



**Beijing North Star
Company Limited**
北京北辰實業股份有限公司

(Stock Code 股票代號: 0588)

2006

Interim Report
中期報告



Interim Report 中期報告

For the six months ended 30th June 2006 截至二零零六年六月三十日止六個月

- Sales was RMB1,498,028,000, a 14.6% increase over the same period of last year
營業額為人民幣 1,498,028,000 元，較去年同期上升 14.6%
- Operating profit was RMB307,893,000, a 65.6% increase over the same period of last year
經營溢利為人民幣 307,893,000 元，較去年同期上升 65.6%
- Profit attributable to equity holders was RMB182,050,000, recording a 47.8% increase over the same period of last year
股東應佔溢利為人民幣 182,050,000 元，較去年同期上升 47.8%
- Earnings per share was RMB0.098, earnings per share in the same period of last year was RMB0.066
每股溢利為人民幣 0.098 元，去年同期每股溢利為人民幣 0.066 元
- The Board resolved that no interim dividend will be declared in respect of the six months ended 30th June 2006 (six months ended 30th June 2005: nil).
董事會決議不派發截至二零零六年六月三十日止六個月期間之中期股息(截至二零零五年六月三十日止六個月期間：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 2006 (the “Period”) as set out below:

Condensed Consolidated Balance Sheet (unaudited)

	Note	As at	
		30th June 2006 RMB'000	31st December 2005 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	865,070	879,475
Investment properties	5	3,052,740	3,052,740
Land use rights	5	207,691	94,200
Properties under development	5	1,090,704	570,974
A jointly controlled entity		19,280	20,092
Deferred income tax assets		12,217	9,273
		<u>5,247,702</u>	<u>4,626,754</u>
Current assets			
Inventories		46,230	55,119
Properties held for sale		677,785	1,033,992
Properties under development for sale		3,612,617	2,696,326
Trade and other receivables	6	99,353	85,245
Cash and bank balances		2,429,086	634,936
		<u>6,865,071</u>	<u>4,505,618</u>
Total assets		<u><u>12,112,773</u></u>	<u><u>9,132,372</u></u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	7	1,867,020	1,867,020
Other reserves		1,863,377	1,863,377
Retained earnings		1,422,009	1,239,959
Final dividend		—	46,676
		<u>5,152,406</u>	<u>5,017,032</u>
Minority interests		<u>171,236</u>	<u>140,530</u>
Total equity		<u><u>5,323,642</u></u>	<u><u>5,157,562</u></u>

北京北辰實業股份有限公司(「本公司」)之董事會(「董事會」)欣然宣布本公司及其附屬公司(「本集團」)截至二零零六年六月三十日止六個月(「本期間」)未經審核之中期業績：

簡明綜合資產負債表 (未經審核)

	附註	二零零六年 六月三十日 人民幣千元	二零零五年 十二月三十一日 人民幣千元
資產			
非流動資產			
物業、廠房和設備	5	865,070	879,475
投資物業	5	3,052,740	3,052,740
土地使用權	5	207,691	94,200
開發中物業	5	1,090,704	570,974
共同控制實體		19,280	20,092
遞延稅項資產		12,217	9,273
		<u>5,247,702</u>	<u>4,626,754</u>
流動資產			
存貨		46,230	55,119
待出售已落成物業		677,785	1,033,992
待出售開發中物業		3,612,617	2,696,326
應收賬款及其他應收款項	6	99,353	85,245
現金和銀行存款		2,429,086	634,936
		<u>6,865,071</u>	<u>4,505,618</u>
總資產		<u><u>12,112,773</u></u>	<u><u>9,132,372</u></u>
權益			
本公司權益持有人應佔資本之權益			
股本	7	1,867,020	1,867,020
其他儲備		1,863,377	1,863,377
保留溢利		1,422,009	1,239,959
擬派末期股息		—	46,676
		<u>5,152,406</u>	<u>5,017,032</u>
少數股東權益		<u>171,236</u>	<u>140,530</u>
總權益		<u><u>5,323,642</u></u>	<u><u>5,157,562</u></u>

Condensed Consolidated Balance Sheet (unaudited)

	Note	As at	
		30th June	31st December
		2006	2005
		RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Long-term borrowings	9	2,229,170	400,000
Deferred income tax liabilities		564,505	550,931
		<u>2,793,675</u>	<u>950,931</u>
Current liabilities			
Trade and other payables	8	2,827,027	2,550,532
Tax payable		28,429	3,347
Current portion of long-term borrowings	9	200,000	—
Short-term borrowings	9	940,000	470,000
		<u>3,995,456</u>	<u>3,023,879</u>
Total liabilities		<u>6,789,131</u>	<u>3,974,810</u>
Total equity and liabilities		<u>12,112,773</u>	<u>9,132,372</u>
Net current assets		<u>2,869,615</u>	<u>1,481,739</u>
Total assets less current liabilities		<u>8,117,317</u>	<u>6,108,493</u>



簡明綜合資產負債表 (未經審核)

	附註	二零零六年 六月三十日 人民幣千元	二零零五年 十二月三十一日 人民幣千元
負債			
非流動負債			
長期借款	9	2,229,170	400,000
遞延稅項負債		564,505	550,931
		<u>2,793,675</u>	<u>950,931</u>
流動負債			
應付賬款及其他應付款項	8	2,827,027	2,550,532
應付稅金		28,429	3,347
一年內到期的長期借款	9	200,000	—
短期借款	9	940,000	470,000
		<u>3,995,456</u>	<u>3,023,879</u>
總負債		<u>6,789,131</u>	<u>3,974,810</u>
總權益及負債		<u>12,112,773</u>	<u>9,132,372</u>
流動資產淨值		<u>2,869,615</u>	<u>1,481,739</u>
總資產減流動負債		<u>8,117,317</u>	<u>6,108,493</u>

Condensed Consolidated Income Statement (unaudited)

	Note	Six months ended 30th June	
		2006 RMB'000	2005 RMB'000
Sales	4	1,498,028	1,306,755
Cost of sales		(1,032,264)	(960,651)
Gross profit		465,764	346,104
Other gains-net	10	537	15,684
Interest income		4,616	2,799
Selling and marketing costs		(64,185)	(57,378)
Administrative expenses		(138,564)	(121,310)
Reversal of provision for properties held for sale		39,725	—
Operating profit	11	307,893	185,899
Finance costs	12	(10,058)	(474)
Share of loss of a jointly controlled entity		(812)	(238)
Profit before income tax		297,023	185,187
Income tax expense	13	(84,267)	(62,968)
Profit for the period		212,756	122,219
Attributable to:			
Equity holders of the Company		182,050	123,133
Minority interests		30,706	(914)
		212,756	122,219
Earnings per share for profit attributable to the equity holders of the Company during the Period (basic and diluted)	14	RMB 9.8 cents	RMB 6.6 cents
Interim dividends	15	—	—

簡明綜合損益表 (未經審核)

