

Interim Report 中期報告

For the six months ended 30th June 2005 截至二零零五年六月三十日止六個月

- Sales was RMB1,306,755,000, an 8.0% increase over the same period of last year
營業額為人民幣 1,306,755,000 元，較去年同期上升 8.0%
- Operating profit was RMB185,899,000, a 1.4% decrease over the same period of last year
經營溢利為人民幣 185,899,000 元，較去年同期下降 1.4%
- Profit attributable to equity holders was RMB123,133,000, recording a 1.6% increase over the same period of last year
股東應佔溢利為人民幣 123,133,000 元，較去年同期上升 1.6%
- Earnings per share was RMB 0.066, compared to RMB 0.065 of earnings per share in the same period of last year
每股溢利為人民幣 0.066 元，去年同期每股溢利為人民幣 0.065 元
- The Board of Directors has resolved not to declare any interim dividend (six months ended 30th June 2004: nil)
董事會建議不派發中期股息 (截至二零零四年六月三十日止六個月：無)

The Board of Directors (the “Board”) 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 2005 (the “Period”) as set out below:

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th June 2005

	Note	Unaudited As at 30th June 2005 RMB'000	Audited As at 31st December 2004 RMB'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	6	801,099	883,557
Investment properties	6	3,047,740	3,047,740
Land use rights	6	1,157,183	837,204
Properties under development	6	1,414,672	753,434
A jointly controlled entity		18,962	19,200
Deferred income tax assets		7,353	8,500
		<u>6,447,009</u>	<u>5,549,635</u>
Current assets			
Inventories		866,006	523,887
Properties under development for sale		635,878	1,104,893
Trade and other receivables	7	111,051	257,499
Cash and bank balances		781,259	500,879
		<u>2,394,194</u>	<u>2,387,158</u>
Total assets		<u><u>8,841,203</u></u>	<u><u>7,936,793</u></u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	8	1,867,020	1,867,020
Reserves			
– Other reserves	9	1,975,017	2,595,781
– Retained earnings		939,663	195,766
– Proposed dividend		—	280,053
		<u>4,781,700</u>	<u>4,938,620</u>
Minority interests		<u>154,640</u>	<u>153,554</u>
Total equity		<u><u>4,936,340</u></u>	<u><u>5,092,174</u></u>

北京北辰實業股份有限公司(「本公司」)之董事會(「董事會」)欣然宣佈本公司及其附屬公司(「本集團」)截至二零零五年六月三十日止六個月(「本期間」)未經審核之綜合業績：

簡明綜合資產負債表

於二零零五年六月三十日

	附註	未經審核 二零零五年 六月三十日 人民幣千元	經審核 二零零四年 十二月三十一日 人民幣千元 (經重列)
資產			
非流動資產			
物業、廠房和設備	6	801,099	883,557
投資物業	6	3,047,740	3,047,740
土地使用權	6	1,157,183	837,204
開發中物業	6	1,414,672	753,434
共同控制實體		18,962	19,200
遞延稅項資產		7,353	8,500
		<u>6,447,009</u>	<u>5,549,635</u>
流動資產			
存貨		866,006	523,887
待出售開發中物業		635,878	1,104,893
應收賬款及其他應收款項	7	111,051	257,499
現金和銀行存款		781,259	500,879
		<u>2,394,194</u>	<u>2,387,158</u>
總資產		<u><u>8,841,203</u></u>	<u><u>7,936,793</u></u>
權益			
本公司股東應佔資本及權益			
股本	8	1,867,020	1,867,020
儲備			
— 其他儲備	9	1,975,017	2,595,781
— 保留溢利		939,663	195,766
— 擬派股息		—	280,053
		<u>4,781,700</u>	<u>4,938,620</u>
少數股東權益		<u>154,640</u>	<u>153,554</u>
總權益		<u><u>4,936,340</u></u>	<u><u>5,092,174</u></u>

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th June 2005

	Note	Unaudited As at 30th June 2005 RMB'000	Audited As at 31st December 2004 RMB'000 (Restated)
LIABILITIES			
Non-current liabilities			
Long-term bank loans	11	400,000	200,000
Deferred income tax liabilities		524,412	518,805
		<u>924,412</u>	<u>718,805</u>
Current liabilities			
Trade and other payables	10	2,457,279	1,973,346
Current income tax liabilities		23,172	22,468
Short-term bank loans	11	500,000	130,000
		<u>2,980,451</u>	<u>2,125,814</u>
Total liabilities		<u>3,904,863</u>	<u>2,844,619</u>
Total equity and liabilities		<u>8,841,203</u>	<u>7,936,793</u>
Net current (liabilities)/assets		<u>(586,257)</u>	<u>261,344</u>
Total assets less current liabilities		<u>5,860,752</u>	<u>5,810,979</u>

簡明綜合資產負債表

於二零零五年六月三十日

		未經審核 二零零五年 六月三十日 人民幣千元	經審核 二零零四年 十二月三十一日 人民幣千元 (經重列)
負債			
非流動負債			
長期銀行貸款	11	400,000	200,000
遞延稅項負債		524,412	518,805
		<u>924,412</u>	<u>718,805</u>
流動負債			
應付賬款及其他應付款項	10	2,457,279	1,973,346
應交所得稅		23,172	22,468
短期銀行貸款	11	500,000	130,000
		<u>2,980,451</u>	<u>2,125,814</u>
總負債		<u>3,904,863</u>	<u>2,844,619</u>
總權益及負債		<u>8,841,203</u>	<u>7,936,793</u>
流動(負債)/資產淨值		<u>(586,257)</u>	<u>261,344</u>
總資產減流動負債		<u>5,860,752</u>	<u>5,810,979</u>

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June 2005

	Note	Unaudited	
		Six months ended 30th June	
		2005	2004
		RMB'000	RMB'000
			(Restated)
Sales	5	1,306,755	1,209,783
Cost of sales		(960,651)	(870,519)
Gross profit		346,104	339,264
Other gains – net	12	18,483	14,761
Selling and marketing costs		(57,378)	(57,886)
Administrative expenses		(121,310)	(107,656)
Operating profit	5	185,899	188,483
Finance costs	14	(474)	—
Share of loss of a jointly controlled entity		(238)	(1,575)
Profit before income tax		185,187	186,908
Income tax expense	15	(62,968)	(62,884)
Profit for the period		122,219	124,024
Attributable to:			
Equity holders of the Company		123,133	121,245
Minority interests		(914)	2,779
		122,219	124,024
Earnings per share for profit attributable to the equity holders of the Company during the Period (basic and diluted)	16	RMB6.6 cents	RMB6.5 cents
Dividends	17	—	—

簡明綜合損益表

截至二零零五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	
		二零零五年 人民幣千元	二零零四年 人民幣千元 (經重列)
營業額	5	1,306,755	1,209,783
銷售成本		(960,651)	(870,519)
營業毛利		346,104	339,264
其他收益－淨額	12	18,483	14,761
銷售費用		(57,378)	(57,886)
管理費用		(121,310)	(107,656)
經營溢利	5	185,899	188,483
融資成本	14	(474)	—
共同控制實體所佔虧損份額		(238)	(1,575)
除稅前溢利		185,187	186,908
所得稅費用	15	(62,968)	(62,884)
本期溢利		122,219	124,024
應佔溢利：			
本公司股東		123,133	121,245
少數股東損益		(914)	2,779
		122,219	124,024
按當期本公司股東應佔溢利計算的每股溢利 (基本和攤薄溢利)	16	人民幣6.6分	人民幣6.5分
股息	17	—	—

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th June 2005

	Unaudited Six months ended 30th June	
	2005	2004
	RMB'000	RMB'000
Net cash generated from operating activities	626,434	407,244
Net cash used in investing activities	(809,926)	(365,907)
Net cash generated from/(used in) financing activities	463,872	(68,872)
Net increase/(decrease) in cash and bank balances	<u>280,380</u>	<u>(27,535)</u>
Cash and bank balance as at 1st January	<u>500,879</u>	<u>1,342,371</u>
Cash and bank balance as at 30th June	<u><u>781,259</u></u>	<u><u>1,314,836</u></u>

簡明綜合現金流量表

截至二零零五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	
	二零零五年	二零零四年
	人民幣千元	人民幣千元
經營活動之現金流入淨額	626,434	407,244
投資活動之現金流出淨額	(809,926)	(365,907)
融資活動之現金流入／(流出)淨額	463,872	(68,872)
現金和銀行存款之增加／(減少)淨額	280,380	(27,535)
於一月一日的現金和銀行存款餘額	500,879	1,342,371
於六月三十日的現金和銀行存款餘額	781,259	1,314,836

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June 2005

	Note	Unaudited				Total RMB'000
		Attributable to the equity holders of the Company			Minority interests RMB'000	
		Share capital RMB'000	Other reserves RMB'000	Retained earnings RMB'000		
Balance at 1st January 2004						
As previously reported as equity		1,867,020	2,445,168	650,290	—	4,962,478
As previously separately reported as minority interests		—	—	—	143,588	143,588
Adoption of HKAS 17	2(a)(i)	—	—	(2,083)	(294)	(2,377)
Adoption of HK-Int 2	2(a)(ii)	—	(21,372)	(76,724)	—	(98,096)
Adoption of HK-Int 3	2(a)(iii)	—	—	(12,100)	(2,455)	(14,555)
As restated		<u>1,867,020</u>	<u>2,423,796</u>	<u>559,383</u>	<u>140,839</u>	<u>4,991,038</u>
Profit and total recognised income for the period		—	—	121,245	2,779	124,024
2003 final dividend		—	—	(65,346)	(3,795)	(69,141)
Increase in minority interests as a result of the set up of a new subsidiary		—	—	—	14,730	14,730
Balance at 30th June 2004		<u><u>1,867,020</u></u>	<u><u>2,423,796</u></u>	<u><u>615,282</u></u>	<u><u>154,553</u></u>	<u><u>5,060,651</u></u>
Balance at 1st January 2005						
As previously reported as equity		1,867,020	2,691,049	597,951	—	5,156,020
As previously separately reported as minority interests		—	—	—	161,962	161,962
Prior year adjustments under HKFRSs						
Adoption of HKAS 17	2(a)(i)	—	—	(6,854)	(1,104)	(7,958)
Adoption of HK-Int 2	2(a)(ii)	—	(95,268)	(92,704)	—	(187,972)
Adoption of HK-Int 3	2(a)(iii)	—	—	(22,574)	(7,304)	(29,878)
Opening balance adjustments under HKFRSs						
Adoption of HKAS 40	2(a)(iv)	—	(620,764)	620,764	—	—
As restated		<u>1,867,020</u>	<u>1,975,017</u>	<u>1,096,583</u>	<u>153,554</u>	<u>5,092,174</u>
Profit and total recognised income for the period		—	—	123,133	(914)	122,219
2004 final dividend		—	—	(280,053)	—	(280,053)
Increase in minority interests as a result of the set up of a new subsidiary		—	—	—	2,000	2,000
Balance at 30th June 2005		<u><u>1,867,020</u></u>	<u><u>1,975,017</u></u>	<u><u>939,663</u></u>	<u><u>154,640</u></u>	<u><u>4,936,340</u></u>

簡明綜合股東權益變動表

截至二零零五年六月三十日止六個月

	附註	本公司股東應佔				未經審核
		股本	其他儲備	保留溢利	少數股東權益	總額
		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
二零零四年一月一日						
如以往呈報為股東權益		1,867,020	2,445,168	650,290	—	4,962,478
如以往單獨呈報為						
少數股東權益		—	—	—	143,588	143,588
採納香港會計準則第17號	2(a)(i)	—	—	(2,083)	(294)	(2,377)
採納香港會計準則						
— 註釋第2號	2(a)(ii)	—	(21,372)	(76,724)	—	(98,096)
採納香港會計準則						
— 註釋第3號	2(a)(iii)	—	—	(12,100)	(2,455)	(14,555)
經重列		1,867,020	2,423,796	559,383	140,839	4,991,038
本期溢利及總確認收益		—	—	121,245	2,779	124,024
二零零三年末期股息		—	—	(65,346)	(3,795)	(69,141)
少數股東權益增加						
— 設立新的附屬公司		—	—	—	14,730	14,730
二零零四年六月三十日		<u>1,867,020</u>	<u>2,423,796</u>	<u>615,282</u>	<u>154,553</u>	<u>5,060,651</u>
二零零五年一月一日						
如以往呈報為股東權益		1,867,020	2,691,049	597,951	—	5,156,020
如以往單獨呈報為						
少數股東權益		—	—	—	161,962	161,962
採納香港會計準則對						
以前年度的調整						
採納香港會計準則第17號	2(a)(i)	—	—	(6,854)	(1,104)	(7,958)
採納香港會計準則						
— 註釋第2號	2(a)(ii)	—	(95,268)	(92,704)	—	(187,972)
採納香港會計準則						
— 註釋第3號	2(a)(iii)	—	—	(22,574)	(7,304)	(29,878)
採納香港會計準則對期初						
的調整						
採納香港會計						
準則第40號	2(a)(iv)	—	(620,764)	620,764	—	—
經重列		1,867,020	1,975,017	1,096,583	153,554	5,092,174
本期溢利及總確認收益		—	—	123,133	(914)	122,219
二零零四年末期股息		—	—	(280,053)	—	(280,053)
少數股東權益增加						
— 設立新的附屬公司		—	—	—	2,000	2,000
二零零五年六月三十日		<u>1,867,020</u>	<u>1,975,017</u>	<u>939,663</u>	<u>154,640</u>	<u>4,936,340</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

This condensed consolidated financial information should be read in conjunction with the 2004 annual financial statements.

The accounting policies and methods of computation used in the preparation of this condensed consolidated financial information are consistent with those used in the annual financial statements for the year ended 31st December 2004 except that the Group has changed certain of its accounting policies following its adoption of new / revised Hong Kong Financial Reporting Standards (“new HKFRSs”) and Hong Kong Accounting Standards which are effective for accounting periods commencing on or after 1st January 2005.

This interim financial information has been prepared in accordance with those HKFRSs and interpretations issued and effective as at the time of preparing this information (August 2005). The HKFRSs and interpretations that will be applicable at 31st December 2005, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing this interim financial information.

The changes to the Group’s accounting policies and the effect of adopting these new policies are set out in note 2 below.

