartment was launched into operation in July.

Development properties:

The Company will speed up its effort for the construction and sales of property in the second half of the year. Construction of another 90,000 square metres of Green Garden will commence with the sale of the new units of Green Garden Phase II totalling a floor area of 28,000 square metres commenced in July. Sales of the 30 blocks of Jiang Zhuang Hu Garden Villas will be launched for sale in September and the construction of over 10,000 square metres will continue in the second half of 2003. 68,000 square metres of the Chang Dao Lan Qiao project (長島瀾橋項目) will commence construction in the second half of the year. As for Bei Cheng Building, efforts will be made to obtain all necessary approvals during the year in order for the commencement of construction as early as possible.

The bidding results of the Olympics Games projects will be announced shortly in the second half of the year. To this end, the Company will continue its efforts in securing a successful bid. In addition, it will proceed with the issue of its A shares as scheduled.

During the first half of the year, the Company's management was decisive and proactive in facing the tough challenges caused by the outbreak of SARS. In the coming half-year, the Group is confident to turn adversity into driving force, as the Group stride forth to minimize impact of SARS.

DISCUSSION AND ANALYSIS OF THE GROUP'S PERFORMANCE

Financial Resources and Cash Flow Situation

Shareholders' interest as at 30th June 2003 increased by 0.95% compared with that as at 31st December 2002. This increase was mainly due to the aggregate profit attributable to shareholders for the period amounted to Rmb100,855,000.

Net borrowings of the Group as at 30th June 2003 amounted to Rmb140,000,000, which were mainly advanced by the bank. The Group's current assets were mainly bank deposits and cash, land held for sale and properties under development, which amounted to Rmb2,276,246,000, whereas current liabilities amounted to Rmb1,360,177,000. As at 30th June 2003, balance of bank deposits and cash amounted to Rmb786,398,000.

As at 30th June 2003, no assets had been pledged by the Group as security and the gearing ratio of the Group was 28.5%. The Group did not have any significant contingent liabilities, nor did it hedge against any exchange rate risks.

下半年展望

市場形勢

SARS疫情雖給北京全年經濟增長帶來一定的影響，但並沒有改變首都經濟快速發展的基本格局。進入六月以後，SARS對北京經濟的影響逐步減弱，特別是旅遊警告及疫區「雙解除」以後，經濟恢復進程明顯加快，北京市政府預計，北京市全年國內生產總值增長有望保持9%-10%。

北京作為一個國際大都市，一直以來都是國內外投資置業的熱點。SARS以後，北京會在公共衛生、環境及應急等各種城市配套方面做得更好，從而提升在北京投資置業的內在價值。從市場角度看，SARS使許多潛在消費變成了有效消費，很多人將改善居住條件的買房計劃提前。從政策角度看，土地公開交易政策的正式實施，以及中國人民銀行對房屋貸款政策的收緊，使得開發商進入房地產市場門檻相對提高，有利於調控商品房的供應總量，保持房價的穩定，對當前實力雄厚的開發商而言，無疑是利好的。

下半年重點

由於SARS很快得到有效的控制，本公司亦及時採取了一系列促銷措施，自六月以來，業務已開始逐步回升。儘管如此，下半年的經營任務仍然十分緊迫，本公司將重點做好以下工作：

投資物業的改造：

五洲大酒店東樓改造完畢，五洲皇冠假日酒店即將於八月試營業；五洲大酒店西樓已於五月十日停業，以進行設備系統改造，將於第三季度內完工；國際會議中心將於八月底完成局部更新改造；由匯園國際公寓B座改造而成的亞運村賓館B樓於七月投入使用。

發展物業：

下半年會加快樓盤的施工進度和銷售速度，綠色家園繼續新開工90,000平方米，該項目二期28,000平方米新盤於七月正式發售；姜莊湖別墅一期30棟，將於九月內開盤，下半年繼續開工10,000餘平方米；長島瀾橋項目下半年新開工達68,000平方米；北辰大廈爭取年內辦理完畢全部報批手續，為盡早開工創造條件。

下半年奧運建設項目揭標在即，公司會再接再厲，爭取中標；公司還將按計劃推進A股發行的相關工作。

各位股東，今年上半年本公司雖深受SARS困擾，但本公司管理層能果斷決策、積極應對。在下半年工作中，我們亦有信心把壓力化為動力，加倍努力工作，將SARS造成的損失降至最低。

