

各位股東：

本人謹以欣悅的心情向各位報告本公司二零零三年度經營業績。二零零三年本公司經營業績大幅增長，截止十二月三十一日，按照香港會計準則，股東應佔溢利人民幣287,271,000元，較二零零二年增長121%，每股盈利為人民幣0.15元，較上年增長人民幣0.08元。

儘管在二零零三年受「非典」疫情影響，上半年北京經濟增長速度有所放緩，但全年總體仍保持了10.5%的強勁增長勢頭。北京市房地產市場呈現供銷兩旺走勢，房地產投資和銷售均好於去年。本公司的整體經濟效益亦較去年同期大幅度提高。

Dear Shareholders,

I am pleased to present to you the operating results of the Company for the year ended 31st December, 2003. The operating results of the Company grew significantly during the year. As at 31st December, pursuant to the Hong Kong Statements of Standard Accounting Practice, profit attributable to shareholders amounted to Rmb287,271,000, representing an increase of 121% from that of 2002. Earnings per share was Rmb0.15, representing an increase of Rmb0.08 from that of 2002.

Despite the impact from the outbreak of the Severe Acute Respiratory Syndrome ("SARS") in 2003, the overall economy of Beijing, while experienced a minor set back during the first half of the year experienced a vigorous growth of 10.5%. The supply and demand for the Beijing property market was robust with increased investment and sales of properties compared to the previous year. Consequently, the Company's economic efficiency and performance were substantially improved compared to last year.

北京五洲皇冠假日酒店

Crowne Plaza Park View Wuzhou Beijing

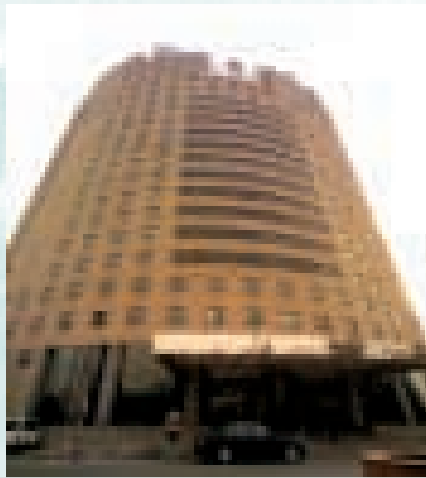


二零零三年雖然我們遭遇了始料未及的困難，但也取得了令人欣喜的業績。本公司迎難而上謀發展，努力奪回非典造成的損失，投資物業加大調整和改造力度，使亞運村物業品質有了新的提升。發展物業在開發規模、商品房銷售、土地轉讓、新項目篩選諸多方面取得了卓越的成績，開復工面積和商品房銷售面積創歷史新高，土地轉讓一次性收回了全部轉讓款。

二零零三年，本公司在競爭激烈的奧運項目國際招標中，成功奪得「國家會議中心」項目，實現了本公司「立足亞運村，邁進奧運村」最關鍵的第一步。本年度，本公司完成了A股發行的內部準備工作，並根據相關法規進一步規範和完善了本公司的法人治理結構。

We still managed to attain satisfactory results despite of the unforeseeable challenges in 2003. Immense efforts were made by the Company to recover the losses arising from SARS. The Company adjusted and upgraded its investment properties resulting in improving the overall quality of properties in the Asian Games Village. As for development properties, the Company has made substantial achievement on the size of construction, sale of commodity houses, land transfer and selection of new projects. The total construction area commenced and resumed and the sale of commodity houses reached historical high. Total consideration for land transfers was received in full during the year.

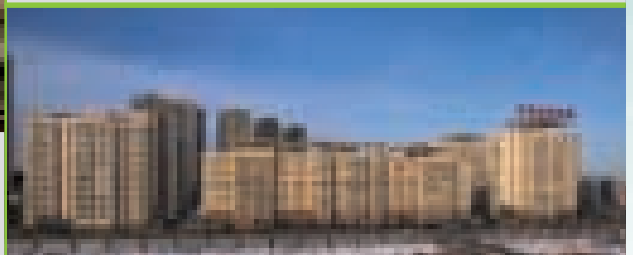
In 2003, the Company has successfully won the bid for the National Convention Centre project in the competitive international bidding exercise for the Olympic Games. This marked an important step by the Company in "Moving on from the Asian Games Village towards the Olympic Games Village". During the year, the Company completed the internal preparation for the issuance of A shares and further adjusted and improved the governance structure of the Company pursuant to the applicable regulations.



▲ 滙賓大廈
Hui Ben Building

北辰綠色家園

▼ Bei Chen Green Garden

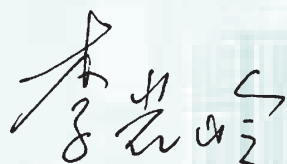


展望二零零四年，北京房地產仍將持續健康發展，本公司即將投身於奧運項目的開發建設之中。本公司會一如既往地保持投資物業穩定經營基礎上，重點拓展本公司的發展物業，使之為提高企業效益做出更大貢獻。本公司將積極培育企業文化，樹立良好的企業形象。

各位股東，本公司能取得今天的業績，有賴於各位股東的大力支持和鞭策，以及本公司全體員工的辛勤努力。本人謹代表董事會向各位股東和全體員工致以衷心感謝！

Looking into 2004, the Beijing property market will continue to experience a healthy growth. The Company will commence the development and construction for the Olympic Games Village project. Building on its solid foundation of property investment operation, the Company will continue to focus on expanding its property development activities bringing in greater economic benefit. In addition, the Company will also make effort in building up a more healthy corporate culture and corporate image.

The remarkable results of the Company would not be achievable without the staunch support and encouragement of our shareholders and the hard work of the staff of the Company. On behalf of the Board of Directors, I would like to express my sincere gratitude to all shareholders and the staff.



李岩嶺

Li Yan-Ling

董事長

Chairman

中國·北京 二零零四年二月十九日

Beijing, PRC, 19th February, 2004