未經審核簡明綜合財務信息附註

1. 會計政策及編製基準

此未經審核的簡明綜合財務信息是按照香港會計師公會頒佈的香港會計準則第34條「中期財務報告」編製。

此簡明綜合財務信息應和二零零四年年度財務報告一同閱讀。

編製本簡明中期賬目所採用之會計政策及計算方法與截至二零零四年十二月三十一日止年度之賬目所採用者一致，惟本集團於採納由香港會計師公會頒佈之新增及經修改之香港財務報告準則（「新香港財務報告準則」）及香港會計準則而更改，該等會計準則於二零零五年一月一日或以後開始之會計期間生效。

此中期財務報表信息是根據在編製時（二零零五年八月）已發佈實施的香港財務報告準則的標準和註釋而編製的，其中將於二零零五年十二月三十一日生效的香港財務報告準則和註釋，包括可選擇的原則等，在編製中期財務信息時並未予以考慮。

本集團會計政策的變更及採納新會計政策之影響載列於附註2如下。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. CHANGES IN ACCOUNTING POLICIES

(a) Effect of adopting new HKFRSs

In 2005, the Group adopted the new / revised standards of HKFRSs below, which are relevant to its operations. The 2004 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 31	Investments in Joint Ventures
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKAS Int 15	Operating Leases – Incentives
HKFRS 3	Business Combinations
HK-Int 2	The Appropriate Policy for Hotel Properties
HK-Int 3	Revenue – Pre-completion Contracts For the Sale of Development Properties

未經審核簡明綜合財務信息附註

2. 主要會計政策的變更

(a) 採用新香港財務報告準則的影響

於二零零五年，本集團根據其營運情況採納了以下新增及經修改之新香港財務報告準則，根據有關的要求對二零零四年的比較數字進行了重列：

香港會計準則第1號	財務報表的呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估計變更以及會計差錯
香港會計準則第10號	資產負債表日後事項
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第18號	收入
香港會計準則第21號	外幣匯率變動的影響
香港會計準則第23號	借款費用
香港會計準則第24號	關聯方披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第31號	於合營公司的投資
香港會計準則第32號	金融工具：披露及呈列
香港會計準則第33號	每股溢利
香港會計準則第36號	資產減值
香港會計準則第38號	無形資產
香港會計準則第39號	金融工具：確認及計量
香港會計準則第40號	投資物業
香港會計準則－註釋第15號	營運租約－優惠
香港財務報告準則第3號	業務合併
香港－註釋第2號	酒店物業的適當政策
香港－註釋第3號	收入－銷售未完工開發中物業

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. CHANGES IN ACCOUNTING POLICIES *(Continued)*

(a) Effect of adopting new HKFRSs *(Continued)*

The adoption of new / revised HKASs 1, 2, 7, 8, 10, 16, 18, 21, 23, 24, 27, 31, 32, 33, 36, 38 and 39 HKAS-Int 15 and HHFRS 3 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interests, share of net after-tax results of jointly controlled entity and other disclosures.
- HKASs 2, 7, 8, 10, 16, 18, 21, 23, 27, 31, 32, 33, 36, 38, 39, HKAS-Int 15 and HKFRS 3 had no material effect on the Group's policies.
- HKAS 24 has affected the identification of related parties and some other related party disclosures.

The adoption of HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of land use rights from property, plant and equipment, properties under development, inventories to operating leases. The up-front prepayments made for the land use rights are expensed in the income statement on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the income statement. In previous years, the land use rights were accounted for at cost less accumulated amortisation and accumulated impairment.

The adoption of HKAS 40 has resulted in a change in the accounting policy of which the changes in fair values of investment properties are recorded in the income statement as part of other gains. In previous years, the increases in fair value were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the income statement.

The adoption of HK-Int 2 has resulted in a change in the accounting policy of which the hotel properties are stated at cost less accumulated depreciation and accumulated impairment and depreciation is expensed in the income statement on a straight-line basis over the estimated useful life. In previous years, hotel properties were treated as part of investment properties and stated at fair value, were not depreciated.

The adoption of HK-Int 3 has resulted in a change in the accounting policy of revenue recognition. Revenue from sales of properties is recognised upon completion of sale agreements, which refers to the time when the relevant properties have been completed and delivered to the purchasers pursuant to the sale agreements to opposed to the stage of completion method used in previous years.

未經審核簡明綜合財務信息附註

2. 主要會計政策的變更 (續)

(a) 採用新香港財務報告準則的影響 (續)

本集團採納香港會計準則1, 2, 7, 8, 10, 16, 18, 21, 23, 24, 27, 31, 32, 33, 36, 38, 39, 香港會計準則一註釋第15號和香港財務報告準則第3號對集團會計政策並無帶來重大改變。概括而言：

- 香港會計準則第1號對少數股東權益，合營企業的稅後淨收益和其他披露有所影響
- 香港會計準則2, 7, 8, 10, 16, 18, 21, 23, 27, 31, 32, 33, 36, 38, 39, 香港會計準則一註釋第15號和香港財務報告準則第3號對本集團的政策沒有重要的影響
- 香港會計準則第24號對關聯方的辨識以及其他一些關聯方的披露有所影響

本集團採納香港會計準則17號後，其有關土地使用權的會計政策發生變化，土地使用權將從物業、廠房及設備，開發中物業及存貨中重分類出作為經營租賃列示。而預付的土地使用權將按照其租賃期限按照直線法攤銷並計入損益表，如有減值撥備，有關的減值將直接列示於損益表。在以前年度，土地使用權按照成本扣減累計攤銷及減值撥備後列示。

本集團採納香港會計準則第40號後，其中有關投資物業公平值變動的會計政策發生了變化，投資物業的公平值的變化列示為其他收益，計入本期損益。在以前年度，公平值的增加計入投資物業的重估儲備，公平值的減少先抵減以前年度相關的重估增值後再以費用形式計入損益表。

本集團採納香港註釋第2號，其中有關酒店物業的會計政策有所改變。酒店物業以原始成本減去累計折舊及減值準備後的淨額列示，折舊採用直線法在預計使用年限內計提並計入損益表，在以前年度，酒店物業被作為投資物業的一部分，以公平值列示，不計提折舊。

本集團採納香港註釋第3號，其中有關收入確認的會計政策有所改變。物業的銷售收入的確認基於銷售合同完成，另外還要涉及到物業的完工時間和轉讓協議的轉交時間。在以前年度，利潤以物業的預售比例確認。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. CHANGES IN ACCOUNTING POLICIES *(Continued)*

(a) Effect of adopting new HKFRSs *(Continued)*

Changes in the accounting policies have been made in accordance with the transition provisions in the respective standards. All standards adopted by the Group require retrospective application other than HKAS 40.

Since the Group has adopted the fair value model, there is no requirement for the Group to restate the comparative information, any adjustment should be made to the retained earnings as at 1st January 2005, including the reclassification of any amount held in revaluation surplus for investment properties.

(i) The adoption of HKAS 17 resulted in:

	31st December 2004 RMB'000	30th June 2005 RMB'000
Effect on Assets		
Decrease in inventories	(255,010)	(242,920)
Decrease in properties under development	(594,072)	(573,817)
Increase in land use rights	837,204	799,433
Increase in deferred income tax assets	3,920	5,710
	<u>(7,958)</u>	<u>(11,594)</u>
Effect on Equity		
Decrease in opening balance of retained earnings	(2,083)	(6,854)
Decrease in profit attributable to the equity holders of the Company	(4,771)	(2,826)
Decrease in opening balance of minority interests	(294)	(1,104)
Decrease in profit attributable to minority interests	(810)	(810)
	<u>(7,958)</u>	<u>(11,594)</u>

未經審核簡明綜合財務信息附註

2. 主要會計政策的變更 (續)

(a) 採用新香港財務報告準則的影響 (續)

所有有關會計準則的變更均已經按照各自的過渡項條款進行調整，本集團採用新會計準則除香港會計準則第40號外均已進行了追溯調整。

因為本集團採用公平價值模型，所以不需要重列相關比較信息，任何調整都轉入二零零五年一月一日的保留溢利，包括投資物業的估價儲備的重分類。

(i) 採納香港會計準則第17號後的影響：

	二零零四年 十二月三十一日 人民幣千元	二零零五年 六月三十日 人民幣千元
對資產的影響		
存貨的減少	(255,010)	(242,920)
開發中物業的減少	(594,072)	(573,817)
土地使用權的增加	837,204	799,433
遞延稅項資產的增加	3,920	5,710
	<u>(7,958)</u>	<u>(11,594)</u>
對所有者權益的影響		
期初保留溢利的減少	(2,083)	(6,854)
當期本公司股東應佔溢利的減少	(4,771)	(2,826)
期初少數股東權益的減少	(294)	(1,104)
本期少數股東損益的減少	(810)	(810)
	<u>(7,958)</u>	<u>(11,594)</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. CHANGES IN ACCOUNTING POLICIES (Continued)

(a) Effect of adopting new HKFRSs (Continued)

Effect on profit attributable to the equity holders of the Company:

	Six months ended 30th June	
	2005	2004
	RMB'000	RMB'000
Increase in administrative expenses	(5,815)	(3,249)
Increase in finance costs	(364)	—
Decrease in cost of sales	752	345
Decrease in income tax expense	1,791	958
Decrease in minority interests of current period	810	156
	<u>(2,826)</u>	<u>(1,790)</u>
Decrease in earnings per share (basic and diluted) (RMB cents)	<u>0.2</u>	<u>0.1</u>

(ii) The adoption of HK-Int 2 resulted in:

	31st December 2004	30th June 2005
	RMB'000	RMB'000
Effect on Assets		
Decrease in property, plant and equipment	<u>(280,555)</u>	<u>(292,875)</u>
Effect on Liabilities		
Decrease in deferred income tax liabilities	<u>(92,583)</u>	<u>(96,649)</u>
Effect on Equity		
Decrease in opening balance of retained earnings	(76,724)	(92,704)
Decrease in opening balance of revaluation reserve	(95,268)	(95,268)
Decrease in profit attributable to the equity holders of the Company	<u>(15,980)</u>	<u>(8,254)</u>
	<u>(187,972)</u>	<u>(196,226)</u>

未經審核簡明綜合財務信息附註

2. 主要會計政策的變更(續)

(a) 採用新香港財務報告準則的影響(續)

對當期本公司股東應佔溢利的影響如下：

	截至六月三十日止六個月期間	
	二零零五年 人民幣千元	二零零四年 人民幣千元
管理費用的增加	(5,815)	(3,249)
融資成本的增加	(364)	—
銷售成本的減少	752	345
所得稅費用的減少	1,791	958
本期少數股東損益的減少	810	156
	<u>(2,826)</u>	<u>(1,790)</u>
每股溢利的減少(基本和攤薄) (人民幣分)	<u>0.2</u>	<u>0.1</u>

(ii) 採納香港會計準則－註釋第2號後的影響：

	二零零四年 十二月三十一日 人民幣千元	二零零五年 六月三十日 人民幣千元
	對資產的影響	
物業、廠房和設備的減少	<u>(280,555)</u>	<u>(292,875)</u>
對負債的影響		
遞延稅項負債的減少	<u>(92,583)</u>	<u>(96,649)</u>
對所有者權益的影響		
期初保留溢利的減少	(76,724)	(92,704)
期初重估儲備的減少	(95,268)	(95,268)
當期本公司股東應佔溢利的減少	(15,980)	(8,254)
	<u>(187,972)</u>	<u>(196,226)</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. CHANGES IN ACCOUNTING POLICIES *(Continued)*

(a) Effect of adopting new HKFRSs *(Continued)*

Effect on profit attributable to the equity holders of the Company:

	Six months ended 30th June	
	2005	2004
	RMB'000	RMB'000
Increase in cost of sales	(12,320)	(15,950)
Decrease in income tax expense	4,066	5,264
	<u>(8,254)</u>	<u>(10,686)</u>
Decrease in earnings per share (basic and diluted) (RMB cents)	<u>0.4</u>	<u>0.9</u>

(iii) The adoption of HK-Int 3 resulted in:

	31st December 2004	30th June 2005
	RMB'000	RMB'000
Effect on Assets		
Increase in inventories	<u>260,686</u>	<u>—</u>
Effect on Liabilities		
Decrease in deferred income tax liabilities	(10,612)	—
Increase in trade and other payables	<u>301,176</u>	<u>—</u>
	<u>290,564</u>	<u>—</u>
Effect on Equity		
Decrease in opening balance of retained earnings	(12,100)	(22,574)
(Decrease)/Increase in profit attributable to the equity holders of the Company	(10,474)	22,574
Decrease in opening balance of minority interests	(2,455)	(7,304)
(Decrease)/Increase in profit attributable to minority interests	<u>(4,849)</u>	<u>7,304</u>
	<u>(29,878)</u>	<u>—</u>

未經審核簡明綜合財務信息附註

2. 主要會計政策的變更 (續)

(a) 採用新香港財務報告準則的影響 (續)

對當期本公司股東應佔溢利的影響如下：

	截至六月三十日止六個月期間	
	二零零五年 人民幣千元	二零零四年 人民幣千元
銷售成本的增加	(12,321)	(15,950)
所得稅費用的減少	4,066	5,264
	<u>(8,225)</u>	<u>(10,686)</u>
每股溢利的減少(基本和攤薄) (人民幣分)	<u>0.4</u>	<u>0.9</u>

(iii) 採納香港會計準則－註釋第3號後的影響：

	二零零四年 十二月三十一日 人民幣千元	二零零五年 六月三十日 人民幣千元
對資產的影響		
存貨的增加	<u>260,686</u>	<u>—</u>
對負債的影響		
遞延稅項負債的減少	(10,612)	—
應付及其他應付款的增加	<u>301,176</u>	<u>—</u>
	<u>290,564</u>	<u>—</u>
對所有者權益的影響		
期初保留溢利的減少	(12,100)	(22,574)
當期本公司股東應佔溢利的 (減少)／增加	(10,474)	22,574
期初少數股東權益的減少	(2,455)	(7,304)
本期少數股東損益的 (減少)／增加	<u>(4,849)</u>	<u>7,304</u>
	<u>(29,878)</u>	<u>—</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. CHANGES IN ACCOUNTING POLICIES *(Continued)*

(a) Effect of adopting new HKFRSs *(Continued)*

Effect on profit attributable to the equity holders of the Company:

	Six months ended 30th June	
	2005	2004
	RMB'000	RMB'000
Increase in sales	232,048	21,769
Increase in cost of sales	(191,558)	(12,466)
Increase in income tax expense	(10,612)	(3,070)
Increase in profit attributable to minority interests	(7,304)	(2,455)
	<u>22,574</u>	<u>3,778</u>
Increase in earnings per share (basic and diluted) (RMB cents)	<u>1.2</u>	<u>0.3</u>

- (iv) The adoption of HKAS 40 resulted in an increase in opening retained earnings 1st January 2005 of RMB620,764,000 and a decrease in opening other reserves at 1st January 2005 of RMB620,764,000.

No early adoption of the following new Standards or Interpretations that have been issued but are not yet effective. The adoption of such Standards or Interpretations will not result in substantial changes to the Group's accounting policies.

HKAS 19	(Amendment) Actuarial Gains and Losses, Group Plans and Disclosures
HKFRS-Int 4	Determining whether an Arrangement contains A Lease

(b) New Accounting Policies

The accounting policies used for the condensed consolidated financial information for the six months ended 30th June 2005 are the same as those of the 2004 annual financial statements except for the following:

未經審核簡明綜合財務信息附註

2. 主要會計政策的變更(續)

(a) 採用新香港財務報告準則的影響(續)

對當期本公司股東應佔溢利的影響如下：

	截至六月三十日止六個月期間	
	二零零五年 人民幣千元	二零零四年 人民幣千元
營業額的增加	232,048	21,769
銷售成本的增加	(191,558)	(12,466)
所得稅費用的增加	(10,612)	(3,070)
本期少數股東損益的增加	(7,304)	(2,455)
	<u>22,574</u>	<u>3,778</u>
每股溢利的增加 (基本和攤薄)(人民幣分)	<u>1.2</u>	<u>0.3</u>

- (iv) 採納香港會計準則第40號後造成本集團二零零五年一月一日期初保留溢利增加人民幣620,764,000元，期初其他儲備減少人民幣620,764,000元。

本集團並未提前採納以下已經頒佈但並未生效的新準則和詮釋，本集團認為採納以下的新準則及詮釋不會對本集團的經營成果產生重大影響。

香港會計準則第19號(經修訂)	精算收益及損失，集團計劃及披露
香港財務報告準則－註釋第4號	某項安排是否包含了租賃

(b) 新會計政策

除以下列示外，編製截至二零零五年六月三十日止六個月間的簡明中期財務報告所採用的會計政策與二零零四年年度報告中所披露的會計政策一致。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. CHANGES IN ACCOUNTING POLICIES *(Continued)*

2.1 Acquisition of subsidiaries and jointly controlled entity

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent, of any minority interests. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

An investment in a jointly controlled entity is accounted for using the equity method from the date on which it becomes a jointly controlled entity. On acquisition of the investment, the measurement and recognition of goodwill is same as that of goodwill arising from the acquisition of subsidiaries. Goodwill relating to a jointly controlled entity is included in the carrying amount of the investment. Appropriate adjustments to the investor's share of the profits or losses after acquisition are made based on their fair values at the date of acquisition.