財務表現的討論及分析

財政資源及流動資金狀況

於二零零三年六月三十日的股東權益較二零零二年十二月三十一日的股東權益有0.95%的上升，此上升主要是由於本期間股東應佔溢利計人民幣100,855,000元。

本集團在截至二零零三年六月三十日的借款淨額為人民幣140,000,000元。本集團的借款主要來自銀行。本集團之流動資產主要是銀行存款及現金、持作出售土地及發展中物業，流動資產的數額為人民幣2,276,246,000元。而流動負債數額則為人民幣1,360,177,000元。於二零零三年六月三十日，銀行存款及現金的餘額為人民幣786,398,000元。

本集團截至二零零三年六月三十日止無資產抵押，集團的資本與負債比率為28.5%。集團並無重大或然負債，亦無進行滙率風險對沖。

COMPARISON OF OPERATING RESULTS

Comparison of the six months ended 30th June 2003 over the corresponding period of the previous year

The Group's turnover for the six months ended 30th June 2003 was approximately Rmb789,062,000, a decrease of approximately 8.5% over the corresponding period of the previous year. The decrease in turnover is mainly attributed to the decline of turnover from shopping centre, hotels and apartment due to the outbreak of SARS.

Operating profit of the Group for the six months ended 30th June 2003 was approximately Rmb154,851,000, an increase of approximately 42.1% over the corresponding period of the previous year. This is mainly attributed to the inclusion in the current profit and loss account a relocation compensation of approximately RMB73,484,000 arising from the requisition of land for the Olympics. Profit attributable to shareholders was approximately Rmb100,855,000, representing an increase of 28.0% over the corresponding period of the previous year, owing to an increase in operating profit.

Sales of land and properties recorded a turnover of Rmb190,763,000, representing an increase of 57.9% over the corresponding period of the previous year. This is mainly attributed to the outstanding sales performance of new projects during the end of 2002 and early 2003. The increase in operating profit is mainly due to an increase in turnover of land sales and property sales.

The rental income of investment properties for the six months ended 30th June 2003 was Rmb129,904,000, representing a decrease of 6.0% compared to the corresponding period in the previous year.

During the Period, the shopping centre recorded a turnover of Rmb441,530,000, representing a decrease of 21.6% over the corresponding period of the previous year.

SHARE CAPITAL AND SHAREHOLDERS

Share Capital

The Company's total registered capital as at 30th June 2003 was 1,867,020,000 shares in issue, comprising:

Domestic shares	1,160,000,000 shares	representing 62.131%
H shares	707,020,000 shares	representing 37.869%

Shareholdings of Substantial Shareholders

As at 30th June 2003, the following person had 5% or more interests in the shares of the Company as recorded on the register of interests in shares and short positions required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance:

Name of shareholder	Nature of interest	Capacity	Class of shares	Number of share held	Percentage of the relevant class of shares	Percentage of total share capital
Beijing North Star Industrial Group Company	Corporate interest	Beneficial owner	Domestic shares	1,160,000,000	100.00%	62.131%

INTERESTS OF DIRECTORS AND SUPERVISORS OF THE COMPANY

As at 30 June 2003, none of the directors, supervisors, chief executives of the Company and their associates had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Section XV of the Securities and Futures Ordinance) as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance, or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Divisions 7 and 8 of the Securities and Futures Ordinance or Model Code for Securities Transactions by Directors of Listed Companies. None of the directors, supervisors, chief executives, or their associates had been granted or had exercised any such rights during the six months ended 30th June 2003.

經營業績比較

截至二零零三年六月三十日止六個月期間與去年同期比較：

本集團截至二零零三年六月三十日止六個月期間之營業額約為人民幣798,062,000元，較去年同期下降約8.5%，營業額較去年減少的主要原因是受SARS影響，購物中心、酒店及公寓營業額均下降。

本集團二零零三年六月三十日止六個月期間經營溢利約為人民幣154,851,000元，比去年同期上升約42.1%，主要原因是奧運徵地拆遷補償約人民幣73,484,000元計入本期損益所致。股東應佔溢利約為100,855,000元，比去年同期上升約28.0%，主要原因是經營溢利增加所致。

物業及土地銷售營業額人民幣190,763,000元，比去年同期上升57.9%，上升的主要原因是二零零二年底、二零零三年初新開盤項目銷售良好，經營溢利上升的主要原因是土地和物業銷售營業額增加。

截至二零零三年六月三十日止，投資物業實現租金收入人民幣129,904,000元，比去年同期下降約6.0%。

購物中心本期間營業收入為人民幣441,530,000元，比去年同期下降約21.6%。

股本與股東

股本

本公司於二零零三年六月三十日的總註冊股本為1,867,020,000股已發行股份，其中包括：

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

主要股東持股情況

本公司於二零零三年六月三十日，根據《證券及期貨條例》第XV部第336條存置之股份權益及淡倉登記冊所記錄，以下人士擁有本公司之股份5%或以上權益：

股東姓名	權益性質	身份	股份類別	持股數	佔有關類別股本比率	佔總股本比率
北京北辰實業集團公司	法團權益	實益擁有人	內資股	1,160,000,000	100%	62.131%