	附註	截至六月三十日止六個月	
		二零零六年 人民幣千元	二零零五年 人民幣千元
營業額	4	1,498,028	1,306,755
銷售成本		(1,032,264)	(960,651)
毛利		465,764	346,104
其他收益－淨額	10	537	15,684
利息收入		4,616	2,799
銷售及推廣費用		(64,185)	(57,378)
管理費用		(138,564)	(121,310)
沖回待出售已落成物業之撥備		39,725	—
經營溢利	11	307,893	185,899
融資成本	12	(10,058)	(474)
共同控制實體所佔虧損份額		(812)	(238)
除稅前溢利		297,023	185,187
所得稅費用	13	(84,267)	(62,968)
本期溢利		212,756	122,219
應佔溢利：			
本公司權益持有人		182,050	123,133
少數股東權益		30,706	(914)
		212,756	122,219
按當期本公司權益持有人應佔溢利 計算的每股溢利(基本及攤薄)	14	人民幣9.8分	人民幣6.6分
中期股息	15	—	—

Condensed Consolidated Cash Flow Statement (unaudited)

	Six months ended 30th June	
	2006	2005
	RMB'000	RMB'000
Net cash used in operating activities	(504,863)	(169,559)
Net cash used in investing activities	(19,561)	(13,933)
Net cash from financing activities	2,278,494	463,872
	<hr/>	<hr/>
Net increase in cash and cash equivalents	1,754,070	280,380
Cash and cash equivalents at 1st January	529,164	500,879
	<hr/>	<hr/>
Cash and cash equivalents at 30th June	<u>2,283,234</u>	<u>781,259</u>
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	2,429,086	781,259
Restricted bank deposit	(145,852)	—
	<hr/>	<hr/>
	<u>2,283,234</u>	<u>781,259</u>



簡明綜合現金流量表 (未經審核)

	截至六月三十日止六個月	
	二零零六年 人民幣千元	二零零五年 人民幣千元
經營活動之現金耗用淨額	(504,863)	(169,559)
投資活動之現金流出淨額	(19,561)	(13,933)
融資活動之現金流入淨額	2,278,494	463,872
現金及現金等價物之增加	1,754,070	280,380
於一月一日之現金及現金等價物	529,164	500,879
於六月三十日之現金及現金等價物	2,283,234	781,259
現金及現金等價物結餘分析：		
現金和銀行存款	2,429,086	781,259
受限制的銀行存款	(145,852)	—
	2,283,234	781,259

Condensed Consolidated Statement Of Changes In Equity

For the six months ended 30th June 2006

Note	Unaudited				
	Attributable to the equity holders of the Company				
	Share capital	Other reserves	Retained earnings	Minority interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1st January 2005	1,867,020	1,794,707	1,381,754	133,088	5,176,569
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	1,867,020	1,794,707	1,224,834	134,174	5,020,735
Balance at 1st January 2006	1,867,020	1,863,377	1,286,635	140,530	5,157,562
Profit and total recognised income for the period	—	—	182,050	30,706	212,756
2005 final dividend	—	—	(46,676)	—	(46,676)
Balance at 30th June 2006	1,867,020	1,863,377	1,422,009	171,236	5,323,642

簡明綜合股東權益變動表

截至二零零六年六月三十日止六個月

附註	本公司股東應佔			未經審核	總額 人民幣千元
	股本 人民幣千元	其他儲備 人民幣千元	保留溢利 人民幣千元	少數股東權益 人民幣千元	
二零零五年一月一日	1,867,020	1,794,707	1,381,754	133,088	5,176,569
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>1,794,707</u>	<u>1,224,834</u>	<u>134,174</u>	<u>5,020,735</u>
二零零六年一月一日	1,867,020	1,863,377	1,286,635	140,530	5,157,562
本期溢利及總確認收益	—	—	182,050	30,706	212,756
二零零五年末期股息	—	—	(46,676)	—	(46,676)
二零零六年六月三十日	<u>1,867,020</u>	<u>1,863,377</u>	<u>1,422,009</u>	<u>171,236</u>	<u>5,323,642</u>

Notes to the Unaudited Condensed Consolidated Financial Information

1. GENERAL INFORMATION

Beijing North Star Company Limited (the “Company”) is a joint stock limited company established in the People’s Republic of China (the “PRC”) in 2nd April 1997 as part of the reorganisation (the “Reorganisation”) of a state-owned enterprise known as Beijing North Star Industrial Group Company (the “Holding Company”).

Pursuant to the Reorganisation, the Company took over the principal subsidiaries and business undertakings, together with their related assets and liabilities. The Company was granted the status of a sino-foreign joint venture joint stock limited company on 20th July 1998. The address of its registered office is No.8 Bei Chen Dong Road, Chao Yang District, Beijing, the PRC.

The Company is principally engaged in land and property development, property investment, property management, provision of food and beverage services as well as the operation of a hotel and a department store. The subsidiaries are mainly engaged in property development and investment in Beijing, the PRC. The Company and its subsidiaries are herein collectively referred to as the “Group”.

2. BASIS OF PREPARATION

This unaudited condensed consolidated interim 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.

未經審核簡明綜合財務信息附註

1. 公司背景

北京北辰實業股份有限公司(「本公司」)為一家於一九九七年四月二日在中華人民共和國(「中國」)成立之股份有限公司，作為一家國有企業名為北京北辰實業集團公司(「控股公司」)進行重組(「重組」)之一部分。

根據重組，本公司收購主要附屬公司及轄下業務，連同其有關資產及負債。於一九九八年七月二十日，本公司取得為中外合資股份有限公司之資格。本公司註冊地址為中國北京市朝陽區北辰東路8號。

本公司主要業務為土地及物業開發、物業投資及管理、餐飲業、經營酒店及百貨業。附屬公司之主要業務為在中國北京進行物業發展及投資。本公司及其附屬公司統稱為「本集團」。

2. 編制基準

未經審核之簡明綜合中期財務資料是按照香港會計師公會頒布之香港會計準則第34條《中期財務報告》編制。

Notes to the Unaudited Condensed Consolidated Financial Information

3. ACCOUNTING POLICIES

This condensed consolidated financial information should be read in conjunction with the 2005 annual financial report. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial information are consistent with those used in the annual financial statements for the year ended 31st December 2005.

The following new standards, amendments to standards and interpretations are mandatory for financial year ending 31st December 2006.

- Amendment to HKAS 19, 'Actuarial gains and losses, group plans and disclosures'. effective for annual periods beginning on or after 1st January 2006. The Group decided to retain its former accounting policy regarding the recognition of actuarial gains and losses;
- Amendment to HKAS 39, Amendment 'The fair value option', effective for annual periods beginning on or after 1st January 2006. This amendment does not have any impact on the classification and valuation of the Group's financial instruments classified as at fair value through profit or loss prior to 1st January 2006 as the Group is able to comply with the amended criteria for the designation of financial instruments at fair value through profit and loss;
- Amendment to HKAS 21, Amendment 'Net investment in a foreign operation', effective for annual periods beginning on or after 1st January 2006. This amendment is not relevant for the Group;
- Amendment to HKAS 39, Amendment 'Cash flow hedge accounting of forecast intragroup transactions', effective for annual periods beginning on or after 1st January 2006. This amendment is not relevant for the group;
- Amendment to HKAS 39 and HKFRS 4, Amendment 'Financial guarantee contracts', effective for annual periods beginning on or after 1st January 2006. This amendment is not relevant for the Group;
- HKFRS 6, 'Exploration for and evaluation of mineral resources', effective for annual periods beginning on or after 1st January 2006. This standard is not relevant for the Group;
- HK(IFRIC)-Int 4, 'Determining whether an arrangement contains a lease', effective for annual periods beginning on or after 1st January 2006. The Group has reviewed its contracts. Some of them are required to be accounted for as leases in accordance with HKAS 17, 'Leases'. However, these leases are operating leases, and their reclassification has had no impact on the expense recognised in respect of them;
- HK(IFRIC)-Int 5, 'Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds', effective for annual periods beginning on or after 1st January 2006. This interpretation is not relevant for the Group; and
- HK(IFRIC)-Int 6, 'Liabilities arising from participating in a specific market – waste electrical and electronic equipment', effective for annual periods beginning on or after 1st December 2005. This interpretation is not relevant for the group.