2.2 Translation of foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.3 Property, plant and equipment

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

2.4 Investment properties

Land currently held for undertermined future use and property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Investment property comprises land held under operating leases.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

未經審核簡明綜合財務信息附註

2. 主要會計政策的變更 (續)

2.1 收購附屬公司和共同控制實體

收購會計法用於本集團收購的附屬公司入賬。收購成本為於交易日付出的資產、已發行的股票工具及產生或負擔的負債的公平值，加上收購所發生的直接成本。於業務合併時購入之可識別資產及承擔的負債及或有負債都將按收購日的公平值計算，而無論少數股東權益的多少。收購成本超出本集團應佔收購可識別淨資產的公平值的餘額會計入商譽，倘收購成本低於收購附屬公司淨資產的公平值，差額會直接於損益表確認入賬。

本集團應佔共同控制實體收購後應用權益法核算，收購共同控制實體所產生的商譽的確認和計量與收購附屬公司一致，商譽將包含在對該共同控制實體的投資餘額中。收購完成後投資者應享有的投資收益將根據收購日的公平值進行確認。

2.2 外幣折算

以外幣計值的交易，均按於交易日期的匯率兌換為功能貨幣。因結算該等交易，以及因按年終匯率而兌換以外幣計值的貨幣資產及負債而產生的外匯盈虧，均於損益賬中予以確認。

2.3 物業、廠房和設備

在各個資產負債表日，資產的殘值和使用年限都將重新覆核，並作出必要的修正。

2.4 投資物業

投資物業是尚未確定未來用途之土地及為長期出租或為資本增值而持有的（或者二者兼而有之），並且沒有被集團合併範圍內的公司所使用的物業。

投資物業包括經營租賃來的土地。

經營租賃來的土地當滿足投資物業的其他條件時，被分類到投資物業。經營租賃此時被看作是一種融資租賃。

投資物業的原始價值以歷史成本計量，包括相關的交易成本。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. CHANGES IN ACCOUNTING POLICIES *(Continued)*

2.4 Investment properties *(Continued)*

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by external valuers. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

If an item of property, plant and equipment becomes an investment property because its use has changed, any differences resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

未經審核簡明綜合財務信息附註

2. 主要會計政策的變更(續)

2.4 投資物業(續)

原始價值確認之後，投資物業以公平值列示。公平值是基於活躍的市場價格基礎之上，如有需要，將根據特定資產的性質，地點或狀況不同進行調整。如果缺少這些信息，本集團採用替代的評估方法，如較不活躍市場價格或者現金流量折現的方法。這些評估每年由外部評估師進行。正在更新改造的且將繼續作為投資物業的資產，或者其市場變得不再活躍的物業，亦將繼續根據公平值計量。

投資物業的公平值反映了從目前租約獲得的收入和根據目前市場情況假定的未來租金收入。

公平值還反映了在類似的條件下所能預期的該物業產生的現金流出數。其中一些現金流出被確認為一項負債，如被看作是投資物業的土地所對應的負債被看作是融資租賃負債，以及近期沒有被確認為在財務報表上的偶然支付。

後續的資本開支只有當其帶來的未來經濟利益能夠流入本集團，並且相關的成本可以可靠的計量時才可以增加資產的價值。其他的修理和維護成本在發生的當期確認為費用計入損益表。

公平值的變動將計入當期損益表。

如果一項投資物業轉為業主自用，將被重分類至物業、廠房和設備，在會計處理方面，其公平值在重分類當時轉為該物業、廠房和設備的初始成本。在建設中或發展中的擬將作為投資物業使用的物業按成本值暫列於物業、廠房和設備，直到建設或發展完成後，再重分類到投資物業進行核算。

如果一項物業，廠房和設備由於使用原因變更而成為一項投資物業，根據香港會計準則第16號，賬面價值與公平值的差異，於轉換當時在權益中被確認為一項物業，廠房及設備重估儲備並計入損益。然而，如果該公平值儲備沖回以前年度的減值準備之金額將被確認為收益並計入損益表。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. CHANGES IN ACCOUNTING POLICIES *(Continued)*

2.5 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation, which are at least tested annually for impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.6 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

2.7 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.8 Sales of properties

Revenue from sales of properties is recognised upon completion of sales agreement, which refers to the time when the relevant properties have been completed and delivered to the purchasers pursuant to the sale agreement. Deposits and instalments received on properties sold previous to their completion are included in current liabilities.

2.9 Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as other gains. Other gains on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

未經審核簡明綜合財務信息附註

2. 主要會計政策的變更(續)

2.5 資產減值

無確定使用壽命且不須攤銷／折舊的資產，須最少每年進行一次減值測試。於有事件顯示或情況有變而顯示其賬面值不能收回時測試有否減值。需要計提攤銷／折舊的資產在有事件顯示或情況有變而顯示其賬面值不能收回時測試有否減值。減值虧損於資產賬面值高於其可回收值(即資產公平價值扣減出售成本與賬面值較高者)時確認。就評估減值虧損而言，資產按最少可獨立識別現金流量之最低水平分類(「現金產出單元」)。

2.6 應收賬款及其他應收款項

應收賬款和其他應收款項初步按照公平值列賬，其後使用有效利率法按攤銷成本扣除呆賬準備計算。應收賬款及其他應收款項於有客觀證據證明集團未能根據原定應收款項的條款收取全部欠款時作出呆賬準備。撥備資金為資產賬面額與估計未來現金流量按照有效利率貼現的現有價值的差額，撥備金額於損益表內列賬。

2.7 貸款

貸款初步按照公平值扣除已經產生的交易成本入賬。貸款其後按攤銷成本列賬，所得款項(扣除交易成本)與贖回價值的任何差額，使用有效利率法於借款期間於損益表內確認入賬。

除非集團有權無條件將負債清償延長至由資產負債表日以後12個月，否則借款會分類為流動負債。

2.8 物業的銷售

銷售物業的收入，在銷售協議完成時確認，即有關物業已落成並根據銷售協議交付予買家的時間。在落成前售出所收取的按金和分期付款額均包括在流動負債內。

2.9 利息收入

利息收入使用有效利息法按時間分配基準確認入賬，當應收款出現減值，本集團減低賬目額至其可回收金額，即按其原訂有效利率將估計未來現金流貼現之金額並繼續按此貼現的估計確認利息收入。減值貸款的利息收入於收取現金或當條件許可時按成本一收回基準確認。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. CHANGES IN ACCOUNTING POLICIES *(Continued)*

2.10 Comparatives

The Group previously disclosed interest within 'net finance income'. Management believes that their inclusion in 'other gains – net' is a fairer representation of the Group's activities.

The Group previously disclosed undeveloped land in 'Property, plant and equipment', and other properties under development in 'Properties under development' under current assets. Management believes that to separate properties under development into current and non-current according to its completion date can fairly represent the current and non-current assets.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign exchange risk

The Group mainly operates in the PRC with most of the transactions settled in RMB and did not have significant exposure to foreign exchange risk during the period. The conversion of RMB into foreign currencies is subject to the rules and regulation of the foreign exchange control promulgated by the PRC government.

(b) Credit risk

The Group has no significant concentrations of credit risk. The carrying amount of the trade receivables included in the consolidated balance sheets represents the Group's maximum exposure to credit risk in relation to its financial assets. The Group has policy in place to ensure that sales of products and services are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the directors are of the opinion that adequate provision for uncollectible trade and other receivables has been made in the income statement.

(c) Liquidity risk

The Group ensure that it maintains sufficient cash, which is available to meet its liquidity requirements.

3.2 Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

未經審核簡明綜合財務信息附註

2. 主要會計政策的變更(續)

2.10 比較信息

本集團此前將利息收入列示於「淨財務收入」中，管理層認為將其計入「其他收入」更能反映本集團的經營成果。

本集團此前將未開發土地計入「物業、廠房及設備」，其餘開發中物業均列示為「流動資產－開發中物業」，管理層認為將開發中物業根據它的完工期區分為流動和非流動部分分別列示，能更好的反映本集團資產的流動性。

3. 財務風險管理

3.1 財務風險因素

集團的活動承受各種不同的財務風險：外匯風險、信貸風險及流動性風險。本集團的整體風險管理計劃是針對難以預測的金融市場，並致力減低對本集團表現的潛在不利影響。

(a) 外匯風險

本集團主要在中國營運，大部分交易均以人民幣結算，於有關期間並無任何重大外匯風險。將人民幣兌換為外幣須受中國政府頒佈之外幣控制規則及規定所限。

(b) 信貸風險

本集團並無重大而集中之信貸風險。列入綜合資產負債表之應收賬款賬面值指本集團就其財務資產而面對之最高信貸風險。本集團之既有政策確保將產品銷售予信貸紀錄良好之客戶，而本集團亦會對客戶進行信貸評估。本集團在收取應收貿易賬款及其它應收款項方面之過往經驗屬於已記錄準備之範圍內，董事認為，在綜合財務資料中已就不可收回之應收賬款及其它應收款項計提足夠呆賬準備。

(c) 流動性風險

本集團確保已備有充足現金，可供應付其流動資金需求。

3.2 公平價值估計

任何到期日少於一年之主要資產及負債(如有)之面值(扣除任何估計貸項調整後)均假設接近其公平價值。就披露目的而言，財務負債之公平價值乃按本集團就類似財務工具而可獲得之現時市場利率將日後合約現金流量折現而估計。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

4. CRITICAL ACCOUNTING ESTIMATES

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimate of fair value of investment properties

Investment properties owned by the Group are assessed annually by an independent valuer Greater China Appraisal Limited (“Great China”). The valuation is performed on the basis of open market value of individual property. On 8th February 2005, Great China issued a valuation report of the investment properties as at the date of 31st December 2004. Management and the senior staff of the Company, with professional qualification, have considered that there is no significant change in the investment properties at 30th June 2005 as compared with 31st December 2004. In addition, according to the market analysis of the relevant office buildings, apartments and convention centres in the first half year of 2005, management considered that the market of investment property have not significant changed as compared with 31st December 2004. Therefore, management considered that the fair value of investment property at 30th June 2005 is approximately the same as that of 31st December 2004.

未經審核簡明綜合財務信息附註

4. 重要的會計估計

估計和判斷是不斷基於過去的經驗和其他事項做出的。包括在相同環境下未來可能發生的事情。

本集團就未來作出多項估計。理論上講，會計估計很少等於實際相關結果。極有可能導致下一財政年度資產及負債賬面值出現重大調整和估計及假設的論述如下：

投資物業公平值的估計

本公司持有之投資物業皆由獨立估值師－香港漢華評值有限公司每年估值一次。估值是以個別物業之公開市值為計算基準。漢華評值有限公司於二零零五年二月八日出具了本公司投資物業於二零零四年十二月三十一日之估值報告。根據公司管理層及本公司內具專業資格之高級職員之判斷，本公司之投資物業截至二零零五年六月三十日之狀況與二零零四年十二月三十一日相比，無重大變化。同時，根據二零零五年上半年相關寫字樓、公寓、會場出租的市場分析，本公司認為該區域投資物業的市場情況與二零零四年十二月三十一日相比亦未發生重大變化。因此，我們認為本公司的投資物業於二零零五年六月三十日的公平價值與二零零四年十二月三十一日基本持平。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5. SEGMENT INFORMATION

Sales represents properties and land use rights sales, revenues from shopping centre operations, rental income, hotel and other operations, made by the Group to third parties in the People's Republic of China (the "PRC").

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

The segment results for the six months ended 30th June 2005 are as follows:

	Properties and land use rights sales RMB'000	Shopping centre operations RMB'000	Investment properties RMB'000	Hotel operations RMB'000	Other operations RMB'000	Group RMB'000
Sales	532,352	468,399	148,142	125,574	45,391	1,319,858
Inter-segment sales	—	—	—	—	(13,103)	(13,103)
Net sales	<u>532,352</u>	<u>468,399</u>	<u>148,142</u>	<u>125,574</u>	<u>32,288</u>	<u>1,306,755</u>
Segment results	<u>71,836</u>	<u>38,467</u>	<u>66,243</u>	<u>19,345</u>	<u>(745)</u>	195,146
Unallocated costs						(9,247)
Operating profit						185,899
Finance costs						(474)
Share of loss of a jointly controlled entity	—	—	—	—	(238)	(238)
Profit before income tax						185,187
Income tax expense						(62,968)
Profit for the period						<u>122,219</u>

未經審核簡明綜合財務信息附註

5. 分部資料

營業額乃指本集團在中國售予第三方之銷售額或服務收益，即物業及土地使用權銷售、購物中心業務收益、投資物業、酒店業務其他業務收益。

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：

截至二零零五年六月三十日止六個月期間的分部資料如下：

	物業及土地 使用權銷售 人民幣千元	購物 中心業務 人民幣千元	投資物業 人民幣千元	酒店業務 人民幣千元	其他業務 人民幣千元	本集團 人民幣千元
營業額	532,352	468,399	148,142	125,574	45,391	1,319,858
分部間營業額	—	—	—	—	(13,103)	(13,103)
淨營業額	<u>532,352</u>	<u>468,399</u>	<u>148,142</u>	<u>125,574</u>	<u>32,288</u>	<u>1,306,755</u>
分部業績	<u>71,836</u>	<u>38,467</u>	<u>66,243</u>	<u>19,345</u>	<u>(745)</u>	195,146
未分配成本						(9,247)
經營溢利						185,899
融資成本						(474)
共同控制實體 所佔虧損份額	—	—	—	—	(238)	(238)
除稅前溢利						185,187
所得稅費用						(62,968)
本期溢利						<u>122,219</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5. SEGMENT INFORMATION *(Continued)*

The segment results for the six months ended 30th June 2004, as restated, are as follows:

	Properties and land use rights sales RMB'000	Shopping centre operations RMB'000	Investment properties RMB'000	Hotel operations RMB'000	Other operations RMB'000	Group RMB'000
Sales	444,593	494,649	157,205	88,360	34,466	1,219,273
Inter-segment sales	—	—	—	—	(9,490)	(9,490)
Net sales	<u>444,593</u>	<u>494,649</u>	<u>157,205</u>	<u>88,360</u>	<u>24,976</u>	<u>1,209,783</u>
Segment results	<u>82,607</u>	<u>32,830</u>	<u>75,229</u>	<u>(2,816)</u>	<u>(181)</u>	<u>187,669</u>
Unallocated income						814
Operating profit						<u>188,483</u>
Finance costs						—
Share of loss of a jointly controlled entity	—	—	—	—	(1,575)	(1,575)
Profit before income tax						<u>186,908</u>
Income tax expense						(62,884)
Profit for the period						<u><u>124,024</u></u>

未經審核簡明綜合財務信息附註

5. 分部資料(續)

截至二零零四年六月三十日止六個月期間經重列的分部資料如下：

	物業及土地	購物	投資物業	酒店業務	其他業務	本集團
	使用權銷售	中心業務				
	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	人民幣千元
營業額	444,593	494,649	157,205	88,360	34,466	1,219,273
分部間營業額	—	—	—	—	(9,490)	(9,490)
淨營業額	<u>444,593</u>	<u>494,649</u>	<u>157,205</u>	<u>88,360</u>	<u>24,976</u>	<u>1,209,783</u>
分部業績	<u>82,607</u>	<u>32,830</u>	<u>75,229</u>	<u>(2,816)</u>	<u>(181)</u>	187,669
未分配收入						814
經營溢利						188,483
融資成本						—
共同控制實體						
所佔虧損份額	—	—	—	—	(1,575)	(1,575)
除稅前溢利						186,908
所得稅費用						(62,884)
本期溢利						<u>124,024</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5. SEGMENT INFORMATION *(Continued)*

Other segment terms included in the income statement are as follows:

Six months ended 30th June 2005						
	Properties and land use rights sales RMB'000	Shopping centre operations RMB'000	Investment properties RMB'000	Hotel operations RMB'000	Other operations RMB'000	Group RMB'000
Depreciation (note 6)	458	6,003	7,580	20,783	2,308	37,132
Amortisation (note 6)	5,815	—	—	—	—	5,815
Provision for impairment of receivables (note 13)	5,475	—	—	—	—	5,475
Six months ended 30th June 2004						
	Properties and land use rights sales RMB'000	Shopping centre operations RMB'000	Investment properties RMB'000	Hotel operations RMB'000	Other operations RMB'000	Group RMB'000
Depreciation (note 6)	660	6,346	8,043	21,488	2,295	38,832
Amortisation (note 6)	3,681	—	—	—	—	3,681
Reversal of provision for impairment of receivables (note 13)	(2,473)	—	—	—	(7)	(2,480)

Unallocated costs represent corporate expenses. Inter-segment transfers or transactions are entered into under the similar terms that would also be available to unrelated third parties.

