

各位股東：

本人欣然向各位提呈本集團截止二零零五年十二月三十一日之年度經營業績報告。

年內本公司經營業績繼續保持大幅增長，三大主營業務再創佳績，截止十二月三十一日，按照新香港財務報告準則，全年營業額人民幣2,870,598,000元，本年溢利人民幣263,262,000元，較二零零四年增長11.5%，每股溢利為人民幣0.136元，與經重列後二零零四年每股盈利相比增長8.1%。

隨著奧運會的臨近，北京市整體經濟繼續保持穩定增長，二零零五年北京市GDP增長11.1%，人均GDP增長8.1%。二零零五年從中央到地方政府都連續出台了一系列針對房地產市場的宏觀調控政策，從抑制市場炒作、引導購房需求、改善供應結構等方面對市場進行了宏觀調控，全國房地產開發投資增速平穩回落。北京市房地產市場在宏觀調控的影響下，開發投資增速逐步回落，但由於經濟增長強勁，市場需求旺盛，北京房地產市場整體保持了平穩、健康的增長態勢。二零零五年北京市零售商業市場全面開放，競爭更加激烈。投資物業產品繼續放量，市場競爭進一步加劇。

Dear Shareholders,

I am pleased to present to you the operating results of the Group for the year ended 31st December 2005.

The Company continues to sustain strong growth in its three core business operations and has maintained excellent results during the year. For the year ended 31st December 2005, reported under the Hong Kong Financial Reporting Standards, sales amounted to RMB2,870,598,000, profit amounted to RMB263,262,000, representing a 11.5% growth over 2004. Earnings per share amounted to RMB0.136, an increase of 8.1% compared to that of last year, as restated.

As the 2008 Olympic Games approaches, the overall business environment in Beijing city continues to maintain a steady growth with the GDP recording a 11.1% increase, while per capita GDP is growing at 8.1% for 2005. During the year, a series of austerity measures targeted at the overheating of property market were imposed by the central government through to the local authorities. These measures are to curb speculations, divert demands, improving the supply of properties etc. The nation's overall investment in the Beijing property market experienced a soft landing resulting from these measures. The effects of the austerity measures have just begun to take effect in the property market with investment growth starting to gradually subside. However, due to the strong local economy, demand for properties continues to remain buoyant. The capital's property market grew at a steady and healthy pace. Competition for the retail business was fierce with the deregulation of Beijing's retail market. The same situation existed in investment properties as the supply in properties continues to outstrip demand.



北京奧林匹克公園 (B 區) 國家會議中心
Beijing Olympic Park (Zone B) National Convention Centre

二零零五年，本公司管理層始終堅持以提升公司價值，追求股東價值最大化的經營理念，進一步強化專業管理，三大主營業務均取得了突破，創公司上市以來最好經營業績。發展物業在不斷提高住宅項目品質的基礎上，抓住土地市場供求關係的變化，區域產品價值不斷提升的有利時機，通過細分市場、準確定位，積極擴大市場份額，開發規模與銷售業績同創歷史新高。投資物業及酒店通過專業管理，實施物業專業化組合，在強化成本控制、挖潛增效的同時，提升服務質量，總體經營效益大幅提升。五洲皇冠假日酒店在國際品牌的影響力和硬體設施提升的作用下，知名度不斷擴大，成為北京同行業效益增長最快的酒店之一。五洲大酒店和國際會議中心通過資源優化配置，充分發揮業務整合優勢，經營效益再邁新台階。公寓和寫字樓按行業特性組建經營管理公司，為實施專業化管理，進一步提升效益水平奠定了基礎。零售商業在市場全面開放，競爭環境嚴峻的形勢下，通過持續調整商品結構，加大