未經審核簡明綜合財務信息附註

3. 會計政策

此簡明綜合財務信息應和二零零五年年度財務報告一同閱讀。編制此簡明綜合中期財務資料之會計政策及計算方法與編制截至二零零五年十二月三十一日止年度財務報表所採用者一致。

以下新訂準則，對準則的修訂和詮釋必須在截至二零零六年十二月三十一日止財政年度採用。

- 對香港會計準則19「精算盈虧、集體界定福利計劃和披露」的修訂，自二零零六年一月一日或以後開始的會計期間生效。本集團決定保留其有關精算盈虧確認的舊會計政策；
- 對香港會計準則39修訂「公平值期權」的修訂，自二零零六年一月一日或以後開始的會計期間生效。由於本集團有能力符合財務工具指定按公平值透過損益列賬的經修訂條件，故此項修訂對本集團在二零零六年一月一日前按公平值透過損益列賬的財務工具的分類和估值並無影響；
- 對香港會計準則21修訂「海外業務的淨投資」的修訂，自二零零六年一月一日或以後開始的會計期間生效。此項修訂與本集團無關；
- 對香港會計準則39修訂「預測集團間交易的現金流量對沖會計處理」的修訂，自二零零六年一月一日或以後開始的會計期間生效。此項修訂與本集團無關；
- 對香港會計準則39及對香港財務報告準則4修訂「財務擔保合約」的修訂，自二零零六年一月一日或以後開始的會計期間生效。此項修訂與本集團無關；
- 香港財務報告準則6「礦產資源的開採和評估」，自二零零六年一月一日或以後開始的會計期間生效。此項準則與本集團無關；
- 香港（國際財務報告詮釋委員會）－詮釋4「釐定一項安排是否包含租賃」，自二零零六年一月一日或以後開始的會計期間生效。本集團已檢討其合約。若干合約需要根據香港會計準則17「租賃」入賬為租賃。然而此等租賃為營運租賃，其分類對就此而確認的開支並無影響；
- 香港（國際財務報告詮釋委員會）－詮釋5「對拆卸、復原及環境復修基金權益的權利」，自二零零六年一月一日或以後開始的會計期間生效。此項詮釋與本集團無關；及
- 香港（國際財務報告詮釋委員會）－詮釋6「參予特殊市場－電氣及電子設備廢料－產生的負債」，自二零零五年十二月一日或以後開始的會計期間生效。此項詮釋與本集團無關。

Notes to the Unaudited Condensed Consolidated Financial Information

3. ACCOUNTING POLICIES *(Continued)*

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2006 and have not been early adopted by the Group:

- HK(IFRIC)-Int 7, 'Applying the Restatement Approach under HKFRS 29', effective for annual periods beginning on or after 1st March 2006. Management does not expect the interpretation to be relevant for the Group;
- HK(IFRIC)-Int 8, 'Scope of HKFRS 2', effective for annual periods beginning on or after 1st May 2006. Management is currently assessing the impact of HK (IFRIC)-Int 8 on the Group's operations;
- HK(IFRIC)-Int 9, 'Reassessment of Embedded Derivatives', effective for annual periods beginning on or after 1st June 2006. Management believes that this interpretation should not have a significant impact on the reassessment of embedded derivatives as the Group has already assessed if embedded derivative should be separated using principles consistent with HK (IFRIC)-Int 9; and
- HKFRS 7, 'Financial instruments: Disclosures', effective for annual periods beginning on or after 1st January 2007. HKAS 1, 'Amendments to capital disclosures', effective for annual periods beginning on or after 1st January 2007. The Group has assessed the impact of HKFRS 7 and the amendment to HKAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and capital disclosures required by the amendment of HKAS 1. The Group will apply HKFRS 7 and the amendment to HKAS 1 from annual periods beginning 1st January 2007.

未經審核簡明綜合財務信息附註

3. 會計政策 (續)

下列已發出但在二零零六年仍未生效的新訂準則、對準則的修訂和詮釋並無提早採納。

- 香港(國際財務報告詮釋委員會)－詮釋7「應用香港財務報告準則29下的重列法」，自二零零六年三月一日或以後開始的會計期間生效。管理層預期此項詮釋與本集團無關；
- 香港(國際財務報告詮釋委員會)－詮釋8「香港財務報告準則2的範圍」，自二零零六年五月一日或以後開始的會計期間生效。管理層現正評估香港(國際財務報告詮釋委員會)－詮釋8對本集團業務的影響；
- 香港(國際財務報告詮釋委員會)－詮釋9「重新評估勘入式衍生工具」，自二零零六年六月一日或以後開始的會計期間生效。由於本集團已按照國際財務報告詮釋委員會／香港(國際財務報告詮釋委員會)－詮釋9貫徹的原則對勘入式衍生工具是否應分開進行了評估，故此管理層認為此項詮釋不應對重新評估勘入式衍生工具造成重大影響；及
- 香港財務報告準則7「金融工具：披露」，自二零零七年一月一日或以後開始的會計期間生效。香港會計準則1「資本披露的修訂」，自二零零七年一月一日或以後開始的會計期間生效。本集團已評估香港財務報告準則7以及對香港會計準則1修訂的影響，結論為主要的額外披露將為香港會計準則1修訂所規定對市場風險的敏感性分析和資本披露。本集團將自二零零七年一月一日開始的會計期間應用香港財務報告準則7以及香港會計準則1的修訂。

Notes to the Unaudited Condensed Consolidated Financial Information

4. SEGMENT INFORMATION

Primary reporting format – business segments:

At 30th June 2006, the Group is organised in the People's Republic of China (the "PRC") into four main business segments:

- (1) Sales of properties and land use rights;
- (2) Operation of shopping centre;
- (3) Rental from investment properties; and
- (4) Operation of hotel

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

The segment results for the six months ended 30th June 2006 are as follows:

	Sales of properties and land use rights RMB'000	Shopping centre operations RMB'000	Investment properties RMB'000	Hotel operations RMB'000	Other operations RMB'000	Group RMB'000
Segment sales	720,203	439,548	150,401	150,338	50,792	1,511,282
Inter-segment sales	—	—	—	—	(13,254)	(13,254)
Sales to external customers	<u>720,203</u>	<u>439,548</u>	<u>150,401</u>	<u>150,338</u>	<u>37,538</u>	<u>1,498,028</u>
Segment results	<u>178,893</u>	<u>39,050</u>	<u>74,768</u>	<u>30,921</u>	<u>(2,838)</u>	320,794
Unallocated costs						(12,901)
Operating profit						307,893
Finance costs						(10,058)
Share of loss of a jointly controlled entity	—	—	—	—	(812)	(812)
Profit before income tax						<u>297,023</u>
Income tax expense						(84,267)
Profit for the period						<u>212,756</u>