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5. 分部資料(續)

損益表中有關分部信息如下：

	截至二零零五年六月三十日止六個月期間					
	物業及土地	購物		酒店業務	其他業務	本集團
	使用權銷售	中心業務	投資物業			
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	人民幣千元	
折舊(附註6)	458	6,003	7,580	20,783	2,308	37,132
攤銷(附註6)	5,815	—	—	—	—	5,815
提撥呆賬準備(附註13)	5,475	—	—	—	—	5,475
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	截至二零零四年六月三十日止六個月期間					
	物業及土地	購物		酒店業務	其他業務	本集團
	使用權銷售	中心業務	投資物業			
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	人民幣千元	
折舊(附註6)	660	6,346	8,043	21,488	2,295	38,832
攤銷(附註6)	3,681	—	—	—	—	3,681
沖回呆賬準備(附註13)	(2,473)	—	—	—	(7)	(2,480)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

未分配成本乃指本集團共同費用，分部間的轉出或交易是在與第三方相似的條款下進行的。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5. SEGMENT INFORMATION *(Continued)*

The segment assets and liabilities at 30th June 2005 and capital expenditure for the six months then ended are as follows:

	Properties and land use rights sales RMB'000	Shopping centre operations RMB'000	Investment properties RMB'000	Hotel operations RMB'000	Other operations RMB'000	Group RMB'000
Segment assets	3,785,238	202,699	3,916,786	656,375	76,419	8,637,517
Jointly controlled entity	—	—	—	—	18,962	18,962
Unallocated assets						184,724
Total assets						<u>8,841,203</u>
Segment liabilities	2,219,476	114,890	539,922	14,967	128,233	3,017,488
Unallocated liabilities						887,375
Total liabilities						<u>3,904,863</u>
Capital expenditure	<u>955,203</u>	<u>134</u>	<u>34,538</u>	<u>2,603</u>	<u>1,040</u>	<u>993,518</u>

The segment assets and liabilities at 31st December 2004, as restated, and capital expenditure for the six months ended on 30th June 2004, as restated, are as follows:

	Properties and land use rights sales RMB'000	Shopping centre operations RMB'000	Investment properties RMB'000	Hotel operations RMB'000	Other operations RMB'000	Group RMB'000
Segment assets	3,135,843	216,399	3,555,304	670,151	83,808	7,661,505
Jointly controlled entity	—	—	—	—	19,200	19,200
Unallocated assets						256,088
Total assets						<u>7,936,793</u>
Segment liabilities	1,325,982	105,297	544,806	11,881	136,658	2,124,624
Unallocated liabilities						719,995
Total liabilities						<u>2,844,619</u>
Capital expenditure	<u>677,901</u>	<u>1,001</u>	<u>39,140</u>	<u>57,769</u>	<u>732</u>	<u>776,543</u>

Segment assets consist primarily of land use rights, property, plant and equipment, investment properties, properties under development, inventories, receivables and operating cash. They exclude interest in a jointly controlled entity and unallocated assets.

Segment liabilities comprise operating liabilities. They exclude unallocated liabilities.

Capital expenditure comprises additions to property, plant and equipment, investment properties, land use rights and properties under development.

Since all the Group's sales and operating profit are derived from activities in the PRC, no geographical analysis is shown.

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5. 分部資料(續)

於二零零五年六月三十日的分部資產和負債以及截至二零零五年六月三十日止六個月期間的資本開支列示如下：

	物業及土地		購物			本集團
	使用權銷售	中心業務	投資物業	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	人民幣千元
資產	3,785,238	202,699	3,916,786	656,375	76,419	8,637,517
共同控制實體					18,962	18,962
未分配資產						184,724
總資產						<u>8,841,203</u>
負債	2,219,476	114,890	539,922	14,967	128,233	3,017,488
未分配負債						887,375
總負債						<u>3,904,863</u>
資本開支	<u>955,203</u>	<u>134</u>	<u>34,538</u>	<u>2,603</u>	<u>1,040</u>	<u>993,518</u>

於二零零四年十二月三十一日經重列的分部資產和負債以及截至二零零四年六月三十日止六個月期間經重列的資本開支列示如下：

	物業及土地		購物			本集團
	使用權銷售	中心業務	投資物業	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	人民幣千元
資產	3,135,843	216,399	3,555,304	670,151	83,808	7,661,505
共同控制實體	—	—	—	—	19,200	19,200
未分配資產						256,088
總資產						<u>7,936,793</u>
負債	1,325,982	105,297	544,806	11,881	136,658	2,124,624
未分配負債						719,995
總負債						<u>2,844,619</u>
資本開支	<u>677,901</u>	<u>1,001</u>	<u>39,140</u>	<u>57,769</u>	<u>732</u>	<u>776,543</u>

分部的資產主要包括土地使用權、物業、廠房及設備、投資物業、開發中物業、存貨、應收賬款和營業資金。不包括共同投資實體的投資和未分配資產。

分部的負債包括經營性負債。不包括未分配負債。

資本開支包括本期新增物業、廠房及設備，投資物業，土地使用權及開發中物業的支出。

由於本集團的營業額及經營溢利全部來自中國，因此並沒有為區域劃分作分析。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6. CAPITAL EXPENDITURE

	Property, plant and equipment RMB'000	Investment properties RMB'000	Land use rights RMB'000	Properties under development RMB'000
Opening net book amount as at				
1st January 2005	883,557	3,047,740	837,204	753,434
Additions	38,315	—	357,750	597,453
Disposals	(19,856)	—	—	—
Transfer	(63,785)	—	—	63,785
Transfer out with sales of properties	—	—	(31,956)	—
Depreciation/amortisation charge (note 13)	(37,132)	—	(5,815)	—
Closing net book amount as at				
30th June 2005	<u>801,099</u>	<u>3,047,740</u>	<u>1,157,183</u>	<u>1,414,672</u>
Opening net book amount as at				
1st January 2004	992,031	2,844,740	747,230	484,227
Additions	59,502	39,140	136,799	541,102
Disposals	(579)	—	—	—
Transfer out with sales of properties	—	—	(18,888)	—
Depreciation/amortisation charge (note 13)	(38,832)	—	(3,681)	—
Closing net book amount as at				
30th June 2004	<u>1,012,122</u>	<u>2,883,880</u>	<u>861,460</u>	<u>1,025,329</u>
Additions	9,150	—	—	748,568
Revaluation surplus	—	163,860	—	—
Disposals	(778)	—	—	—
Transfer	(102,885)	—	—	102,885
Transfer out with sales of properties	—	—	(20,155)	—
Transfer to properties under development for sale	—	—	—	(1,123,348)
Depreciation/amortisation charge	(34,052)	—	(4,101)	—
Closing net book amount as at				
31st December 2004	<u>883,557</u>	<u>3,047,740</u>	<u>837,204</u>	<u>753,434</u>

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6. 資本開支

	物業、 廠房和設備 人民幣千元	投資物業 人民幣千元	土地使用權 人民幣千元	開發中物業 人民幣千元
二零零五年一月一日淨值	883,557	3,047,740	837,204	753,434
添置	38,315	—	357,750	597,453
處置	(19,856)	—	—	—
結轉	(63,785)	—	—	63,785
同物業銷售轉出	—	—	(31,956)	—
折舊及攤銷(附註13)	(37,132)	—	(5,815)	—
	<u>801,099</u>	<u>3,047,740</u>	<u>1,157,183</u>	<u>1,414,672</u>
二零零五年六月三十日淨值	801,099	3,047,740	1,157,183	1,414,672
二零零四年一月一日淨值	992,031	2,844,740	747,230	484,227
添置	59,502	39,140	136,799	541,102
處置	(579)	—	—	—
同物業銷售轉出	—	—	(18,888)	—
折舊及攤銷(附註13)	(38,832)	—	(3,681)	—
	<u>1,012,122</u>	<u>2,883,880</u>	<u>861,460</u>	<u>1,025,329</u>
二零零四年六月三十日淨值	1,012,122	2,883,880	861,460	1,025,329
添置	9,150	—	—	748,568
重估增值	—	163,860	—	—
處置	(778)	—	—	—
結轉	(102,885)	—	—	102,885
同物業銷售轉出	—	—	(20,155)	—
轉出至待出售開發中物業	—	—	—	(1,123,348)
折舊及攤銷	(34,052)	—	(4,101)	—
	<u>883,557</u>	<u>3,047,740</u>	<u>837,204</u>	<u>753,434</u>
二零零四年 十二月三十一日淨值	883,557	3,047,740	837,204	753,434

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

7. TRADE AND OTHER RECEIVABLES

	As at 30th June 2005 RMB'000	As at 31st December 2004 RMB'000
Trade receivables	52,335	37,631
Less: provision for impairment of receivables	(14,969)	(7,851)
Trade receivables – net	<u>37,366</u>	<u>29,780</u>
Advance to suppliers	12,181	170,271
Other receivables – net	16,493	22,606
Prepayments	18,355	16,393
Receivables from related parties (note 20)	26,656	18,449
	<u><u>111,051</u></u>	<u><u>257,499</u></u>

At 30th June 2005 and 31st December 2004, the ageing analysis of the trade receivables were as follows:

	As at 30th June 2005 RMB'000	As at 31st December 2004 RMB'000
Within half year	37,290	7,656
Over half year and within one year	2,031	1,869
Over one year	13,014	28,106
	<u><u>52,335</u></u>	<u><u>37,631</u></u>

The credit terms in connection with sales of properties and land use rights granted to the customers are set out in the sale and purchase agreements and vary from agreements. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers.

8. SHARE CAPITAL

	As at 30th June 2005 RMB'000	As at 31st December 2004 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><u>1,867,020</u></u>	<u><u>1,867,020</u></u>

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7. 應收賬款及其他應收款項

	二零零五年 六月三十日 人民幣千元	二零零四年 十二月三十一日 人民幣千元
應收賬款	52,335	37,631
減：呆賬準備	(14,969)	(7,851)
應收賬款－淨額	37,366	29,780
預付賬款	12,181	170,271
其他應收款－淨額	16,493	22,606
待攤費用	18,355	16,393
應收關聯方(附註20)	26,656	18,449
	<u>111,051</u>	<u>257,499</u>

於二零零五年六月三十日及二零零四年十二月三十一日，應收賬款之賬齡分析如下：

	二零零五年 六月三十日 人民幣千元	二零零四年 十二月三十一日 人民幣千元
半年以內	37,290	7,656
半年至一年	2,031	1,869
一年以上	13,014	28,106
	<u>52,335</u>	<u>37,631</u>

物業和土地使用權銷售中給予客戶之信貸期限按不同之買賣合約而訂立。本集團之顧客數目眾多且分散，故不存在集中的信用風險。

8. 股本

	二零零五年 六月三十日 人民幣千元	二零零四年 十二月三十一日 人民幣千元
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	1,160,000	1,160,000
707,020,000股每股人民幣一元之H股	707,020	707,020
	<u>1,867,020</u>	<u>1,867,020</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

9. OTHER RESERVES

	Hotel revaluation reserve RMB'000	Investment property revaluation reserve RMB'000	Capital reserve RMB'000	Statutory reserve fund RMB'000	Statutory public benefit fund RMB'000	Discretionary reserve fund RMB'000	Total RMB'000
Balance at 1st January 2004, As previously reported	21,372	510,978	1,506,849	149,562	134,896	121,511	2,445,168
Adoption of HK – Int 2	(21,372)	—	—	—	—	—	(21,372)
As restated at 1st January 2004 and at 30th June 2004	—	510,978	1,506,849	149,562	134,896	121,511	2,423,796
Revaluation							
– gross	—	163,860	—	—	—	—	163,860
– tax	—	(54,074)	—	—	—	—	(54,074)
Transfer from retained earnings	—	—	—	22,390	20,755	19,054	62,199
Balance at 31st December 2004	—	620,764	1,506,849	171,952	155,651	140,565	2,595,781
Balance at 1st January 2005							
As per above	—	620,764	1,506,849	171,952	155,651	140,565	2,595,781
Opening adjustment for adoption of HKAS 40	—	(620,764)	—	—	—	—	(620,764)
As restated at 1st January 2005 and at 30th June 2005	—	—	1,506,849	171,952	155,651	140,565	1,975,017

未經審核簡明綜合財務信息附註

9. 其他儲備

	酒店 重估儲備 人民幣千元	投資物業 重估儲備 人民幣千元	資本儲備 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	總計 人民幣千元
二零零四年一月一日							
如以往呈報	21,372	510,978	1,506,849	149,562	134,896	121,511	2,445,168
採納香港會計準則 註釋—第2號	(21,372)	—	—	—	—	—	(21,372)
二零零四年一月一日 經重列及二零零四年 六月三十日	—	510,978	1,506,849	149,562	134,896	121,511	2,423,796
評估增值							
— 總增值	—	163,860	—	—	—	—	163,860
— 稅項	—	(54,074)	—	—	—	—	(54,074)
轉撥自保留溢利	—	—	—	22,390	20,755	19,054	62,199
二零零四年十二月三十一日	—	620,764	1,506,849	171,952	155,651	140,565	2,595,781
二零零五年一月一日							
如上述	—	620,764	1,506,849	171,952	155,651	140,565	2,595,781
期初採納香港會計準則 第40號	—	(620,764)	—	—	—	—	(620,764)
二零零五年一月一日 經重列及二零零五年 六月三十日	—	—	1,506,849	171,952	155,651	140,565	1,975,017

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

10. TRADE AND OTHER PAYABLES

	As at 30th June 2005 RMB'000	As at 31st December 2004 RMB'000
Trade payables	178,736	204,103
Advance from customers	905,589	762,335
Dividends payable	178,896	4,896
Accrued construction cost	290,726	246,998
Amounts due to ultimate holding company (note 20)	12,973	3,581
Other payables	890,359	751,433
	<u>2,457,279</u>	<u>1,973,346</u>