In 2005, by continuing to uphold the business principles of increasing the Company's value and the quest to optimise returns to its shareholders, the management has further strengthened its professional management aptitude; succeeding in remarkable breakthroughs in its three core business operations and achieving the best operating results since the listing of the Company. By building upon a foundation of ongoing quality enhancement for its development properties, grasping the changes in the demand and supply of land, seizing the opportune time to capture rising return on the location of properties, market segmentation, accurate market positioning, the Company is able to increase its market share, development scale and accomplish the best results ever since its establishment. Investment properties and hotel operation recorded remarkable operation efficiency through professional management, the implementation of professional portfolio management and stringent cost control. By increasing its potential and efficiency and the improvement in service quality, the operational effectiveness was significantly enhanced. As a result of the deployment of a high profile international brand name as its management and the upgrading of its facilities, the name, Crowne Plaza Parkview Wuzhou Beijing, has become reputable and rapidly become one of the most efficient hotels in Beijing. Through rationalisation of resources allocation and operational integration, the International Conference Centre and Crowne Plaza Park View Wuzhou Beijing entered a new phase of operational efficiency. Operating management companies were formed according to specific characteristic of the Company's apartments and offices thus laying down good foundation



綠色家園商業項目

Green Garden Retail Project

促銷力度，經營效益再創新佳績。年內，公司從未來發展的內部、外部環境以及現實業務出發，制定了公司未來十年戰略發展規劃；本公司的兩個奧運項目—北京奧林匹克公園（B區）國家會議中心項目和奧運媒體村項目都已全面開工建設，另一重點項目北辰大廈工程如期進行；二零零五年十二月二十九日，本公司獲得了國家發改委人民幣1,500,000,000元企業債發行額度批覆，所籌資金將用於北京奧林匹克公園（B區）國家會議中心及配套設施工程。

展望二零零六年，北京市經濟運行將繼續保持平穩增長態勢，同時隨著奧運會的臨近，城市基礎設施建設和奧運工程建設全面提速，奧運經濟的影響力也日漸顯現，本公司將抓住奧運契機加快發展速度，在加大投資規模的同時，不斷優化資產結構，增強企業核心競爭力，提高資產收益。

最後，本人謹代表公司董事會向一直以來支持我們的各位股東致以誠摯的謝意，並對董事會及監事會同仁的勤勉盡責，以及全體員工的辛勤工作予以衷心感謝！



趙惠芝

ZHAO Hui-Zhi

董事長

Chairman

中國·北京 二零零六年三月十五日

Beijing, the PRC, 15th March 2006

for managing under a more professional manner with further improvement of efficiency. With the deregulation of the retail commercial market, and in spite of stiff competitions, operation returns continued to record new heights through proactive adjustments of product mix and reinforcement of sales and promotion efforts. A strategic development plan was laid for the Company's next decade based on a consideration of the internal and external development environments and the specific business needs of the Company. The construction of the Company's two Olympic projects, Beijing Olympic Park (Zone B) National Convention Centre project and Olympic Media Village, are well under way while another highlighted project, Beichen Building is proceeding on schedule. The final approval for the issuance of the Company's RMB1,500,000,000 corporate bond was granted by the State Development and Reform Commission on 29th December 2005 with the proceed raised to be applied towards the construction of the Beijing Olympic Park (Zone B) National Convention Centre and its auxiliary facilities.

Looking ahead into 2006, it is expected the commercial environment of the capital will continue to experience a steady growth. During the run up to the Olympics, the pace of the building of the capital's infrastructure and the construction of projects related to the Olympic Games will hasten, the positive effects on the economy by the Olympic will become more apparent, the Company is prepared to seize this opportunity in taking the Company's business to a new height. The Company will be expanding the scale of its investments as well as continue to fine-tune its asset portfolio thus strengthen its core competitive edge, and improve the rate of return on its assets.

Finally, I would like to express sincere thanks on behalf of the Company's board to those shareholders who have always supported us, and extend my heartfelt gratitude and appreciation for the diligence by which members of the board and Supervisory Committee have applied themselves to their duties and for the hard work performed by the Company's staff.