未經審核簡明綜合財務信息附註

4. 分部資料

主要報告形式－業務分部資料：

於二零零六年六月三十日，本集團於中華人民共和國（「中國」）經營四項主要業務分部：

- (1) 物業及土地使用權銷售；
- (2) 購物中心業務；
- (3) 投資物業租金收入；和
- (4) 酒店業務

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

截至二零零六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
分部營業額	720,203	439,548	150,401	150,338	50,792	1,511,282
分部間營業額	—	—	—	—	(13,254)	(13,254)
對外營業額	720,203	439,548	150,401	150,338	37,538	1,498,028
分部業績	178,893	39,050	74,768	30,921	(2,838)	320,794
未分配成本						(12,901)
經營溢利						307,893
融資成本						(10,058)
共同控制實體所佔虧損份額	—	—	—	—	(812)	(812)
除稅前溢利						297,023
所得稅費用						(84,267)
本期溢利						212,756

Notes to the Unaudited Condensed Consolidated Financial Information

4. SEGMENT INFORMATION (Continued)

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

	Sales of properties and land use rights RMB'000	Shopping centre operations RMB'000	Investment properties RMB'000	Hotel operations RMB'000	Other operations RMB'000	Group RMB'000
Segment sales	532,352	468,399	148,142	125,574	45,391	1,319,858
Inter-segment sales	—	—	—	—	(13,103)	(13,103)
Sales to external customers	<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>

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

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4. 分部資料(續)

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	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
分部營業額	532,352	468,399	148,142	125,574	45,391	1,319,858
分部間營業額	—	—	—	—	(13,103)	(13,103)
對外營業額	<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>

未分配成本指企業開支。分部間轉撥或交易按非關聯第三方亦可取得的相似商業條款訂立。

Notes to the Unaudited Condensed Consolidated Financial Information

4. SEGMENT INFORMATION (Continued)

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

	Six months ended 30th June 2006					
	Sales of properties and land use rights RMB'000	Shopping centre operations RMB'000	Investment properties RMB'000	Hotel operations RMB'000	Other operations RMB'000	Group RMB'000
Depreciation	423	6,292	5,702	18,628	2,733	33,778
Amortisation	7,717	—	—	—	—	7,717
Reversal of provisions for impairment of receivables	(20)	—	—	—	—	(20)
Reversal of provision for inventories	—	(370)	—	—	—	(370)
Reversal of provision for properties held for sale	(39,725)	—	—	—	—	(39,725)

	Six months ended 30th June 2005					
	Sales of properties and land use rights RMB'000	Shopping centre operations RMB'000	Investment properties RMB'000	Hotel operations RMB'000	Other operations RMB'000	Group RMB'000
Depreciation	458	6,003	7,580	20,783	2,308	37,132
Amortisation	5,815	—	—	—	—	5,815
Provisions for impairment of receivables	5,475	—	—	—	—	5,475

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4. 分部資料 (續)

其他包含於損益表的分部業績信息如下：

	截至二零零六年六月三十日止六個月					
	物業及土地	購物				
	使用權銷售 人民幣千元	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
折舊	423	6,292	5,702	18,628	2,733	33,778
攤銷	7,717	—	—	—	—	7,717
沖回呆賬準備	(20)	—	—	—	—	(20)
沖回存貨撥備	—	(370)	—	—	—	(370)
沖回待出售 已落成物業之撥備	(39,725)	—	—	—	—	(39,725)

	截至二零零五年六月三十日止六個月					
	物業及土地	購物				
	使用權銷售 人民幣千元	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
折舊	458	6,003	7,580	20,783	2,308	37,132
攤銷	5,815	—	—	—	—	5,815
提撥呆賬準備	5,475	—	—	—	—	5,475

Notes to the Unaudited Condensed Consolidated Financial Information

4. SEGMENT INFORMATION (Continued)

The segment assets and liabilities at 30th June 2006 and capital expenditure for the six months then ended are as follows:

	Sales of properties and land use rights RMB'000	Shopping centre operations RMB'000	Investment properties RMB'000	Hotel operations RMB'000	Other operations RMB'000	Group RMB'000
Segments assets	6,764,010	186,031	3,100,155	720,250	83,427	10,853,873
Jointly controlled entity	—	—	—	—	19,280	19,280
Unallocated assets						1,239,620
Total assets						12,112,773
Segments liabilities	5,353,279	130,008	539,422	37,129	130,744	6,190,582
Unallocated liabilities						598,549
Total liabilities						6,789,131
Capital expenditure	641,035	961	11,593	3,363	3,633	660,585

The segment assets and liabilities at 31st December 2005 and capital expenditure for the six months ended on 30th June 2005 are as follows:

	Sales of properties and land use rights RMB'000	Shopping centre operations RMB'000	Investment properties RMB'000	Hotel operations RMB'000	Other operations RMB'000	Group RMB'000
Segment assets	4,750,430	222,366	3,097,229	722,443	75,707	8,868,175
Jointly controlled entity	—	—	—	—	20,092	20,092
Unallocated assets						244,105
Total assets						9,132,372
Segments liabilities	2,393,025	135,030	544,805	36,425	131,574	3,240,859
Unallocated liabilities						733,951
Total liabilities						3,974,810
Capital expenditure	955,203	134	34,538	2,603	1,040	993,518

未經審核簡明綜合財務信息附註

4. 分部資料(續)

於二零零六年六月三十日的分部資產和負債以及截至二零零六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 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
分部資產	6,764,010	186,031	3,100,155	720,250	83,427	10,853,873
共同控制實體	—	—	—	—	19,280	19,280
未分配資產						1,239,620
總資產						12,112,773
分部負債	5,353,279	130,008	539,422	37,129	130,744	6,190,582
未分配負債						598,549
總負債						6,789,131
資本開支	641,035	961	11,593	3,363	3,633	660,585

於二零零五年十二月三十一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 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
分部資產	4,750,430	222,366	3,097,229	722,443	75,707	8,868,175
共同控制實體	—	—	—	—	20,092	20,092
未分配資產						244,105
總資產						9,132,372
分部負債	2,393,025	135,030	544,805	36,425	131,574	3,240,859
未分配負債						733,951
總負債						3,974,810
資本開支	955,203	134	34,538	2,603	1,040	993,518

Notes to the Unaudited Condensed Consolidated Financial Information

4. SEGMENT INFORMATION (Continued)

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

Segment liabilities comprise operating liabilities. They exclude items such as deferred income tax, corporate borrowings and dividends payable.