At 30th June 2005 and 31st December 2004, the ageing analysis of the trade payables were as follows:

	As at 30th June 2005 RMB'000	As at 31st December 2004 RMB'000
Within half year	97,367	180,790
Over half year and within one year	62,592	6,282
Over one year	18,777	17,031
	<u>178,736</u>	<u>204,103</u>

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10. 應付賬款及其他應付款項

	二零零五年 六月三十日 人民幣千元	二零零四年 十二月三十一日 人民幣千元
應付賬款	178,736	204,103
預收賬款	905,589	762,335
應付股利	178,896	4,896
應計建築費用	290,726	246,998
應付控股公司(附註20)	12,973	3,581
其他應付款	890,359	751,433
	<u>2,457,279</u>	<u>1,973,346</u>

於二零零五年六月三十日及二零零四年十二月三十一日，應付賬款之賬齡分析如下：

	二零零五年 六月三十日 人民幣千元	二零零四年 十二月三十一日 人民幣千元
半年以內	97,367	180,790
半年至一年	62,592	6,282
一年以上	18,777	17,031
	<u>178,736</u>	<u>204,103</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

11. BANK BORROWINGS

	As at 30th June 2005 RMB'000	As at 31st December 2004 RMB'000
Long-term bank loans, unsecured	400,000	200,000
Short-term bank loans, unsecured	500,000	130,000
Total bank borrowings	<u>900,000</u>	<u>330,000</u>

At 30th June 2005, the Group's bank loans are repayable as follows:

	As at 30th June 2005 RMB'000	As at 31st December 2004 RMB'000
Within one year	500,000	130,000
Between one and two years	400,000	200,000
	<u>900,000</u>	<u>330,000</u>

12. OTHER GAINS – NET

Other gains are analysed as follows:

	Six months ended 30th June	
	2005 RMB'000	2004 RMB'000
Compensation for relocation	9,743	—
Interest income	2,799	10,093
Others	5,941	4,668
	<u>18,483</u>	<u>14,761</u>

未經審核簡明綜合財務信息附註

11. 銀行貸款

	二零零五年 六月三十日 人民幣千元	二零零四年 十二月三十一日 人民幣千元
長期銀行貸款，無抵押	400,000	200,000
短期銀行貸款，無抵押	500,000	130,000
銀行貸款總額	<u>900,000</u>	<u>330,000</u>

於二零零五年六月三十日，本集團銀行貸款償還期如下：

	二零零五年 六月三十日 人民幣千元	二零零四年 十二月三十一日 人民幣千元
一年以內	500,000	130,000
一年至二年	400,000	200,000
	<u>900,000</u>	<u>330,000</u>

12. 其他收益－淨額

其他收益分析如下：

	截至六月三十日止六個月期間	
	二零零五年 人民幣千元	二零零四年 人民幣千元
拆遷補償收益	9,743	—
利息收益	2,799	10,093
其他	5,941	4,668
	<u>18,483</u>	<u>14,761</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

13. EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

	Six months ended 30th June	
	2005	2004
	RMB'000	RMB'000
Depreciation (note 6)	37,132	38,832
Amortisation (note 6)	5,815	3,681
Provision / (Reversal of provision) for impairment of receivables	5,475	(2,480)
Employee benefit expense	92,082	85,645
Advertising costs	7,454	9,154
Cost of inventories sold		
Properties and land use rights sales	406,266	301,423
Shopping centre operations	384,730	411,254
Direct cost arising from investment properties	74,322	72,866
Direct cost arising from hotel operations	33,879	34,035
	<u>629,135</u>	<u>629,135</u>

14. FINANCE COSTS

	Six months ended 30th June	
	2005	2004
	RMB'000	RMB'000
Interest expense on bank loans	15,858	12,541
Less: amount capitalised in properties under development with capitalisation rate of 5.86% (2004: 5.83%)	(15,384)	(12,541)
	<u>474</u>	<u>—</u>

15. INCOME TAX EXPENSE

	Six months ended 30th June	
	2005	2004
	RMB'000	RMB'000
Current income tax	56,214	51,876
Deferred income tax	6,754	11,008
	<u>62,968</u>	<u>62,884</u>

The Group is not subject to any profits tax in Hong Kong as the Group has no assessable profit in Hong Kong for the Period (six months ended 30th June 2004: nil). The Group is subject to PRC income tax on its assessable income at 33% (six months ended 30th June 2004: 33%).

There is no share of taxation of a jointly controlled entity for the six months ended 30th June 2005 (six months ended 30th June 2004: nil) is included in the income statement as of share of loss of a jointly controlled entity.

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13. 按性質列示之費用

包含於銷售成本、銷售費用和管理費用中的費用分析如下：

	截至六月三十日止六個月期間	
	二零零五年 人民幣千元	二零零四年 人民幣千元
折舊(附註6)	37,132	38,832
攤銷(附註6)	5,815	3,681
提撥／(沖回)呆賬準備	5,475	(2,480)
員工成本	92,082	85,645
廣告費用	7,454	9,154
存貨銷售成本		
物業和土地使用權銷售	406,266	301,423
購物中心業務	384,730	411,254
投資物業業務之直接成本	74,322	72,866
酒店業務之直接成本	33,879	34,035

14. 融資成本

	截至六月三十日止六個月期間	
	二零零五年 人民幣千元	二零零四年 人民幣千元
銀行貸款利息費用	15,858	12,541
減：按資本化率5.86%(二零零四年：5.83%) 計入開發中物業之資本化金額	(15,384)	(12,541)

15. 所得稅費用

	截至六月三十日止六個月期間	
	二零零五年 人民幣千元	二零零四年 人民幣千元
當期所得稅	56,214	51,876
遞延稅項	6,754	11,008

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(截至二零零四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%(截至二零零四年六月三十日止六個月期間：33%)繳納中國所得稅。

截至二零零五年六月三十日止六個月損益表中共同控制實體所佔虧損份額中，應佔共同控制實體之稅項為人民幣零元(截至二零零四年六月三十日止六個月期間：人民幣零元)。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

16. EARNINGS PER SHARE (BASIC AND DILUTED)

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company for the six months ended 30th June 2005 of RMB123,133,000 (six months ended 30th June 2004: RMB121,245,000, as restated) and 1,867,020,000 shares (six months ended 30th June 2004: 1,867,020,000 shares) in issue during the period.

The Company has no dilutive potential ordinary shares as at 30th June 2005 and 2004, and therefore the diluted earnings per share is equal to the basic earnings per share.

17. DIVIDENDS

	Six months ended 30th June	
	2005	2004
	RMB'000	RMB'000
2005 interim dividend of RMB nil (2004: nil) per share	—	—
2004 final dividend paid of RMB0.15 (2003 final dividend paid: RMB0.035) per share	<u>280,053</u>	<u>65,346</u>

At a meeting held on 26th January 2005, the Board proposed a final dividend of RMB0.15 per share for the year ended 31st December 2004, which has been reflected as an appropriation of retained earnings for the period, and the unpaid part, which was payable to ultimate holding company, has been reflected as a liability on the consolidated balance sheet.

The Board has resolved not to declare any interim dividend in respect of the six months ended 30th June 2005 (six months ended 30th June 2004: nil).

18. CONTINGENT LIABILITIES

At 30th June 2005 unsecured bank loans amounting to RMB130,000,000 are guaranteed by a subsidiary of the Company, Beijing North Star Real Estate Development Company Limited (31st December 2004: RMB130,000,000).

At 30th June 2005 unsecured bank loans amounting to RMB200,000,000 are guaranteed by the Company for a subsidiary of the company (31st December 2004: RMB200,000,000).

Management anticipates that no material liabilities will arise from the above bank guarantees which arose in the ordinary course of business.

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. The outstanding guarantees amounted to RMB1,181,619,000 as at 30th June 2005 (31st December 2004: RMB1,045,438,000). Such guarantees terminate upon (i) issuance of the real estate ownership certificate which will generally be available within six months to two years after the Group delivers possession of the relevant properties to its purchasers; (ii) completion of mortgage registration; and (iii) issuance of the real estate miscellaneous right certificate relating to the relevant property.

未經審核簡明綜合財務信息附註

16. 每股溢利

每股基本溢利是根據本期間股東應佔本集團溢利人民幣123,133,000元(截至二零零四年六月三十日止六個月期間：人民幣121,245,000元，經重列)和期內已發行股份1,867,020,000股計算(截至二零零四年六月三十日止六個月期間：1,867,020,000股)。

截至二零零四年和二零零五年六月三十日止六個月期間公司並無潛在之攤薄股份，故每股攤薄溢利與每股基本溢利相等。

17. 股息

	截至六月三十日止六個月	
	二零零五年 人民幣千元	二零零四年 人民幣千元
二零零五年中期股息每股人民幣零元(二零零四年：無)	—	—
二零零四年已派末期股息，每股人民幣0.15元 (二零零三年已派末期股息，每股人民幣0.035元)	<u>280,053</u>	<u>65,346</u>

於二零零五年一月二十六日舉行之會議上，董事會提議擬派截至二零零四年十二月三十一日止年度末期股息每股人民幣0.15元。該末期股息已列為本期間內的保留溢利分派，其未支付部分(應付控股公司)已作為本公司的一項負債列示於綜合資產負債表。

董事會決議不派發本期間之中期股息(二零零四年：無)

18. 或有負債

於二零零五年六月三十日無抵押的銀行貸款中，包含由本公司之附屬公司北京北辰房地產開發股份有限公司提供擔保的貸款人民幣130,000,000元(二零零四年十二月三十一日：人民幣130,000,000元)。

於二零零五年六月三十日無抵押的銀行貸款中，包含由本公司為本公司之附屬公司提供擔保的貸款人民幣200,000,000元(二零零四年十二月三十一日：人民幣200,000,000元)。

管理層認為上述借款擔保屬於正常商業條款，故不會因此產生新的負債。

本集團已就若干物業單位購買方安排銀行融資，並對該等購買方的還款責任提供擔保。於二零零五年六月三十日，未清償的擔保金額為人民幣1,181,619,000元(二零零四年人民幣1,045,438,000元)。上述擔保將於下列情況下終止：(i)發出房地產所有權證後，而房地產所有權證一般會在本集團將有關物業的擁有權移交買家後6個月至2年內發出；(ii)完成按揭註冊後；及(iii)發出有關物業的房地產雜項權利證後。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19. COMMITMENTS

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

	As at 30th June 2005 RMB'000	As at 31st December 2004 RMB'000
Contracted but not provided for	132,568	144,860
Authorised but not contracted for	<u>4,882</u>	<u>—</u>

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

	As at 30th June 2005 RMB'000	As at 31st December 2004 RMB'000
Properties under development		
Contracted but not provided for	260,211	594,872
Authorised but not contracted for	<u>1,049,079</u>	<u>1,007,304</u>
Land use rights		
Contracted but not provided for	<u>464,122</u>	<u>106,372</u>

- (c) The Company's capital commitments in respect of investment in a subsidiary:

	As at 30th June 2005 RMB'000	As at 31st December 2004 RMB'000
Contracted but not provided for	<u>1,352,000</u>	<u>1,360,000</u>

未經審核簡明綜合財務信息附註

19. 承擔

(a) 投資物業、在建工程及購買設備及機器的資本承擔分析如下：

	二零零五年 六月三十日 人民幣千元	二零零四年 十二月三十一日 人民幣千元
已定約但未撥備	132,568	144,860
已批准但未訂約	<u>4,882</u>	<u>—</u>

(b) 開發中物業及土地使用權之發展成本的資本承擔分析如下：

	二零零五年 六月三十日 人民幣千元	二零零四年 十二月三十一日 人民幣千元
開發中物業		
已定約但未撥備	260,211	594,872
已批准但未訂約	<u>1,049,079</u>	<u>1,007,304</u>
土地使用權		
已定約但未撥備	<u>464,122</u>	<u>106,372</u>

(c) 本公司對投資一家附屬公司的資本承擔分析如下：

	二零零五年 六月三十日 人民幣千元	二零零四年 十二月三十一日 人民幣千元
已定約但未撥備	<u>1,352,000</u>	<u>1,360,000</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19. COMMITMENTS (Continued)

- (d) At 30th June 2005 and 31st December 2004, the Group had future aggregate minimum rental payments under non-cancellable operating leases as follows:

	As at 30th June 2005 RMB'000	As at 31st December 2004 RMB'000
Rental payables		
Not later than one year	12,848	12,848
Later than one year and not later than five years	51,392	51,392
Later than five years	353,319	359,743
	<u>417,559</u>	<u>423,983</u>

20. RELATED PARTY TRANSACTIONS

The Group is controlled by Beijing North Star Industrial Group Company (the ultimate holding company), which owns 62.1% of the Company's shares. The remaining 37.9% of the shares are widely held.

The ultimate holding company itself is a state-owned enterprise controlled by the PRC government. In accordance with HKAS 24, "Related Party Disclosures", state-owned enterprises and their subsidiaries, other than the ultimate Holding Company, directly or indirectly controlled by the PRC government are also defined as related parties of the Group.

For purpose of related party transaction disclosure, the Group has in place procedures to assist the identification of the immediate ownership structure of its customers and suppliers as to whether they are state-owned enterprises. Many state-owned enterprises have multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatisation programmes. Due to the pervasiveness of the Group's retail transactions with the entities' employees on corporate business, their key management personnel and close family members, and other related parties, there is no feasible way to track such transactions and ensure the completeness of certain disclosures. Nevertheless, management believes that meaningful information relative to related party transactions has been disclosed.

未經審核簡明綜合財務信息附註

19. 承擔 (續)

- (d) 於二零零五年六月三十日及二零零四年十二月三十一日，集團根據不可撤銷之應付之經營租賃而於未來支付之最低租賃付款總額如下：

	二零零五年 六月三十日 人民幣千元	二零零四年 十二月三十一日 人民幣千元
應付租金		
第一年內	12,848	12,848
第二至第五年內	51,392	51,392
五年後	353,319	359,743
	<u>417,559</u>	<u>423,983</u>

20. 關聯方交易

本集團受北京北辰實業集團公司(以下簡稱「最終控股公司」)所控制，最終控股公司持有其62.1%的股權，其餘37.9%的股權為公眾股。

最終控股公司是受中國政府控制的國有企業。根據香港會計準則24號「關聯方披露」規定，除控股公司外，其他所有受中國政府直接或間接控制的國有企業及其附屬公司，都將被認定是集團的關聯方。

為了充分披露關聯方交易，集團設置了適當的程序，通過瞭解客戶及供應商的股權結構，來協助判斷其是否為國有企業。但是很多國有企業擁有多層次的公司架構，並且股權結構隨著公司轉讓和私有化進程在不斷變更。由於集團對其他企業的僱員、關鍵管理人員及近親、及其他關聯方的零售業務了解並不深入，要完全追蹤並揭示所有這樣的交易是不可行的。但是，集團管理層確信所有關於關聯方交易的具有重大意義的信息都得到了披露。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

20. RELATED PARTY TRANSACTIONS *(Continued)*

In addition to the related party information shown elsewhere in the financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the period and balances arising from related party transactions at the end of the period indicated below:

(i) Related party transactions

	Six months ended 30th June	
	2005	2004
	RMB'000	RMB'000
Sales of services		
Rental income		
Other state-owned enterprises	6,817	8,224
Interest income		
State-owned banks	<u>2,811</u>	<u>17,141</u>
Purchases of goods and services		
System integration		
A jointly controlled entity	2,305	5,242
Heating fees		
A fellow subsidiary	—	3,920
Operating lease payment for land		
Ultimate holding company	6,424	6,424
Fees paid for construction and technical services		
Other state-owned enterprise	453,010	432,596
Interest expenses		
State-owned banks	<u>15,858</u>	<u>12,541</u>
Drawdown of Loans		
State-owned banks	<u>570,000</u>	<u>—</u>

The Group does not have a system to identify the related parties within its retail customers, therefore the sales of goods disclosed above does not include the retail sales to related parties. The Group does not believe it is meaningful to disclose the retail sales to related parties as the sales terms, including pricing, with these related parties are the same as the ones with non-related parties.

