

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」）截至二零零三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、零售商業、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

本集團截至二零零三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 35 頁至第 39 頁。

股息

董事會建議派發截至二零零三年十二月三十一日止年度末期股息，每股人民幣 0.035 元。合共人民幣 65,346,000 元。

財務摘要

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 3 頁至第 4 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。

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 14。

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, 2003.

Principal Activities

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

Results and Profit Distribution

The results of the Group for the year ended 31st December, 2003, prepared in accordance with the accounting principles generally accepted in Hong Kong and its financial position as at the same date are set out on pages 35 to 39 of the annual report.

Dividends

The Board of Directors recommends the payment of a final dividend of Rmb0.035 per share for the year ended 31st December, 2003, totalling Rmb65,346,000.

Financial Highlights

The Group’s consolidated results and summaries of assets and liabilities for the last five years are set out on pages 3 to 4 of the annual report.

Major Customers and Suppliers

During the year, the Group purchased less than 30% of 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 own more than 5% of the Company’s share capital) had an interest in the major suppliers or customers mentioned above.

Fixed Assets

Details of the movement of fixed assets of the Group during the year are set out in note 14 to the accounts.

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。

Principal Properties

The summary of principal properties owned by the Group is set out on pages 85 to 86 of the annual report.

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24。

Reserve

Details of movements of reserve of the Group and the Company during the year are set out in note 24 to the accounts.

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。

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.

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：

Directors and Supervisors

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

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

Executive Directors

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

獨立非執行董事

龍濤 董事 (於二零零三年五月二十日退任)
董安生 董事 (於二零零三年五月二十日退任)
孟焰 董事 (於二零零三年五月二十日獲委任)
余勁松 董事 (於二零零三年五月二十日獲委任)
符耀文 董事

Independent Non-Executive Directors

LONG Tao Director (retired on 20th May, 2003)
DONG An-Sheng Director (retired on 20th May, 2003)
MENG Yan Director (appointed on 20th May, 2003)
YU Qing-Song Director (appointed on 20th May, 2003)
FU Yiu-man, Peter Director

監事

沈倚山	監事長
周燕榮	監事
柳耀中	監事

董事、監事及高級管理人員之簡介載於年報第16頁至第18頁。

董事及監事換屆事宜

本公司現任董事、監事於二零零三年五月二十日舉行的股東週年大會上換屆選舉產生。上屆董事、監事除龍濤先生、董安生先生外均獲連任。龍濤先生、董安生先生均告退任獨立非執行董事職務，孟焰先生、余勁松先生獲委任本公司獨立非執行董事。

董事酬金

董事酬金情況載於財務報表附註8。

最高酬金人士

本年度本集團獲最高酬金之首四名人士均為本公司董事。

管理合約

除本報告中提到的關連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。

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 16 to 18 of the annual report.

Election of Directors and Supervisors

The existing directors and supervisors were elected on the Annual General Meeting held on 20th May, 2003. All directors and supervisors from the last term were re-elected, save as Messrs Long Tao and Dong An-Sheng who retired from the post of independent non-executive director. Messrs Meng Yan and Yu Jing-Song were appointed as independent non-executive directors of the Company.

Directors' Emoluments

Details of directors' emoluments are set out in note 8 to the accounts.

Highest Paid Individuals

During the year, the four individuals with the highest remuneration in the Group are all directors of the Company.

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.

董事及監事所佔股本權益

於二零零三年十二月三十一日，本公司董事、監事及高級行政人員概無在本公司或其相關法團（定義見證券及期貨條例第 XV 部（「證券及期貨條例」））的股份、相關股份及債權證中，擁有任何根據證券及期貨條例第 352 條規定須予備存的登記冊所記錄或依據上市公司董事進行證券交易的標準守則通知本公司或香港聯合交易所有限公司的權益或淡倉。於本年度內，本公司董事、監事及高級行政人員或彼等之配偶或 18 歲以下子女概無持有可認購本公司股本或債務證券之權利，彼等亦無行使任何該項權利。

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。

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。

Directors' and Supervisors' Interests in Shares

As at 31st December, 2003, none of the directors, supervisors and chief executive of the Company has any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (as defined under the Securities and Futures Ordinance ("SFO"), as recorded in the register required to be kept under Section 352 of SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of listed companies. None of the directors, supervisors and chief executive of the Company, their spouses or children under the age of 18 years had been granted any rights to subscribe for equity or debt securities of the Company, nor has any of them exercised such rights during the year.