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

Secondary reporting format – geographical segments

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

5. 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	438,615	753,434
Additions	38,315	—	—	597,453
Disposals	(19,856)	—	—	—
Transfer	(63,785)	—	—	63,785
Transfer to properties under development for sale	—	—	(340,106)	—
Depreciation/amortisation charge	(37,132)	—	(5,815)	—
Closing net book amount as at				
30th June 2005	<u>801,099</u>	<u>3,047,740</u>	<u>92,694</u>	<u>1,414,672</u>
Opening net book amount as at				
1st January 2006	879,475	3,052,740	94,200	570,974
Additions	19,647	—	121,208	519,730
Disposals	(75)	—	—	—
Depreciation/amortisation charged to expense	(33,778)	—	(7,717)	—
Depreciation recorded in properties under development for sale	(219)	—	—	—
Closing net book amount as at				
30th June 2006	<u>865,070</u>	<u>3,052,740</u>	<u>207,691</u>	<u>1,090,704</u>

Included in investment properties above is a piece of land currently held for undetermined future use (the "Existing Land") of RMB972,740,000 (2005: RMB972,740,000) which may be appropriated by the Beijing Municipal Government (the "Government") for the use of Olympic Games. The Company is negotiating with the Government about the compensation. The Government will compensate the Company with respect to the Existing Land in accordance with the relevant law. Moreover, Beijing North Star Industrial Group Company, the Holding Company, has undertaken that in the event the Government compensation did not cover the full book value of the Existing Land, it will make up any shortfall and ensure the Company will receive a sum that is not less than the current carrying amount of the Existing Land. The directors are therefore of the opinion that the fair value of this Existing Land equal to its carrying amount.

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4. 分部資料(續)

分部資產主要包括土地使用權、物業、廠房及設備、投資物業、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，遞延稅項資產及共同資產。

分部負債由營運負債組成。此等負債不包括稅項和企業貸款以及應付股利。

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。

次要報告形式—地區分部資料

由於本集團的營業額及經營溢利全部來自中國，因此並沒有為區域割分作分析。

5. 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	438,615	753,434
添置	38,315	—	—	597,453
處置	(19,856)	—	—	—
結轉	(63,785)	—	—	63,785
轉至待售開發中物業	—	—	(340,106)	—
折舊及攤銷	(37,132)	—	(5,815)	—
二零零五年六月三十日淨值	<u>801,099</u>	<u>3,047,740</u>	<u>92,694</u>	<u>1,414,672</u>
二零零六年一月一日淨值	879,475	3,052,740	94,200	570,974
添置	19,647	—	121,208	519,730
處置	(75)	—	—	—
折舊及攤銷在費用列支	(33,778)	—	(7,717)	—
折舊及攤銷計入 待出售開發中物業	(219)	—	—	—
二零零六年六月三十日淨值	<u>865,070</u>	<u>3,052,740</u>	<u>207,691</u>	<u>1,090,704</u>

本集團的投資物業也包括一塊金額為人民幣972,740,000元(二零零五年：人民幣972,740,000)的尚未確定未來用途土地(「已有地塊」)，該已有地塊將處於奧林匹克運動會場館用地的範圍之內。本公司正在積極與北京市政府(「政府」)有關部門努力協商補償事宜，屆時政府將依法就上述地塊對本公司進行補償。北辰集團公司，本公司之控股公司，也承諾如政府補償不足該地塊目前的帳面價值，則由北辰集團公司就差額部分進行貨幣補償，從而保證本公司所得補償不低於該項資產的現有帳面價值。故本公司董事認為該投資物業的公平值接近其帳面值。

Notes to the Unaudited Condensed Consolidated Financial Information

6. TRADE AND OTHER RECEIVABLES

	As at 30th June 2006 RMB'000	As at 31st December 2005 RMB'000
Trade receivables	48,152	41,801
Less: provision for impairment of receivables	(13,510)	(13,449)
Trade receivables – net	<u>34,642</u>	<u>28,352</u>
Prepayments and deposits	28,456	28,342
Other receivables – net	<u>36,255</u>	<u>28,551</u>
	<u><u>99,353</u></u>	<u><u>85,245</u></u>

At 30th June 2006 and 31st December 2005, the ageing analysis of the trade receivables were as follows:

	As at 30th June 2006 RMB'000	As at 31st December 2005 RMB'000
Within half year	21,270	14,978
Over half year and within one year	4,579	4,195
Over one year	<u>22,303</u>	<u>22,628</u>
	<u><u>48,152</u></u>	<u><u>41,801</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.

7. SHARE CAPITAL

	As at 30th June 2006 RMB'000	As at 31st December 2005 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	<u>707,020</u>	<u>707,020</u>
	<u><u>1,867,020</u></u>	<u><u>1,867,020</u></u>

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6. 應收賬款及其他應收款項

	二零零六年 六月三十日 人民幣千元	二零零五年 十二月三十一日 人民幣千元
應收賬款	48,152	41,801
減：呆賬準備	(13,510)	(13,449)
應收賬款－淨額	<u>34,642</u>	<u>28,352</u>
預付賬款	28,456	28,342
其他應收款－淨額	<u>36,255</u>	<u>28,551</u>
	<u>99,353</u>	<u>85,245</u>

於二零零六年六月三十日及二零零五年十二月三十一日，應收賬款之賬齡分析如下：

	二零零六年 六月三十日 人民幣千元	二零零五年 十二月三十一日 人民幣千元
半年以內	21,270	14,978
半年至一年	4,579	4,195
一年以上	<u>22,303</u>	<u>22,628</u>
	<u>48,152</u>	<u>41,801</u>

物業和土地使用權銷售給予客戶之信貸期限按不同之買賣合約而訂立。由於本集團有眾多顧客，因此貿易應收款並無集中的信貸風險。

7. 股本

	二零零六年 六月三十日 人民幣千元	二零零五年 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	<u>707,020</u>	<u>707,020</u>
	<u>1,867,020</u>	<u>1,867,020</u>

Notes to the Unaudited Condensed Consolidated Financial Information

8. TRADE AND OTHER PAYABLES

	As at 30th June 2006 RMB'000	As at 31st December 2005 RMB'000
Trade payables	150,652	172,576
Advance from customers	1,416,344	975,567
Dividends payable to Holding Company	—	174,000
Dividends payable to minority shareholders	6,015	6,015
Accrued construction costs	18,655	16,641
Accrued properties under development costs	259,167	359,004
Amounts due to Holding Company	124,835	4,810
Other payables	851,359	841,919
	<u>2,827,027</u>	<u>2,550,532</u>

At 30th June 2006 and 31st December 2005, the ageing analysis of the trade payables were as follows:

	As at 30th June 2006 RMB'000	As at 31st December 2005 RMB'000
Within half year	133,889	160,004
Over half year and within one year	6,522	2,641
Over one year	10,241	9,931
	<u>150,652</u>	<u>172,576</u>

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8. 應付賬款及其他應付款項

	二零零六年 六月三十日 人民幣千元	二零零五年 十二月三十一日 人民幣千元
應付賬款	150,652	172,576
預收賬款	1,416,344	975,567
應付控股公司股利	—	174,000
應付少數股東股利	6,015	6,015
應計工程款	18,655	16,641
應計開發中物業成本	259,167	359,004
應付控股公司	124,835	4,810
其他應付款	851,359	841,919
	<u>2,827,027</u>	<u>2,550,532</u>