未經審核簡明綜合財務信息附註

20. 關聯方交易 (續)

除了在財務報表其他地方披露的關聯方信息，以下是期間內集團和關聯方之間在正常經營活動中產生的重大關聯方交易滙總，及其產生的相應關聯方期末餘額：

(i) 關聯方交易

	截至六月三十日止六個月期間	
	二零零五年	二零零四年
	人民幣千元	人民幣千元
提供服務		
租金收入		
其他國有企業	6,817	8,224
利息收入		
國有銀行	2,811	17,141
	<u> </u>	<u> </u>
採購及接受服務		
系統集成		
共同控制實體	2,305	5,242
熱力費用		
同系附屬公司	—	3,920
土地經營租賃支付		
控股公司	6,424	6,424
建築和技術服務費用		
其他國有企業	453,010	432,596
利息費用		
國有銀行	15,858	12,541
	<u> </u>	<u> </u>
接受貸款		
國有銀行	570,000	—
	<u> </u>	<u> </u>

集團沒有一個完整的體系來確認零售客戶中的關聯方，因此上面銷售收入事項中不包括跟其關聯方的零售收入，集團認為零售收入中與關聯方交易的定價及其他條款和非關聯方的相同，因此把跟關聯方的零售收入作為關聯方交易事項反映沒有意義。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

20. RELATED PARTY TRANSACTIONS *(Continued)*

(ii) Related party balances

	30th June 2005 RMB'000	31st December 2004 RMB'000
Bank deposits		
State-owned banks	780,076	500,438
Prepayment and other receivables from related parties		
Other state-owned enterprises	<u>26,656</u>	<u>18,449</u>
Trade and other payables to related parties		
Other state-owned enterprises	773,201	714,443
Ultimate holding company	12,973	3,581
Bank borrowings		
State-owned banks	<u>900,000</u>	<u>330,000</u>

Apart from bank deposits and bank borrowings, the amounts receivable and payable are unsecured, interest free and have no fixed terms of repayment as at 30th June 2005 and 31st December 2004.

At 30th June 2005, the balance of the Group's provision for impairment of receivables from related parties is nil (At 31st December 2004: nil). The Group's bad debt provision charged to income statement for the six months ended 30th June 2005 is nil (six months ended 30th June 2004: nil).

(iii) Key management compensation

	Six months ended 30th June	
	2005 RMB'000	2004 RMB'000
Salaries and other short-term employee benefits	1,983	1,273
Post-employment benefits	<u>104</u>	<u>87</u>
	<u>2,087</u>	<u>1,360</u>

未經審核簡明綜合財務信息附註

20. 關聯方交易 (續)

(ii) 關聯方餘額

	二零零五年 六月三十日 人民幣千元	二零零四年 十二月三十一日 人民幣千元
銀行存款		
國有銀行	780,076	500,438
預付和其他應收關聯方		
其它國有控股企業	<u>26,656</u>	<u>18,449</u>
應付和其他應付關聯方		
其它國有控股企業	773,201	714,443
本公司之控股公司	12,973	3,581
銀行貸款		
國有銀行	<u>900,000</u>	<u>330,000</u>

除銀行存款與銀行貸款外，應收應付款項於二零零四年十二月三十一日及二零零五年六月三十日均無抵押，免息且無固定償還期。

於二零零五年六月三十日，本集團對此類應收款項計提的壞賬準備為人民幣零元（於二零零四年十二月三十一日：人民幣零元）。計入二零零五年六月三十日止六個月期間損益表的壞賬準備為人民幣零元（截至二零零四年六月三十日止六個月期間：人民幣零元）。

(iii) 主要管理者的報酬

	截至六月三十日止六個月期間	
	二零零五年 人民幣千元	二零零四年 人民幣千元
薪水及其他當期福利	1,983	1,273
離職後福利	<u>104</u>	<u>87</u>
	<u>2,087</u>	<u>1,360</u>

REVIEW OF OPERATIONS

Operating Environment

During the first half of 2005, in view of a likelihood of overheating in China's real estate market, the PRC government imposed a series of austerity measures in order to maintain the sustainability, stability, and healthy development of the property market. These measures include tight credit control, adjustment on land supply and increase in taxation etc., totaling eight opinions to stabilize the property prices and eight measures for further guidance and control of the real estate market. From a national perspective, the austerity measures exerted due effect. The overall real estate market became more rational. The scales of developments were headed for a soft landing with a more gradual increase in commodity properties prices. Real estate speculative activities were basically curbed where major adjustments experienced in some cities.

Under the measures, Beijing real estate market showed an upward trend in both price and supply during the first half of the year. Investment in Beijing's real estate development during the first half of the year was RMB52,980,000,000, representing an increase of 8.1%, lower than the 16.1% increase of the previous year. Total sales of commodity properties, in terms of floor area for the whole municipal was 9,843,000 m², representing an increase of 35.8% when compared with the same period of last year, 4.5% lower than the increase over the corresponding period in the previous year. The completed area of commodity properties was 10,937,000 m², representing an increase of 53.4%, 13.1% lower than the same period of the previous year. Sales of commodity properties was RMB53,060,000,000, representing an increase of 48.0%, 2.5% lower than the increase over the corresponding period of the previous year. The average selling price of commodity properties in Beijing was RMB5,391 per m², representing an increase of 8.9%, 1.7% higher than the increase recorded over the corresponding period of last year. Although the above data showed a relatively large increment on Beijing's property market compared to the same period of last year, the level of increment was significantly lower reflecting the austerity measures imposed has taken effect on the real estate market in Beijing.

Total sales of commodity housing during the first half of the year in terms of floor area for Beijing was 9,374,000 m², representing an increase of 42.2% compared with the same period of last year. The completed area of commodity housing was 8,935,000 m², representing an increase of 58.3%. Sales of commodity housing was RMB48,590,000,000, representing an increase of 64.1% over the corresponding period of the previous year. The average selling price of commodity houses was RMB5,183 per m², representing an increase of 15.4% over the corresponding period of last year. The level of increment was relatively higher when compared to the indices of the same period of last year in completed area, sales area, sales revenue and average selling price. With reduced activities in speculation and investment, the overall market operation was satisfactory. The strong demand for the commodity housing in Beijing reflected the austerity measures imposed has minor impact on the commodity housing market.

During the first half of the year, as the supply of offices in the Beijing leasing market gradually picked up, market competition was intensified, with higher pressure on the downturns of rentals and occupancy. The average occupancy rates and rentals of apartments and hotels with 3-stars or above remained the same compared to the corresponding period of last year.

經營回顧

經營環境

二零零五年上半年，針對中國房地產市場過熱傾向，為維護房地產市場的持續、穩定、健康發展，國家運用經濟手段，採用緊縮信貸、調節土地供應、增加有關稅收等一系列措施對房地產行業進行宏觀調控，相繼出台了關於穩定住房價格的八條意見和加強房地產市場引導和調控的八條措施等。從全國範圍看，宏觀調控取得了一定成效，全國房地產市場漸趨理性，開發規模平穩回落，商品住宅平均價格漲幅趨於穩定，房地產投機炒作行為得到了基本遏制，個別城市的房地產市場出現了深幅調整。

在宏觀調控形勢下，上半年的北京市房地產市場呈現價升量增的態勢，北京市上半年房地產開發投資人民幣52,980,000,000元，比去年同期增長8.1%，增幅低於上年同期16.1個百分點；全市商品房銷售面積9,843,000平方米，比去年同期增長35.8%，增幅低於上年同期4.5個百分點；商品房竣工面積10,937,000平方米，同比增長53.4%，增幅低於上年同期13.1個百分點；商品房銷售額人民幣53,060,000,000元，比去年同期增加了48.0%，增幅低於上年同期2.5個百分點；全市商品房平均銷售價格為人民幣5,391元／平方米，同比上漲了8.9%，增幅較上年同期高1.7個百分點。以上數據顯示全市房地產業雖然比去年同期有較大幅度增長，但增長速度明顯放緩，說明宏觀調控對全市地產行業已經產生了一定影響。

北京市上半年商品住宅銷售面積9,374,000平方米，比去年同期增長42.2%，商品住宅竣工面積8,935,000平方米，同比增長58.3%，商品住宅銷售額人民幣48,590,000,000元，比去年同期增長了64.1%，商品住宅平均銷售價格為人民幣5,183元／平方米，同比上漲了15.4%。同時商品住宅的竣工面積、銷售面積、銷售額及銷售價格各指標的增幅均高於二零零四年同期水平。由此可見，北京市的住宅需求依然強勁，投機及投資行為較少，市場整體運行狀況良好。宏觀調控措施對全市商品住宅的影響不大。

上半年北京市租賃物業市場中，寫字樓供應量逐漸放大，市場競爭日趨激烈，租金和出租率進一步下滑的壓力加大，公寓和三星級以上酒店與去年同期相比平均出租率和平均房價基本持平。

REVIEW OF OPERATIONS

As the income of the population improved, total retail sales of consumer goods and residents' consumption expenditure experienced further increase. Retail business grows steadily and continuously. Beijing's business and commercial operations improved as demonstrated by a healthy increase compared to the corresponding period of 2004. The figure of each index was apparently higher than those of the same period of last year. Market competition was severe as renowned international retailers continue to increase their investment and open more outlets in Beijing.

Business Review

Under the atmosphere of the austerity measures, the Company accomplished satisfactory results during the first half of the year due to its increasingly mature products, aggressive marketing strategies, and high quality and regulated management and services. A turnover of RMB1,306,755,000 was recorded with an increase of 8.0% over the corresponding period of the previous year. Operating profit amounted to RMB185,899,000, almost at the same level as last year, Profit attributable to equity shareholders was RMB123,133,000, representing an increase of 1.6% over the same period of the previous year.

The Company's development properties generated an income of RMB532,352,000 during the first half of the year, representing an increase of 19.7% and operating profit amounted to RMB71,836,000. The total area of commodity properties sold forward during the first half of the year was 85,493 m², which is at the same level as the same period of last year, but with a higher average selling price. During the first half of the year, the amount of contractual pre-sales amounted to RMB772,870,000, representing an increase of 11.1% over the same period of last year.

Summary of the Company's projects for sale during Jan - Jun 2005:

Project	Pre-sales Status during Jan - Jun 2005			Accumulated Pre-sales As at 30th June 2005	
	Saleable Area (m ²)	Area Sold (m ²)	Percentage Sold (%)	Area Sold (m ²)	*Percentage Sold (%)
	Developed portion of Green Garden (residential)	123,525	65,644	53.14%	371,326
Developed portion of Green Garden (commercial)	28,935	1,347	4.66%	1,347	4.66%
Sub-total of developed portion of Green Garden	152,460	66,991	43.94%	372,673	81.34%
Hui Xin Apartment	388	388	100.00%	30,932	100.00%
Changdao Lanqiao Garden Villas	37,279	14,236	38.19%	56,957	71.20%
Bihai Fangzhou Garden Villas	13,900	3,878	27.90%	6,752	40.25%

*Note: The percentage was calculated according to the saleable area of developed project

經營回顧

隨著居民收入的不斷增加，社會消費品零售總額及居民消費支出進一步增長，零售商業持續平穩增長，北京市商業經濟整體運行狀態良好，各項指標明顯高於上年同期水平。國際著名零售商業在北京繼續增加投資和經營場所，市場競爭更加激烈。

業務回顧

在宏觀調控的大環境下，本公司憑藉日臻成熟與完善的產品，積極主動的市場營銷策略，優質規範的管理和服務，取得了較好業績。上半年公司營業額約為人民幣1,306,755,000元，較去年同期上升約8.0%，經營溢利為人民幣185,899,000元，較去年同期基本持平，股東應佔溢利人民幣123,133,000元，較去年同期上升1.6%。

本公司發展物業上半年實現營業收入人民幣532,352,000元，較去年同期增長19.7%，實現經營溢利人民幣71,836,000元。上半年預售商品房85,493平方米，與去年同期基本持平，但平均銷售價格上升。上半年合同預售金額達到人民幣772,870,000元，同比增長11.1%。

二零零五年一月至六月本公司在售項目一覽：

項目名稱	二零零五年一月至六月預售情況			截至二零零五年六月 累計預售情況	
	可預售面積 (平方米)	預售面積 (平方米)	預售率 (%)	預售面積 (平方米)	*預售率 (%)
綠色家園已開發住宅	123,525	65,644	53.14%	371,326	86.51%
綠色家園已開發商業	28,935	1,347	4.66%	1,347	4.66%
綠色家園已開發小計	152,460	66,991	43.94%	372,673	81.34%
滙欣公寓	388	388	100.00%	30,932	100.00%
長島瀾橋	37,279	14,236	38.19%	56,957	71.20%
碧海方舟	13,900	3,878	27.90%	6,752	40.25%

*備註：該項為已開發部份中可售部份的累計預售率。

REVIEW OF OPERATIONS

Status of the Company's new projects and projects under construction during Jan-Jun 2005:

Project	Gross Floor Area (m ²)	Jan – Jun 2005		Area Under Construction (m ²)	Progress
		Newly Commenced Area (m ²)			
Green Garden	1,654,464	158,108		278,707	Work in progress, partial sale will commence in the second half of 2005
Changdao Lanqiao Garden Villas	112,749	—		74,073	Work in progress and for sale
Bihai Fangzhou Garden Villas	66,617	—		4,770	Work in progress and for sale
Changhe Yushu Garden Villas	204,489	42,010		42,010	Work in progress, sale will commence in the second half of 2005
Xiangshan Project	211,940	3,448		3,448	Work in progress, sale will commence in the second half of 2005
Beichen Building	131,814	131,814		131,814	Work in progress
Olympic National Convention Center	530,000	270,000		270,000	Work in progress

The investment properties and hotel operations of the Company during the first half of the year recorded an operating profit of RMB85,588,000, representing an increase of 18.2% over the same period of the previous year. During the Period, investment properties rentals amounted to RMB148,142,000 and income from the hotel operation was RMB125,574,000, representing an increase of 42.1% than the previous year. Beijing Continental Grand Hotel and Beijing International Convention Center leveraging on their comparative advantages of offering convention and exhibition service in conjunction with hotel operation further enhanced their potential. The economic benefits of the hotel and the convention center were effectively improved through an adjustment on the operation mode of catering and management. Riding on its impeccable brand image and the competitive edge of Inter-Continental Hotels Group, Crowne Plaza Park View Wuzhou Beijing generated an operating income of RMB80,893,000 while operating profit achieved a breakthrough by exceeding RMB15,000,000. Resources integration for the professional companies of apartments and offices were completed and the operation and management model was confirmed. Through the adjustment of rentals and tenant portfolio, and the stabilization of internal market etc., a solid foundation for the Company's future long-term revenue was laid.