公司董事及監事權益

於二零零三年六月三十日，本公司董事、監事、最高行政人員或其聯繫人等概無對本公司或其任何相聯法團（定義見《證券及期貨條例》第XV部）之任何股份、相關股份或債權證擁有根據《證券及期貨條例》第352條須予備存之登記冊所記錄之任何權益或淡倉；或根據《證券及期貨條例》第7及第8分部或《上市公司董事進行證券交易守則》須知會本公司及香港聯合交易所有限公司之任何權益或淡倉。於截至二零零三年六月三十日止六個月期間內，本公司董事、監事、最高行政人員或其聯繫人等亦無授予或行使上述權利。

CODE OF BEST PRACTICE

The directors of the Company has not established an audit committee (the "Audit Committee") to review and supervise the Company's financial reporting process and internal controls 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 the general meeting of shareholders and one is elected and removed by the staff and workers of the Company through democratic election, and reports to the shareholders in the general meeting instead of to the Board, whereas an Audit Committee comprises the non-executive directors of a company. As at the Annual General Meeting which was held on 20th May this year, the shareholders passed a special resolution approving the Company to establish the Audit Committee subject to the proposed amendments of the Articles of Association of the Company becoming effective and authorising the Board to approve and adopt such rules and procedures of the meeting of the Audit Committee as it may think fit. Apart from this, none of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30th June 2003 in compliance with the Code of Best Practice.

REPURCHASE, SALE OR REDEMPTION OF SECURITIES

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

DESIGNATED DEPOSIT AND DUE FIXED DEPOSIT

As at 30th June 2003, the Group had no designated deposits that are 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 incidents of not being able to withdraw bank deposits when due.

EMPLOYEES

As at 30th June 2003, the Company has 4,416 employees. The remuneration policy of the Company is implemented from total salary paid with reference to its economic efficiency. Save from the remuneration disclosed above, the Company does not maintain any share option scheme for its employees, and the employees do not enjoy any bonus. The Company regularly provides for its administrative personnel trainings on various subjects, including operation management, foreign languages, computers skills, industry know-how and policies and laws, in different forms, such as seminars, site visits and study tours.

STAFF QUARTERS

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

DOCUMENT FOR FUTURE REFERENCE

The original copy of the 2003 interim report, signed by the Chairman is available for inspection at the Secretariat of the Board, the address of which is:

Beijing North Star Company Limited
8 Bei Si Huan Zhong Road
Chao Yang District
Beijing, PRC

By Order of the Board
Li Yan-Ling
Chairman

Beijing, the PRC
13th August 2003

最佳應用守則

本公司董事會尚未按照上市規則附錄14《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獨立非執行董事。於今年五月二十日舉行之本公司股東週年大會上，股東通過特別決議案批准待建議修改本公司章程生效的情況下，本公司設立審核委員會，及授權董事會批准及採納其認為合適的審核委員會議事規則。除此之外，並無任何董事知悉任何資料，足以合理地指出本公司時至或在截至二零零三年六月三十日止六個月期間內任何時間未有遵守《最佳應用守則》。

購買、出售或贖回證券

本公司於本期間內並無贖回本公司股份，本公司及其附屬公司概無於本期間內購買或出售本公司的股份。

委託存款及到期定期存款

於二零零三年六月三十日，本集團並無任何委託存款存放於中國金融機構，本集團之所有現金存款現均存放在中國之商業銀行，並符合適用法例及規則。本集團並未遇到銀行存款到期後而未能取回的情況。

僱員

截止到二零零三年六月三十日，本公司僱員人數為4,416人；實行企業工資總額與企業經濟效益掛鈎的僱員酬金政策。除上述酬金政策外，本公司未向僱員提供認股計劃，本公司僱員亦不享受花紅。本公司定期對經營管理者提供的培訓包括：經營管理、外語、計算機、業務知識及政策法規等。培訓方式包括：講座、參觀學習、訪問、考察等。

員工宿舍

於本期間內，本公司並無向員工提供任何員工宿舍。

備查文件

經董事長簽署的二零零三年中期報告正本於董事會秘書處可供查閱，地址為：

中國
北京市
朝陽區
北四環中路8號
北京北辰實業股份有限公司

承董事會命
李岩嶺
主席

中國·北京
二零零三年八月十三日