於二零零六年六月三十日及二零零五年十二月三十一日，應付賬款之賬齡分析如下：

	二零零六年 六月三十日 人民幣千元	二零零五年 十二月三十一日 人民幣千元
半年以內	133,889	160,004
半年至一年	6,522	2,641
一年以上	10,241	9,931
	<u>150,652</u>	<u>172,576</u>

Notes to the Unaudited Condensed Consolidated Financial Information

9. BORROWINGS

	As at 30th June 2006 RMB'000	As at 31st December 2005 RMB'000
Long term bank loans		
secured	370,000	—
unsecured	575,000	400,000
current portion	(200,000)	—
	<hr/>	<hr/>
	745,000	400,000
Bond	1,484,170	—
	<hr/>	<hr/>
	2,229,170	400,000
Short term bank loans		
unsecured	940,000	470,000
Current portion of long term loans	200,000	—
	<hr/>	<hr/>
Total borrowings	<u>3,369,170</u>	<u>870,000</u>

Movements in borrowings are analysed as follows:

	Six months ended 30th June 2005
Opening amount as at 1st January 2005	330,000
New bank loans	570,000
	<hr/>
Closing amount as at 30th June 2005	<u>900,000</u>
	Six months ended 30th June 2006
Opening amount as at 1st January 2006	870,000
New bank loans	1,515,000
Repayments of bank loans	(500,000)
Bond issued	1,484,170
	<hr/>
Closing amount as at 30th June 2006	<u>3,369,170</u>

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9. 借款

	二零零六年 六月三十日 人民幣千元	二零零五年 十二月三十一日 人民幣千元
長期銀行貸款		
有抵押	370,000	—
無抵押	575,000	400,000
流動部分	(200,000)	—
	<u>745,000</u>	<u>400,000</u>
債券	1,484,170	—
	<u>2,229,170</u>	<u>400,000</u>
短期銀行貸款		
無抵押	940,000	470,000
長期借款的流動部分	200,000	—
貸款合計	<u>3,369,170</u>	<u>870,000</u>

貸款變動分析如下：

	二零零五年 六月三十日止 六個月
於二零零五年一月一日餘額	330,000
新增貸款	570,000
償還貸款	—
於二零零五年六月三十日餘額	<u>900,000</u>
	二零零六年 六月三十日止 六個月
於二零零六年一月一日餘額	870,000
新增貸款	1,515,000
償還貸款	(500,000)
債券	1,484,170
於二零零六年六月三十日餘額	<u>3,369,170</u>

Notes to the Unaudited Condensed Consolidated Financial Information

9. BORROWINGS (Continued)

At 30th June 2006, the maturity of the borrowings is as follows:

	As at 30th June 2006 RMB'000	As at 31st December 2005 RMB'000
Within one year	1,140,000	470,000
Between one and two years	730,170	400,000
Between two and five years	20,000	—
Over five years	1,479,000	—
	<u>3,369,170</u>	<u>870,000</u>

10. OTHER GAINS – NET

Other gains are analysed as follows:

	Six months ended 30th June	
	2006 RMB'000	2005 RMB'000
Compensation for relocation	—	9,743
Others	537	5,941
	<u>537</u>	<u>15,684</u>

11. 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	
	2006 RMB'000	2005 RMB'000
Depreciation	33,778	37,132
Amortisation	11,053	5,815
Reversal of provision/(provision) for impairment of receivables	(20)	5,475
Reversal of provision for inventories	(370)	—
Reversal of provision for properties held for sale	(39,725)	—
Employee benefit expense	106,996	92,082
Advertising costs	11,731	7,454
Cost of inventories sold		
Properties and land use rights sales	495,844	406,266
Shopping centre operations	355,189	384,730
Direct cost arising from investment properties	41,999	40,140
Direct cost arising from hotel operations	53,243	47,406
	<u> </u>	<u> </u>

未經審核簡明綜合財務信息附註

9. 借款 (續)

於二零零六年六月三十日，銀行貸款期限列示如下：

	二零零六年 六月三十日 人民幣千元	二零零五年 十二月三十一日 人民幣千元
一年以內	1,140,000	470,000
一年至二年	730,170	400,000
二年至五年	20,000	400,000
五年以上	1,479,000	—
	<u>3,369,170</u>	<u>870,000</u>

10. 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 二零零六年 人民幣千元	二零零五年 人民幣千元
拆遷補償收益	—	9,743
其他	537	5,941
	<u>537</u>	<u>15,684</u>

11. 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 二零零六年 人民幣千元	二零零五年 人民幣千元
折舊	33,778	37,132
攤銷	11,053	5,815
沖回／(提撥)呆賬準備	(20)	5,475
沖回存貨撥備	(370)	—
沖回待出售已落成物業之撥備	(39,725)	—
員工成本	106,996	92,082
廣告費用	11,731	7,454
存貨銷售成本		
物業和土地使用權銷售	495,844	406,266
購物中心業務	355,189	384,730
投資物業業務之直接成本	41,999	40,140
酒店業務之直接成本	53,243	47,406
	<u></u>	<u></u>

Notes to the Unaudited Condensed Consolidated Financial Information

12. FINANCE COSTS

	Six months ended 30th June	
	2006	2005
	RMB'000	RMB'000
Interest expense:		
– borrowings	54,436	15,858
Less: amount capitalised in properties under development with capitalisation rate of 5.17% (2005: 5.60%) per annum	(44,378)	(15,384)
	<u>10,058</u>	<u>474</u>

13. INCOME TAX EXPENSE

	Six months ended 30th June	
	2006	2005
	RMB'000	RMB'000
PRC income tax	73,637	56,214
Deferred income tax	10,630	6,754
	<u>84,267</u>	<u>62,968</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 2005: nil). The Group is subject to PRC income tax on its assessable income at 33% (six months ended 30th June 2005: 33%).

14. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders for the Period of RMB182,050,000 (six months ended 30th June 2005: RMB123,133,000) and 1,867,020,000 shares (six months ended 30th June 2005: 1,867,020,000 shares) in issue during the Period.

The Company has no dilutive potential ordinary shares as at 30th June 2006 and 2005. Therefore, the diluted earnings per share is equal to the basic earnings per share.

15. DIVIDENDS

The Board has resolved not to declare any interim dividend in respect of the six months ended 30th June 2006 (six months ended 30th June 2005: nil).

16. PLEDGED ASSETS

As at 30th June 2006, the land use rights and properties under development of certain properties were pledged by the Group as security for long term bank loan of RMB370,000,000 (As at 31st December 2005: Nil).