經營回顧

二零零五年一月至六月本公司新建及在建項目一覽：

項目名稱	總建築面積 (平方米)	二零零五年 一月至六月		備註(開發狀態)
		新開工面積 (平方米)	施工面積 (平方米)	
綠色家園	1,654,464	158,108	278,707	在施、下半年部分開盤
長島瀾橋	112,749	—	74,073	在施、在售
碧海方舟	66,617	—	4,770	在施、在售
長河玉墅	204,489	42,010	42,010	在施、下半年開盤
香山項目	211,940	3,448	3,448	在施、下半年開盤
北辰大廈	131,814	131,814	131,814	在施
奧運國家會議中心	530,000	270,000	270,000	在施

本公司投資物業及酒店上半年實現經營溢利人民幣85,588,000元，較去年同期相比上升18.2%，投資物業租金收入人民幣148,142,000元，酒店收入人民幣125,574,000元，同比增長42.1%。五洲大酒店與國際會議中心充分發揮會展接待與酒店經營相結合的綜合優勢，進一步加大自身資源潛力的挖掘力度，通過調整餐飲經營模式和管理格局，有效促進了經濟效益的提升，五洲皇冠假日酒店借助品牌優勢及洲際集團的優勢，實現營業收入人民幣80,893,000元，經營溢利突破人民幣15,000,000元；公寓、寫字樓兩家專業公司完成了相應業態的資源整合，確定了經營管理模式，通過調整租金價格、租戶結構及穩定內部市場等方式，為公司長期穩定收益奠定了基礎。

During the first half of the year, the Company's retail operation maintained a stable upward trend with an operating income of RMB468,399,000, representing a decrease of 5.3% compared with the same period of last year, while operating profit of RMB38,467,000, representing an increase of 17.2% through adjusting its retail product mix, realization of its operation potential, exercising stringent cost control and implementation of various promotional activities, the overall gross profit margin was increased. The Company ranked second in the Beijing retail industry in terms of profit generated per m² and ranked fifth in terms of total sales profitability.

On 8th April 2005, the Company formally established Beijing North Star Convention Center Development Company Limited 北京北辰會議中心發展有限公司 which is principally engaged in the development and construction of the Beijing Olympic Park (Zone B) National Convention Center Project. Construction for the project commenced on 28th April 2005, and substructure will be completed by the end of the year. The expected completion date will be in August 2007. Currently, the project is on track according to its development schedule and targets for different stages.

OUTLOOK FOR THE SECOND HALF OF THE YEAR

In view of the current situation, China's economy is heading towards the direction as set under the austerity measures. The impact of austerity measures on the real estate market in Beijing will further intensify in the second half of the year. Growth pace of various real estate indicators such as investment on property development, commencement, completion of the construction and sales, will continue to be sluggish. However, limited growth will still be experienced.

Fueled by rising demand and the increasing cost, property prices in Beijing are unlikely to go down in the second half of the year. Although the government has promulgated a number of policies and measures to regulate the real estate market, which are able to combat the escalating property prices fundamentally, these policies and measures will take time to generate impact on the market. The actual land supply in Beijing in the first half of 2005 decreased when compared with that of last year. Factors like the decrease in land supply and tightening of credit have deterred the cost of commodity properties from falling. In respect of demand, Olympic-related construction activities bring substantial improvements to the Beijing's infrastructure. Both the living conditions and environment are very conducive to investment. The stable and orderly development of the Beijing real estate market in recent years has strengthened the confidence of prospective purchasers. Anticipating the appreciation of Renminbi will continue to capture overseas investors' attention. However, it would be difficult for real estate prices to escalate significantly under the austerity measures. It is expected that housing prices will experience a stable upward trend in the second half of the year.

上半年零售商業通過調整商品結構、挖潛經營、嚴控成本，採取多種促銷方式，提高綜合毛利率，利潤保持穩中有升，實現營業收入為人民幣468,399,000元，比去年同期下降約5.3%，經營溢利人民幣38,467,000元，較去年同期增長17.2%，取得了北京市零售商業單位平米創利第二名，銷售額排名第五名的可喜成績。

二零零五年四月八日本公司正式成立了北京北辰會議中心發展有限公司，專門從事北京奧林匹克公園(B區)國家會議中心項目的開發建設。該項目已於二零零五年四月二十八日開工，年底完成地面以下結構施工，預計二零零七年八月竣工。目前該項目正按照既定的開發進度及階段目標推進。

下半年展望

從目前形勢看，我國經濟運行在繼續朝宏觀調控所預期的方向發展，北京對房地產宏觀調控的滯後反應將在下半年進一步顯現，預計北京市房地產開發投資、施工、竣工、銷售等各項指標的增長速度會繼續放緩，但仍將保持一定增長。

預期下半年北京房價出現回調的可能性較小，原因在於需求拉動及成本推動因素的共同作用：雖然政府已出台諸多規範土地市場政策，可從根本上解決房價上漲過快的問題，但這些政策對市場的影響需要時間，二零零五年北京地產市場土地實際供應量比去年有所減少。土地供應減少以及房地產信貸緊縮等因素導致二零零五年商品房成本難以降低；而需求方面，奧運建設帶來北京市基礎設施的極大改善，居住條件和環境對投資置業十分有利；北京地產市場近幾年穩健有序的發展，增強了購房人的信心；人民幣持續升值的預期，繼續吸引著海外投資者的目光。

Construction works for the Beijing Olympics Projects will commence during the second half of 2005, and infrastructure such as transportation and environmental facilities will be completed in time. The areas peripheral to the Olympic Park are the key focal areas of the government, which will be developed into a diversified district of cultural, trendy, healthy, international and ecological environment. The Beijing Olympics has provided the properties in the area with unprecedented opportunities of development and appreciation of value. The Company owns investment properties, retail operations and two Olympic projects in the Asian-Olympic core district, and is the largest beneficiary of the Olympics Games. We are going to capture these opportunities, rouse ourselves to vigorous efforts to make our business prosperous and to bring forth fruitful returns to our shareholders. For the second half of the year, the Company will continue to work towards its operating objectives and to maximize its shareholders' interest by focusing on the development of the following targets:

1. For development properties, besides continuing focusing on the existing projects, every opportunity will be grasped and aggressive expansion will be made to consolidate the foothold in Beijing and to explore other new development projects to maintain sustainable development for the Company.

Endeavor to transcend the objective of expected contracted area of 141,049 m² for the year. Accelerate the sale of Green Garden. Adopt effective sales strategies to further promote Bihai Fangzhou Garden Villas in order to achieve a better sale results. Implement aggressive strategies for the sale of Changdao Lanqiao Garden Villas. Closely monitor the initial promotion of Chenghe Yushu Garden Villas and Xiangshan Project in order to lay a concrete foundation for the forthcoming sales activities. Dedicated to complete the construction works of Beichen Building to above the ground level by the end of the year.

2. As for investment properties, the Company will continue to maximize its benefits by adopting appropriate pricing strategies, exploring the internal potential, and exercising stringent cost control. Two professional management companies will be incorporated for apartments and offices respectively, with an aim to further enhance the capability of professional management and to lay a foundation for building up new growth potential in respect of brand's operation and management.
3. For retail operations, by adjusting the product mix and brand image, and implementing innovative promotional strategies to further boost sales. Meanwhile, to actively promote and complete various preparation works for commercial development.
4. To continue with the fund raising exercising, the Company is in the progress of carrying out "A" Shares pre-listing preparations pursuant to the policies and requirements of the China Securities Regulatory Commission.
5. To carry out the construction work of Olympic Projects and to complete the preparation work for commencement of the construction of Olympic Media Village by the end of the year. To implement the construction of Beijing Olympic Park (Zone B) National Convention Center Project according to schedule. In addition, the Company will invite renowned international strategic investors to further enhance the standard of operation and management for the future investment properties in the Olympic core areas.

但在宏觀調控的大背景下，房價難以大幅上漲，預計下半年房價將呈平穩增長態勢。

二零零五年下半年，北京奧運項目全部開工，城市交通、環境等基礎設施逐步完善。奧林匹克公園周邊地區是政府重點投入區域，將傾力打造成為文化、時尚、健康、國際、生態等多元化的生活區域，奧運為該區域物業提供前所未有的發展商機和升值潛力。本公司擁有位於亞奧核心區的投資物業、零售商業及其兩個奧運項目，是奧運最大受益者，我們將抓住機遇，勵精圖治，為股東謀求更大利益。下半年公司將繼續按照既定的經營目標，以股東利益最大化為原則，重點開展以下工作：

1. 發展物業做好現有項目的基礎上，抓住機遇，積極擴張，立足於北京，並積極拓展新的項目，保證公司持續發展的需要。

全年力爭突破年初預計合同簽約面積141,049平方米的目標。加快推進綠色家園的開發銷售工作；碧海方舟項目將繼續加強推廣力度，採取有效的銷售策略，力爭再創銷售佳績；積極準備長島瀾橋三期銷售工作；加緊長河玉墅、香山項目的前期推廣工作，為即將開始的銷售工作打下堅實的基礎；北辰大廈力爭實現年底基礎施工達到出地面的工作目標。

2. 投資物業繼續通過價格策略、內部挖潛及成本控制等方式實現效益最大化。公寓和寫字樓將分別註冊成立兩家專業管理公司，進一步提高專業化管理能力，為品牌經營管理建立新的效益增長點奠定基礎。
3. 零售商業將繼續通過商品結構和品牌的調整、促銷方式的創新等措施，進一步擴大銷售額，同時積極推進和完善商業發展的各項籌建工作。
4. 積極推進融資工作，本公司正按照中國證監會的政策和要求，進行A股發行前的準備工作。
5. 積極推進奧運項目建設，完成奧運媒體村年底開工的準備工作；按計劃實施北京奧林匹克公園(B區)國家會議中心項目工程建設。同時，公司將通過引進國際知名的戰略投資者，來進一步提升未來奧運核心區投資物業的經營管理水平。

DISCUSSION AND ANALYSIS OF THE GROUP'S PERFORMANCE

Financial Resources and Cash Flow Situation

Shareholders' interest as at 30th June 2005 decreased by 3.1% compared with that as at 31st December 2004. The decrease was mainly due to the increase in the aggregate profit attributable to shareholders of RMB466,755,000 for the Period.

Net borrowings of the Group as at 30th June 2005 amounted to RMB900,000,000, 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 RMB2,394,194,000 whereas current liabilities amounted to RMB2,980,451,000. As at 30th June 2005, balance of bank deposits and cash amounted to RMB781,259,000.

As at 30th June 2005, no assets had been pledged by the Group as security and the gearing ratio of the Group was 44.2% calculated by dividing total liabilities over total assets. The Group did not have any significant contingent liabilities, nor did it hedge against any exchange rate risks.

Comparison of Operating Results

Comparison of the six months ended 30th June 2005 over the corresponding period of the previous year:

The Group's turnover for the six months ended 30th June 2005 was approximately RMB1,306,755,000, an increase of approximately 8.0% over the corresponding period of the previous year. The increase in turnover is mainly attributed to the increase in the revenue of property sales and hotel operation.

Operating profit of the Group for the six months ended 30th June 2005 was approximately RMB185,899,000, a decrease of approximately 1.4% over the corresponding period of the previous year. Profit attributable to equity shareholders was approximately RMB123,133,000, representing an increase of 1.6% over the corresponding period of the previous year.

Sales of land and properties recorded a turnover of RMB532,352,000, representing an increase of 19.7% over the corresponding period of the previous year. The increase in operating profit is mainly due to the completion and sales of Green Garden Zone B1 & C2.

The rental income of investment properties for the six months ended 30th June 2005 was RMB148,142,000, representing a decrease of 5.8% compared to the corresponding period of the previous year.

During the Period, the shopping center recorded a turnover of RMB468,399,000, representing a decrease of 5.3% over the corresponding period of the previous year.

The profit margin of the shopping center was increased due to the adjustment of operational strategy, and enhancement of products' structure and quality. Operating profit increased by 17.2% when compared with the corresponding period of last year.

The turnover of hotel operations surged by 42.1% with operating profit amounted to RMB19,345,000. Benefited from its excellent management and environment, the rentals and occupancy rate of Crowne Plaza Parkview Wuzhou Beijing achieved better results than other competitors of the same grade. By altering the operation model and collaborating with Beijing International Convention Center, Beijing Continental Grand Hotel attained steady income growth.

財務表現的討論及分析

財政資源及流動資金狀況

於二零零五年六月三十日的股東權益較二零零四年十二月三十一日的股東權益有3.1%的下降，此下降主要是由於本期間及上年度分配股利人民幣466,755,000元。

本集團在截至二零零五年六月三十日的借款淨額為人民幣900,000,000元。本集團的借款主要來自銀行，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2,394,194,000元，而流動負債數額則為人民幣2,980,451,000元。於二零零五年六月三十日，銀行存款及現金的餘額為人民幣781,259,000元。

本集團截至二零零五年六月三十日並無資產抵押，集團的資本與負債比率為44.2%（計算方式為總負債除以總資產）。集團並無重大或然負債，亦無進行匯率風險反對沖。

經營業績比較

截至二零零五年六月三十日止六個月期間與去年同期比較：

本集團截至二零零五年六月三十日止六個月期間之營業額約為人民幣1,306,755,000元，較去年同期上升約8.0%，營業額較去年增加的主要原因是物業銷售、酒店營業額大幅增加。

本集團二零零五年六月三十日止六個月期間經營溢利約為人民幣185,899,000元，比去年同期下降約1.4%，股東應佔溢利約為人民幣123,133,000元，比去年同期上升1.6%。

物業及土地銷售營業額人民幣532,352,000元，比去年同期上升19.7%，上升的主要原因是綠色家園B1及C2區完工銷售。

截至二零零五年六月三十日止，投資物業實現租金收入人民幣148,142,000元，比去年同期下降約5.8%。

購物中心本期間營業收入為人民幣468,399,000元，比去年同期下降約5.3%。由於購物中心調整經營戰略，優化商品結構，提高商品檔次，使毛利率上升。經營溢利比去年同期上升17.2%。

酒店營業額比去年同期增加42.1%，經營溢利人民幣19,345,000元。五洲皇冠假日酒店基於優良的管理和環境，房價、出租率居同類酒店前茅。五洲大酒店由於改變經營模式，與會議中心聯合經營，效益穩步增長。

SHARE CAPITAL AND SHAREHOLDERS

Share Capital

The Company's total registered capital as at 30th June 2005 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 2005, the following persons, other than a director, supervisor or chief executive of the Company, had 5% or more interests in the relevant class of shares of the Company as recorded in the register required to be kept under Part XV Section 336 of the Securities and Futures Ordinance ("SFO"):

Name of shareholders	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%	62.13%
Chen Chu Hui	Personal interest	Beneficial owner	H shares	60,846,000	8.6%	3.26%

Save as disclosed above, the register required to be kept under Section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares or underlying shares of the Company as at 30th June 2005.

INTERESTS OF DIRECTORS AND SUPERVISORS OF THE COMPANY

As at 30th June 2005, none of the directors, supervisors, chief executives of the Company or 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 Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies. None of the directors, supervisors, chief executives of the Company or their associates had been granted or had exercised any such rights during the six months ended 30th June 2005.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has strived to maintain and establish a high level of corporate governance and fully complied with the provisions set out in Appendix 14 "Code on Corporate Governance Practices" of the Listing Rules during the Period.