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.

Interests of Directors in Competing Business

During the year and up to the date of this report, none of the directors or management shareholders 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").

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	港幣 2.40 元
上市日期	一九九七年 五月十四日
發行股數	707,020,000 股
二零零三年最高成交價	港幣 1.58 元
二零零三年最低成交價	港幣 0.73 元
二零零三年最初交易日 開盤價	港幣 0.98 元
二零零三年最後交易日 收盤價	港幣 1.56 元
二零零三年 交易總股數	169,324,000 股

Details of Share Offering and Listing

Class of shares	H shares
Listing place	Hong Kong
Offer price	HK\$2.40 per share
Listing date	14th May, 1997
Number of issued shares	707,020,000 shares
The highest trading price during the year	HK\$1.58 per share
The lowest trading price during the year	HK\$0.73 per share
The opening price on the first trading day of the year	HK\$0.98 per share
The closing price on the last trading day of the year	HK\$1.56 per share
Total number of shares traded during the year	169,324,000 shares

股本

本公司於二零零三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%

Share Capital

The Company's total number of issued shares as at 31st December, 2003 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

於二零零三年十二月三十一日，本公司根據證券及期貨條例第336條規定須予備存的登記冊所記錄，本公司董事、監事及高級行政人員以外的股東在本公司的股份及相關股份中擁有的權益及淡倉如下：

本公司股份的好倉情況：

股東名稱	股份類別	股份數目	身份	權益性質	佔有關類別的股本比率	佔總股本比率
Name of shareholders	Class of shares	No. of shares held	Status	Nature of interest	Percentage of the relevant share class	Percentage of total shares
北京北辰實業集團公司 Beijing North Star Industrial Group Limited	內資股 Domestic shares	1,160,000,000	實益持有人 Beneficial owner	法團權益 Corporate interest	100.00%	62.13%
陳楚輝 Cheng Chu-hui	H 股 H shares	60,846,000	實益持有人 Beneficial owner	個人權益 Personal Interest	8.6%	3.26%

除上述所披露者外，根據證券及期貨條例第336條規定須予備存的登記冊所示，本公司並無接獲任何有關於二零零三年十二月三十一日在本公司股份及相關股份中擁有的權益或淡倉的通知。

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。

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，本公司前次募集資金已全部使用完畢。

Substantial Shareholders' Shareholding

As at 31st December, 2003, the interests or short positions of the shareholders, other than a director, supervisor or chief executive of the Company, in the shares and underlying shares of the Company as record in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the shares of the Company:

佔有關類別的股本比率	佔總股本比率
Percentage of the relevant share class	Percentage of total shares
100.00%	62.13%
8.6%	3.26%

Save as disclosed above, the register required to be kept under section 336 of SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31st December, 2003.

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.

委託存款及逾期定期存款

截至二零零三年十二月三十一日，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均存放在中國之商業銀行，並符合適用之法例及規則。本集團並未遇到銀行存款到期而未能取回的情況。

僱員

截至二零零三年十二月三十一日，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

本年度本集團並無向員工提供任何員工宿舍。

關連交易

截至二零零三年度止，本公司與北辰集團公司進行的交易列示如下：於一九九七年十月六日，香港聯交所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（「租賃協議」），二零零三年度租金為人民幣 15,000,000 元，本公司已於二零零三年十二月三十一日前支付予北辰集團公司。

Designated Deposit and Due Fixed Deposit

As at 31st December, 2003, the Group had no designated deposits 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.

Employee

As at 31st December, 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. 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 Housing Quarters

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

Connected Transactions

During the year 2003, the Company entered into the following business transactions with its controlling shareholders, 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 2003 was Rmb15,000,000 and has been fully settled by 31st December, 2003.