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12. 融資成本

	截至六月三十日止六個月	
	二零零六年 人民幣千元	二零零五年 人民幣千元
利息費用：		
— 借款	54,436	15,858
減：按資本化年率5.17% (二零零五年：5.60%) 計入開發中物業之資本化金額	(44,378)	(15,384)
	<u>10,058</u>	<u>474</u>

13. 所得稅費用

	截至六月三十日止六個月	
	二零零六年 人民幣千元	二零零五年 人民幣千元
中國所得稅	73,637	56,214
遞延稅項	10,630	6,754
	<u>84,267</u>	<u>62,968</u>

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（截至二零零五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%（截至二零零五年六月三十日止六個月期間：33%）繳納中國所得稅。

14. 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182,050,000元（截至二零零五年六月三十日止六個月期間：人民幣123,133,000元）和期內已發行股份1,867,020,000股計算（截至二零零五年六月三十日止六個月期間：1,867,020,000股）。

截至二零零五年及二零零六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。

15. 股息

董事會決議不派發本期間之中期股息（截至二零零五年六月三十日止六個月：無）。

16. 資產抵押

本集團截至二零零六年六月三十日以若干發展物業在建項目的土地使用權及該在建物業作為抵押物，從銀行取得長期借款人民幣370,000,000元（二零零五年：無）。

Notes to the Unaudited Condensed Consolidated Financial Information

17. CONTINGENT LIABILITIES

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 RMB1,466,311,000 as at 30th June 2006 (31st December 2005: RMB956,416,000). 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.

18. COMMITMENTS

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

	As at 30th June 2006 RMB'000	As at 31st December 2005 RMB'000
Properties under development		
Contracted but not provided for	3,166,417	887,171
Authorised but not contracted for	<u>1,545,791</u>	<u>1,684,975</u>
Land use rights		
Contracted but not provided for	<u>558,098</u>	<u>106,372</u>

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

	As at 30th June 2006 RMB'000	As at 31st December 2005 RMB'000
Contracted but not provided for	<u>1,022,000</u>	<u>1,352,000</u>

- (c) At 30th June 2006 and 31st December 2005, the Group had future aggregate minimum rental payments under non-cancellable operating leases as follows:

	As at 30th June 2006 RMB'000	As at 31st December 2005 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	<u>340,471</u>	<u>346,895</u>
	<u>404,711</u>	<u>411,135</u>

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17. 或有負債

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。於二零零六年六月三十日，未清償的擔保金額為人民幣1,466,311,000元（二零零五年十二月三十一日：人民幣956,416,000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。

18. 承擔

(a) 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：

	二零零六年 六月三十日 人民幣千元	二零零五年 十二月三十一日 人民幣千元
開發中物業		
已定約但未撥備	3,166,417	887,171
已批准但未訂約	1,545,791	1,684,975
土地使用權		
已定約但未撥備	558,098	106,372

(b) 本公司對投資一家附屬公司的資本承擔分析如下：

	二零零六年 六月三十日 人民幣千元	二零零五年 十二月三十一日 人民幣千元
已定約但未撥備	1,022,000	1,352,000

(c) 於二零零六年六月三十日及二零零五年十二月三十一日，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：

	二零零六年 六月三十日 人民幣千元	二零零五年 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	340,471	346,895
	404,711	411,135

Notes to the Unaudited Condensed Consolidated Financial Information

19. RELATED PARTY TRANSACTIONS

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

The parent 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 parent 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.

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19. 關聯方交易

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

母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，除母公司外，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

19. 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:

Related party transactions

(i) Bank deposits

	30th June 2006 RMB'000	31st December 2005 RMB'000
Bank deposits		
State-owned banks	<u>2,428,554</u>	<u>634,385</u>

(ii) Rental

	Six months ended 30th June	
	2006 RMB'000	2005 RMB'000
Rental income		
Holding Company	644	—
Other stated owned enterprises	<u>14,625</u>	<u>29,163</u>

Interest and rental income are principally at market rates.



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19. 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：

關聯方交易

(i) 銀行存款

	二零零六年 六月三十日 人民幣千元	二零零五年 十二月三十一日 人民幣千元
銀行存款		
國有銀行	<u>2,428,554</u>	<u>634,385</u>

(ii) 租金

	截至六月三十日止六個月期間 二零零六年 人民幣千元	二零零五年 人民幣千元
租金收入		
本公司之控股公司	644	—
其他國有企業	<u>14,625</u>	<u>29,163</u>

利息及租金收基本按市場利率計算。

Notes to the Unaudited Condensed Consolidated Financial Information

19. RELATED PARTY TRANSACTIONS (Continued)

(iii) Purchases of goods and services

	Six months ended 30th June	
	2006	2005
	RMB'000	RMB'000
A jointly controlled entity (system integration)	670	2,305
Holding Company (operating lease payment for land)	6,424	6,424
Holding Company (interest expense on dividend payable)	7,073	—
Holding Company (purchase of land use right)	124,690	—
Holding Company (rental)	450	—
Other stated-owned enterprise		
Fees paid for construction and technical services	<u>362,266</u>	<u>435,010</u>

Purchases of services and goods are carried out in accordance with the terms as mutually agreed between the parties.

(iv) Balances arising from sales/purchases of goods/services

	30th June	31th December
	2006	2005
	RMB'000	RMB'000
Trade and other receivables from related parties		
Other state-owned enterprises	<u>4,321</u>	<u>65,203</u>
Trade and other payables to related parties		
Other state-owned enterprises	13,756	35,289
Holding Company	<u>124,835</u>	<u>178,810</u>

The amounts receivables and payables are unsecured, interest free and have no fixed terms of repayment.

At 30th June 2006, there were no provisions for impairment of receivables from related parties (2005: Nil) and there were no provisions for impairment of receivables for related parties charged to income statement for the year ended 30th June 2006 (2005: Nil).

未經審核簡明綜合財務信息附註

19. 關聯方交易 (續)

(iii) 採購及接受服務

	截至六月三十日止	
	二零零六年 人民幣千元	二零零五年 人民幣千元
共同控制實體(系統集成)	670	2,305
控股公司(土地經營租賃支付)	6,424	6,424
控股公司(應付股利的利息支出)	7,073	—
控股公司(土地使用權轉讓)	124,690	—
控股公司(接受房屋租售)	450	—
其他國有企業		
建築和技術		
服務費用	362,266	435,010

採購及接受服務遵循關聯方之間達成共識之條款。

(iv) 銷售／採購商品／服務的應收／應付款項餘額

	二零零六年	二零零五年
	六月三十日 人民幣千元	十二月三十一日 人民幣千元
應收和其他應收關聯方款項		
其他國有控股企業	4,321	65,203
應付和其他應付關聯方款項		
其他國有控股企業	13,756	35,289
本公司之控股公司	124,835	178,810

應收應付款項均無抵押，免息且無固定償還期。

於二零零六年六月三十日，本集團對此類應收款項計提的呆賬準備為人民幣零元（二零零五年：無），計入二零零六年六月三十日止年度損益表的呆賬準備為人民幣零元（二零零五年：無）。

Notes to the Unaudited Condensed Consolidated Financial Information

19. RELATED PARTY TRANSACTIONS *(Continued)*

(v) Borrowings from related parties

	2006 RMB'000	2005 RMB'000
Borrowings from state-owned banks:		
Beginning of the period	870,000	330,000
Loan drawn down	1,515,000	570,000
Loan repayment	(500,000)	—
End of the period	<u>1,885,000</u>	<u>900,000</u>
	Six months ended 30th June	
	2006	2005
	RMB'000	RMB'000
Interest income from bank deposits	<u>4,616</u>	<u>2,811</u>
Interest expense to bank loans	<u>(42,126)</u>	<u>(15,858)</u>

(vi) Accept financial guarantee

In the light of agreement signed by Beijing North Star Industrial Group Company (the "Holding Company") and Bank of China (the "BOC"), the Holding Company will provide joint liability counter-guarantee for BOC as for the guarantee provided by the BOC for the 10-year Bond issued by the Company.