股本與股東

股本

本公司於二零零五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

本公司於二零零五年六月三十日，根據《證券及期貨條例》（「證券及期貨條例」）第336條而備存的登記冊所記錄，以下人士（本公司董事、監事或最高行政人員除外）擁有本公司之有關類別股份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%	62.13%
陳楚輝	個人權益	實益擁有人	H股	60,846,000	8.6%	3.26%

除上述所披露者外，根據證券及期貨條例第336條而備存的登記冊所示，本公司並無接獲有關於二零零五年六月三十日在本公司股份及相關股份中擁有之任何權益或淡倉的通知。

公司董事及監事權益

於二零零五年六月三十日，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條須予備存的登記冊所記錄之任何權益或淡倉；或根據《上市公司董事進行證券交易的標準守則》須知會本公司及聯交所之任何權益或淡倉。於截至二零零五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。

企業管治常規守則

本公司致力維繫及建立高水平的企業管治，本公司在本期間內已完全遵守《上市規則》附錄十四《企業管治常規守則》的守則條文。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the “Model Code”). Having made specific enquiry of all directors and supervisors of the Company, the Company confirmed that its directors and supervisors have complied with the required standards as set out in the Model Code during the six months ended 30th June 2005.

AUDIT COMMITTEE

An Audit Committee has been established by the Company to review and supervise the financial reporting process and internal control procedures of the Company. The Group's interim report for the six months ended 30th June 2005 was reviewed by the Audit Committee and the Board of the Company. The Audit Committee comprises the three independent non-executive directors of the Company.

QUALIFIED ACCOUNTANT

The Company has not been able to employ a Qualified Accountant with the specified qualifications set out in Rule 3.24 of the Listing Rules. The Company is in the process of finding a suitable candidate to assume such a position as soon as practicable. The Company will keep the shareholders of the Company informed of the progress of the appointment of the Qualified Accountant.

PURCHASE, 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 2005, 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 had not experienced any incidents of not being able to withdraw bank deposits when due.

EMPLOYEES

As at 30th June 2005, the Company had 4,416 employees. Adjustments of employee remuneration will be made according to the Company's turnover and profitability and is determined by assessing the correlation between the total salary paid and the economic efficiency of the enterprise. Under this mechanism, management of employees remunerations will be more efficient while employees will be motivated to work hard to bring encouraging results to the Company. 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, computer 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.

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）。已向所有本公司董事及監事作出特定查詢後，本公司確認其董事及監事於截至二零零五年六月三十日止六個月內一直遵守標準守則所載規定的標準。

審核委員會

本公司已成立審核委員會，以審閱及監督本公司之財務申報程序及內部監控措施。審核委員會及本公司董事會已審閱本集團截至二零零五年六月三十日止六個月之中期報告，審核委員會由本公司三名獨立非執行董事組成。

合資格會計師

本公司仍未能聘請符合上市規則第3.24條所指定資格的合資格會計師。本公司現正物色具備條件的會計師，以盡快填補空缺。本公司將通知各股東有關委任合資格會計師的進展。

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

於二零零五年六月三十日，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

截至二零零五年六月三十日止，本公司僱員人數為4,416人。本公司乃按照業績及盈利來檢討僱員的酬金調整幅度，僱員工資總額與公司利潤是互相掛鉤，此政策有助公司於薪酬支出的管理，亦能有效激勵員工為公司業績及發展而努力。除上述酬金政策外，本公司未向僱員提供認股計劃，公司僱員亦不享受花紅。本公司定期對經營管理者的培訓包括：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。

DOCUMENT FOR FUTURE REFERENCE

The original copy of the 2005 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
3/F., Chen Yun Building
8 Bei Chen Dong Road
Chao Yang District
Beijing, the PRC

Beijing, the PRC
24th August 2005

By Order of the Board
Zhao Hui-Zhi
Chairman

備查文件

經董事長簽署的二零零五年中期報告正本於本公司董事會秘書處可供查閱，地址為：

中國
北京市
朝陽區
北辰東路八號辰遠大廈三層
北京北辰實業股份有限公司

承董事會命
趙惠芝
董事長

中國·北京
二零零五年八月二十四日

INVESTORS QUESTIONS AND ANSWERS

Question: What is the impact on Beijing's property market with regards to the austerity measures imposed by the Central government? How do these measures impact upon your Company's development properties?

Answer:

(1) Impact of the austerity measures on Beijing's property market:

Preventing the upsurge in property price is listed as one of the imperative tasks of the Central government as stated in the State Council government working report in 2005. Followed by the successive launch of a series of related policies and measures on the credit policy for residential housing, tax policy and land supply, the primary objective of this austerity measure is to halt speculation and suppress the excessive surge in property prices. Up to now, the austerity measures exerted due effect where major adjustments were experienced in some cities.

Due to the steadily growth in the Beijing property market, the austerity measures have only exerted minor effect in Beijing than other cities. Stemming from the tightening credit and land policies, the speed of development for commodity houses has slowed down during the first half year of 2005, resulting in the decrease in absolute sales value compared to that in 2004. One thing worth noting is that, the absolute sales value of commodity houses is in line with the speed of growth. In Jan-Jun 2005, sales of the commodity houses increased by 15.4%, 11% higher than the increase recorded over the corresponding period of last year, demonstrating a strong demand on the property market in Beijing with reduced activities in speculation and investment.

(2) The impact of the austerity measures on the Company's development properties:

The contractual sales revenue of the Company's development properties increased by 11% during the first half of 2005, representing the same amount as that of the contractual sales area recorded as last year. As you can see, we do not suffer severe impact by the austerity measures imposed due to our precautionary measures and our primary focus on residential projects.

Compared to the other measures under the austerity measures, regulations imposed on the supply of land have a relatively large impact on the Company. The increase in restriction of land supply by the government and the simplification of land supply channel leads to the reduction of the anticipated land supply. Competition for the acquisition of land becomes more severe as the demand of land started to outweigh demand, which increases the difficulties for the Company in obtaining high quality land banks. This results in the increase in land cost thus having a tremendous influence on the Beijing property price.

With the well phased and planned land supply policy imposed by the government and the fierce competition for land acquisition and new accounting policies, the Company will react according to market situation, access our capability in self-development and internal funding, aptly and reasonably increase our land reserve with lands of high quality, effectiveness and yield. With a strong foothold in Beijing property market, we will grasp the appropriate opportunities to expand into the property market outside of Beijing.

投資者問答

問： 上半年國家宏觀調控政策對北京市房地產市場有何影響？對 貴公司發展物業有何影響？

答：

(一)、宏觀調控對北京房地產市場的影響：

在二零零五年的國務院政府工作報告中，將防止房地產價格過快上漲，列為政府二零零五年的工作要點之一。隨後，在房地產信貸、稅收及土地供應等方面政府相繼出台了一系列的宏觀調控政策，意在遏制投機，抑制房價快速上漲。截至目前，這一系列的宏觀調控措施已經產生了一定的影響，對部分城市也產生了深幅的調整。

而北京的房地產市場，由於一直以來相對平穩的增長速度，使得宏觀調控政策對其的影響明顯少於其他城市。主要表現在受緊縮的信貸及土地調控政策的影響下，二零零五年上半年商品房開發速度有所放緩，銷售額在絕對值增長的情況下，增幅較二零零四年同期有所回落。但值得注意的是，在商品住宅的銷售方面，卻表現出絕對值和增幅的同步增長，二零零五年一至六月商品住宅銷售價格同比上漲15.4%，增幅比二零零四年同期增加11%，說明北京房地產市場投機及投資行為較少，而對住宅的需求依然強勁。

(二)、宏觀調控對本公司發展物業的影響：

二零零五年上半年本公司發展物業在合同銷售面積與去年同期基本持平的基礎上，合同銷售額增長了11%。由此可見，面對國家宏觀調控政策的出台，本公司已採取了充分的應對措施，加之本公司發展物業主要以居住類物業為主，因此，從總體情況來看並未受到過多的影響。

一系列的宏觀調控政策中對本公司影響相對較大的是土地調控方面的政策。由於政府逐步加大對土地的調控力度，以及目前土地供應渠道的單一化，導致預期的土地供應減少，使獲取土地的競爭更加激烈，並已初步形成了土地供需的矛盾，增加了本公司獲取優質土地儲備的難度。土地市場的現狀，從客觀上反映出土地成本的增加，進而對北京市房地產價格將產生較大的影響。

鑒於此，本公司也將根據政府有步驟、有計劃的土地供應和競爭激烈的市場化拿地行為，在新的會計準則下，依據市場狀況、自身開發能力、公司整體資金安排，適度、合理增加優質、高效和高收益的土地儲備。在立足京城房地產市場發展的基礎上，選擇適當時機，積極進行新項目的拓展工作。

INVESTORS QUESTIONS AND ANSWERS

Question: What is the impact of the Olympic Games on the Company? What is the progress of your two Olympic Projects? What are the post-Olympic plans for the operation of the Projects?

Answer:

The Company's asset, investment properties and the major land bank are located around the prime site of the Ya Ao Commercial Area, which is nine kilometers directly from Tian'anmen and 22 kilometers from Beijing Capital International Airport. In preparation for the Beijing 2008 Olympic Games, Beijing Municipality will invest RMB280 billion of which approximately RMB134 billion will be used directly for the construction of fixed assets of the Olympic stadium and pertinent facilities. In 2005, the Beijing Municipal Government will invest RMB17.5 billion, mainly in infrastructure, Olympic related construction and urban renewal. The development of the Olympic stadium and its ancillary constructions activities drives the growth of property price around its peripheral area, evident by an increase of 15.7% in property price, compared with a year on year growth of 3.55% and the Capital's average annual growth rate of 6.7%. The Olympic commercial circle has become one of the key development areas of the Government. Our Company is the largest beneficiary of the Olympic Games, thus the properties developed by the Company has potential for appreciation.

The Company is the only real estate developer in possession of two Olympic Games projects, namely Olympic Media Village and the Beijing Olympic Park (Zone B) National Convention Center project.

Beijing Olympic Media Village is an auxiliary construction project of the 2008 Olympic Games. Located at the northern part of Bei Wu Huan Road and the northern part of Beichen Green Garden residential zone, 5.2 miles away from the Olympic Park central district. Beijing Olympic Media Village provides accommodation, daily living facilities and relevant services to foreign journalists for reporting the Olympic Games. After the end of the Olympic Games, the Media Village will be renovated into commodity houses for sale. Below the podium will be designed for commercial auxiliary services. The project will commence at the end of 2005 and to be completed by 2008.

Beijing Olympics Park (Zone B) National Convention Center will be assigned as the International Broadcast Center (IBC), Main Production Center (MPC) and the venue for fencing and air-pistol during the 2008 Olympic Games. After the Olympic Games, under a scientific and reasonable pre-designed plan and proposal, with slight renovation, the project will be turned into a national first-class and international leading large-scale and modern convention center, and also an integrated center which fits into the standards of the new century with functions for international meeting, commercial and trade exchange, hotel, commerce and leisure entertainment. Construction for the project commenced in April 2005 and the completion date will be in February 2008.

The management is very optimistic about the immense potential of the projects post the Olympic Games, since they are located at a prime site of the Ya Ao Commercial Area. Operation after the game is carefully considered during the planning of the project with an aim to satisfy the needs of the game and at the same time increase the effective business usage and the saleable area. The management is eager to seek for strategic partners with international management experience in operating the National Convention Center project of the post Olympic Games aiming at investing and working closely with outstanding management team in the future.

投資者問答

問： 奧運對 貴公司的影響是什麼？ 貴公司兩個奧運項目進展如何？奧運會後公司如何運營此項目？

答：

本公司投資物業資產及主要土地儲備均位於亞奧商圈的黃金區域，距離天安門直線距離9公里、首都國際機場22公里。為迎接二零零八年北京奧運會，北京市用於奧運會相關的投資總規模將達人民幣2,800億元，其中直接用於奧運場館和相關設施的新增固定資產投資約人民幣1,340億元。二零零五年北京市政府將投資人民幣175億，主要用於基礎設施、奧運建設及城區改造。而奧運場館及相關配套建設的全面開展，積極帶動了周邊區域的發展，亞奧周邊區域物業價格年均增長3.55%，其中，二零零四年增幅已達到15.7%，高於北京市6.7%的年平均增長率。奧運商圈已成為政府重點發展區域之一，本公司是奧運最大的受益者，公司資產具有極佳的升值潛力。

本公司持有奧運媒體村項目和北京奧林匹克公園(B區)國家會議中心項目，是唯一一家擁有兩個奧運項目的房地產運營商。

北京奧運媒體村是二零零八年奧運會的配套建設項目，奧運媒體村位於北五環路以北、北辰綠色家園居住區北端，距離奧運公園中心區交通距離5.2公里。北京奧運媒體村功能為採訪報道奧運會的國內外記者提供居住生活條件及相應服務。奧運會結束後，該建築將被改造成商品住宅銷售，底層裙房為商業配套服務用房。該項目將於二零零五年底前開工，二零零八年初竣工。

北京奧林匹克公園(B區)會議中心專案在二零零八年夏季奧運會期間將作為國際廣播中心(IBC)、主新聞中心(MPC)和擊劍及氣手槍比賽場地，奧運會比賽後，該專案將按照科學、合理的事先設計及規劃方案，只需要少量的改造即可成為一個國內一流、國際領先的大型現代化會議中心，形成了具有國際會議、商務交流、貿易交流、酒店、商業及娛樂休閒等功能的符合新世紀標準的綜合設施。該項目已於二零零五年四月開工，將於二零零八年二月全面竣工。

本公司管理層對以上兩個奧運項目的賽後經營充滿信心。兩個項目均位於亞奧核心區域，該區域未來市場發展潛不可限量。項目在設計之初已充分考慮到賽後經營需要，在滿足賽事需要的同時盡可能增加有效經營面積和銷售面積。同時管理層正在積極尋找戰略合作夥伴，為國家會議中心項目的賽後經營管理引入國際先進管理經驗，本公司希望與國際優秀的專業管理團隊一起，共同投資、經營該項目。

CORPORATE INFORMATION

公司資料

Legal name of the Company:	北京北辰實業股份有限公司	公司法定名稱：	北京北辰實業股份有限公司	
English name of the Company:	Beijing North Star Company Limited	公司英文名稱：	Beijing North Star Company Limited	
Registered address of the Company:	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing, PRC	公司註冊地址：	中國北京市朝陽區 北辰東路8號	
Place of business of the Company:	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing, PRC	公司辦公地址：	中國北京市朝陽區 北辰東路8號	
Legal representative of the Company:	ZHAO Hui-Zhi	公司法定代表人：	趙惠芝	
Executive Directors:	ZHAO Hui-Zhi Chairman HE Jiang-Chuan Director LIU Jian-Ping Director CHEN Ji Director	執行董事：	趙惠芝 賀江川 劉建平 陳冀	董事長 董事 董事 董事
Independent Non-Executive Directors:	MENG Yan Director YU Jing-Song Director FU Yiu-Man, Peter Director	獨立非執行董事：	孟焰 余勁松 符耀文	董事 董事 董事
Company secretaries:	GUO Chuan LEE Ka-Sze, Carmelo	公司秘書：	郭川 李嘉士	
Person-in-charge on information disclosure:	GUO Chuan	資訊披露負責人：	郭川	
Company information enquiry unit:	Secretariat of the Board	公司資訊披露諮詢單位：	董事會秘書處	

CORPORATE INFORMATION

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REGISTRATION

Date and place of first registration: 2nd April 1997,
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Registration number with the Industry
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Registration number with the Taxation
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稅務登記號：110105633791930

CORPORATE INFORMATION

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Zhong Tian CPAs Co., Ltd.

核數師

境內核數師：

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