- 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（「綜合服務協議」），截至二零零三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
熱力	Heating	國家價	State price	17,430
保安	Security	市場價	Market price	175
總計	Total			17,605

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	32
電話	Telephone	市場價	Market price	19
總計	Total			51

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。

2. Pursuant to a miscellaneous service agreement (the “Miscellaneous Service Agreement”) dated 11th April, 1997 entered into with BNS Group Company, the amount settled with BNS Group Company for the year ended 31st December, 2003 are as follows:

Principal services provided by BNS Group Company to the Company:

		定價基準	Pricing basis	人民幣總值 千元 Gross amount Rmb'000
熱力	Heating	國家價	State price	17,430
保安	Security	市場價	Market price	175
總計	Total			17,605

Principal services provided by the Company to BNS Group Company:

		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	32
電話	Telephone	市場價	Market price	19
總計	Total			51

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.

- 3、本公司之附屬公司北京北辰房地產開發股份有限公司（「北辰房地產」）與北辰集團公司於二零零三年一月二十八日訂立轉讓協議，北辰集團公司將北京姜莊湖園林別墅開發有限公司所欠付北辰集團公司的債項合共為人民幣 75,145,750 元中的權利及權益以現金代價轉讓予北辰房地產。該項關連交易公告已於二零零三年一月二十九日分別載於中文《香港文匯報》及英文《虎報》。
- 4、本公司與北辰集團公司就本公司使用位於中國北京市朝陽區北辰東路 8 號的原康樂宮土地簽定了土地使用權收購協定，本公司以總價約人民幣 121,000,000 元，將以現金及／或實物代價方式支付予北辰集團公司。該項關連交易公告已於二零零三年七月二十九日分別載於中文《香港文匯報》和英文《虎報》。
3. The Company's subsidiary Beijing North Star Real Estate Development Company Limited ("BNSRE") has on 28th January, 2003 entered into a Deed of Assignment with BNS Group Company, whereby BNS Group Company's rights and interest in the loan to Beijing Jiang Zhuang Hu Property Co., Limited was assigned to BNSRE for a cash consideration of Rmb75,145,750. An announcement of this transaction was published on 29th January, 2003 in Wen Wei Po in Chinese and The Standard in English respectively.
4. The Company and the BNS Group Company has entered into an agreement on acquisition of land use right of the original site of the Recreation Centre at No.8 Bei Chen Dong Road, Chao Yong District, Beijing, for a total consideration of Rmb121,000,000. It will be paid by cash and/or properties. The announcement of this transaction was published on 29th July, 2003 in Wen Wei Po in Chinese and The Standard in English respectively.

除上文披露者外，並無其他須予披露的交易。

Save as disclosed above, the Company has not entered into any other disclosable transactions.

銀行貸款及其他借貸

於二零零三年十二月三十一日，本集團之銀行貸款及其他借貸詳情載於財務報表附註 21 及附註 22。

Bank Loans and Other Borrowings

As at 31st December, 2003, the bank loans and other borrowings of the Group are set out in note 21 and note 22 to the accounts.

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。

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Articles and related laws which oblige the Company to offer new shares on pro-rata basis to existing shareholders.

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 15。

Subsidiaries

Details of the Company's major subsidiaries are set out in note 15 to the accounts.

重大訴訟

本年內本集團概無重大訴訟或仲裁事項。

Major Litigation

The Group is not involved in any litigation or arbitration of material importance during the year.

經營業績

二零零三年財政年度與二零零二年財政年度之比較：

Results of Operations

Comparison of Financial Year 2003 to Financial Year 2002:

		經重列		二零零三年 比二零零二年 上升／(下跌)
		As restated		Increase/ (decrease)
		二零零三年	二零零二年	compared to
		2003	2002	2002
		(人民幣千元)	(人民幣千元)	(%)
		(Rmb'000)	(Rmb'000)	(%)
營業額	Turnover	2,326,810	1,761,529	32
股東應佔溢利	Profit attributable to shareholders	287,271	129,990	121
分部溢利：	Segment results:			
物業及土地銷售	Properties and land sales	234,847	17,821	1,218
購物中心業務	Shopping centre operations	48,300	55,748	(13.4)
租金收入	Rental income	111,106	110,339	0.7
酒店業務	Hotel operations	(2,401)	13,492	—
其他業務	Other operations	(9,855)	(3,553)	—

所得稅政策

本公司及其附屬公司遵照中國法律及法規，按應納稅所得的33%交納企業所得稅。

Policies on Income Tax

The Company and its subsidiaries, paid PRC enterprise income tax at a rate of 33%.

財政資源及流動資金狀況

於二零零三年十二月三十一日之股東權益較二零零二年十二月三十一日的股東權益上升4.96%。本集團在二零零三財政年度結束日之借款淨額為人民幣430,000,000元。本集團借款來自銀行。本集團流動資產主要是銀行存款及現金、持作出售的土地及發展中物業，流動資產的數額為人民幣2,887,806,000元，而流動負債數額則為人民幣1,595,961,000元。於二零零三年十二月三十一日，銀行存款及現金的餘額為人民幣1,342,371,000元。

本集團截至二零零三年十二月三十一日止無資產抵押，集團的資產與負債比率為33.9%（計算方式為總負債除以總資產）。除對本公司之子公司擔保人民幣430,000,000元外，集團並無重大或有負債，亦無滙率波動風險及對其進行對沖。

最佳應用守則

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。

Financial Resources and Liquidity

At 31st December, 2003, the shareholders' funds of the Group were increased by 4.96% from that of 31st December, 2002. The Group's net borrowing from banks as at 31st December, 2003 was Rmb430,000,000. Current assets of the Group, which mainly comprised of cash at bank and on hand, and land and properties under development held for sale, amounted to Rmb2,887,806,000, whereas the Group's current liabilities amounted to Rmb1,595,961,000. As at 31st December, 2003, cash at bank and on hand amounted to Rmb1,342,371,000.

As at 31st December, 2003, there were no pledge on the Group's assets. Gearing ratio for the Group was 33.9%, calculated by dividing total liabilities over total assets. The Group has no contingent liabilities and no exposure to exchange rate fluctuation and hedging thereof except a guaranteeing the sum of Rmb430,000,000 of the Company's subsidiaries.

Code of Best Practice

The Board of 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.

於二零零三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，待建議修改本公司章程生效的情況下，批准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，到目前為止，建議修改本公司章程仍待國家有關部門審批。

除此之外，本公司於二零零三年十二月三十一日止年度內均有遵守最佳應用守則。

其他重大事項

本公司已於二零零三年十一月四日代表北辰投標聯合體取得了北京奧林匹克公園B區會議中心項目。

因本公司項目發展需要，本公司擬於二零零四年在中國內地申請首次發行A股。

At the Annual General Meeting of the Company held on 20th May, 2003, the shareholders adopted a special resolution approving that, subject to the proposed amendments to the Articles of Association of the Company becoming effective, an Audit Committee be established by the Company and that the Board of Directors be authorised to approve and adopt such rules and procedures of meetings for the Audit Committee as it may think fit. Up to the current stage, the proposed amendments to the Articles of Associations of the Company are still pending approval from the relevant PRC authority.

Apart from this, the Company has complied with the Code of Best Practice throughout the year ended 31st December, 2003.

Other Major Events

On 4th November, 2003, the Company, on behalf of the BNS Bidding Alliance (北辰投標聯合體), secured the Olympic Park Zone B Convention Centre Project (奧林匹克公園B區會議中心項目).

To cater for its operating needs, the Company intended to apply for an initial public offering of A shares in the PRC in 2004.

核數師

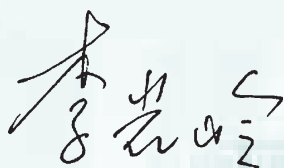
本公司帳目經由羅兵咸永道會計師事務所審核。彼等依章告退，但願繼續受聘為本公司之核數師。股東周年大會上將提程決議案重新委任羅兵咸永道會計師事務所為本公司核數師。

Auditors

The accounts have been audited by PricewaterhouseCoopers, who retire and being eligible, offer themselves for reappointment. A resolution reappointing PricewaterhouseCoopers as the auditors of the Company will be proposed at the forthcoming Annual General Meeting.

承董事會命

By Order of the Board



李岩嶺

Li Yan-Ling

董事長

Chairman

中國•北京，二零零四年二月十九日

Beijing, PRC, 19th February, 2004