(vii) Key management compensation

	Six months ended 30th June	
	2006	2005
	RMB'000	RMB'000
Salaries and other short-term employee benefits	3,687	1,983
Post-employment benefits	174	104
	<u>3,861</u>	<u>2,087</u>

未經審核簡明綜合財務信息附註

19. 關聯方交易 (續)

(v) 關聯方貸款

	二零零六年 人民幣千元	二零零五年 人民幣千元
國有銀行貸款：		
期初餘額	870,000	330,000
增加貸款	1,515,000	570,000
償還貸款	(500,000)	—
期終餘額	<u>1,885,000</u>	<u>900,000</u>

截至六月三十日止

	二零零六年 人民幣千元	二零零五年 人民幣千元
利息收入	<u>4,616</u>	<u>2,811</u>
利息費用	<u>(42,126)</u>	<u>(15,858)</u>

(vi) 接受財務擔保

根據北辰集團與中行奧運支行簽訂的協議，北辰集團將就中行奧運支行給本公司10年債券的擔保向中行奧運支行提供連帶責任反擔保。

(vii) 主要管理者的報酬

	截至六月三十日止六個月期間 二零零六年 人民幣千元	二零零五年 人民幣千元
薪水及其他當期福利	3,687	1,983
離職後福利	174	104
	<u>3,861</u>	<u>2,087</u>

Review of Operations

OPERATING ENVIRONMENT

During the first half of 2006, China continued its macro-economic control measures undertaken in 2005 by further reinforcing administrative controls over land, taxation and credit policies. With the publication of the “Six Opinions of the State Council” and relevant implementation rules – including policies such as the “Opinions on Adjusting the Supply Structure of Housing and Stabilising Housing Prices”(《關於調整住房供應結構穩定住房價格的意見》)and “Some Opinions on Implementing the Requirements for the Structural Proportions of Newly Built Housing”(《關於落實新建住房結構比例要求的若干意見》), the government brought forth a series of control measures including those which raised the interest rates of commercial loans and pension scheme funds and compulsorily levied personal income tax on the transfer of second-hand residential property. Such measures are ongoing efforts aimed at curbing excessive property investments and surging housing prices in some cities, as well as laying a foundation for establishing an effective long-term mechanism for a sound and sustained development of the property sector.

In the first half of 2006, property development and investment in Beijing maintained speedy growth. However, the amount of completed area of commodity housing decreased substantially under the impact of the macro-economic control measures. As market demand for commodity housing remained strong while supply was comparatively less, the amount of vacant area of commodity housing decreased and selling prices rose slightly in the whole city.

According to the figures released by the Beijing Statistics Bureau, total new area of commodity housing under construction in the first half of the year amounted to 13,082,000 m², of which new area of residential flats under construction accounted for 8,029,000 m², up 47.2% and 36.1% respectively. Total area of commodity housing completed amounted to 7,986,000 m², down 27% over the same period of last year, of which the area of residential flats completed accounted for 5,803,000 m², down 35.1%. Total area of commodity housing sold amounted to 11,879,000 m², of which the area of commodity residential flats sold accounted for 10,413,000 m². Total vacant area of commodity housing in the whole city amounted to 9,652,000 m², representing a decrease of 4,090,000 m² or 29.8% as compared to the beginning of the year. Of such area, the vacant area of residential flats accounted for 5,307,000 m², representing a decrease of 2,690,000 m² or 33.6%. The prices of newly constructed commodity housing in the whole city rose 7.7%, up 1 percentage point over the same period of last year, of which the prices of newly constructed commodity residential flats rose 8.5%, up 1.3 percentage points over the same period of last year.

From January to May 2006, the aggregate operating income of all star-rated hotels in the city increased by 42.94% over the same period of last year; the average occupancy rate reached 58%, down 1 percentage point over the same period of last year; and the real average room rate was RMB412/room/day, up 1.98% over the same period of last year.

Rentals of Grade A office premises in Beijing rose slightly in the first half of the year. The sector performed steadily as a whole, with the average vacancy rate decreasing slightly. Rentals and occupancy rates of leaseable apartments remained at almost the same levels as compared to the same period of last year.

Beijing's consumer goods market performed well in the first half of the year. Total retail sales of consumer goods amounted to RMB158,280,000,000, up 12.4% over the same period of last year. Per capita disposable income of urban residents reached RMB10,161, up 14.9% over the same period of last year. Real growth was 13.6% after discounting the price factor.

經營回顧

經營環境

沿續二零零五年宏觀調控政策，二零零六年上半年國家進一步加大了對土地、稅收和信貸政策等方面的調控力度，相繼出台了「國六條」以及國六條的實施細則—《關於調整住房供應結構穩定住房價格的意見》、《關於落實新建住房結構比例要求的若干意見》等政策，上調商業貸款、公積金貸款利率、強制徵收二手房轉讓個人所得稅等一系列調控措施，其目標仍是繼續解決部分城市房地產投資規模過大和房價上漲過快的問題，為建立房地產業持續健康發展的長效機制奠定基礎。

二零零六年上半年，北京市房地產開發投資仍然保持了快速增長，但受宏觀調控政策影響，商品房竣工面積有較大幅度下降。但由於商品房市場需求旺盛而供給量相對減少，全市商品房空置面積下降，房屋銷售價格小幅上升。

根據北京市統計局公布的數據，上半年商品房新開工面積1,308.2萬平方米，其中住宅新開工面積802.9萬平方米，分別增長47.2%和36.1%；商品房竣工面積798.6萬平方米，比上年同期下降27%，其中住宅竣工面積為580.3萬平方米，下降35.1%；商品房銷售面積達到1,187.9萬平方米，其中商品住宅銷售面積為1,041.3萬平方米；全市商品房空置面積為965.2萬平方米，比年初減少409萬平方米，下降29.8%，其中住宅空置面積530.7萬平方米，減少269萬平方米，下降33.6%。全市新建商品房價格上漲7.7%，比去年同期提高1個百分點。其中，新建商品住宅價格上漲8.5%，比上年同期提高1.3個百分點。

二零零六年一至五月累計，全市星級飯店營業收入比上年同期增長42.94%；客房平均出租率58%，比上年同期下降1個百分點；客房實際平均價格人民幣412元/間天，比上年同期增長1.98%。

上半年，北京甲級寫字樓租賃價格小幅上升，整體市場狀況較為平穩，市場平均空置率小幅下降。出租公寓房價和出租率與去年同期相比基本持平。

北京市消費品市場上半年運行情況良好，社會消費品零售額人民幣1,582.8億元，比上年同期增長12.4%。城市居民人均可支配收入人民幣10,161元，比上年同期增長14.9%，扣除價格因素後，實際增長13.6%。

Review of Operations

BUSINESS REVIEW

In the first half of 2006, the Company achieved substantial growth in its results after it took a proactive approach to advancing the development of its three principal businesses and enhancing the professional and brand name-based management. Turnover amounted to RMB1,498,028,000, up 14.6% approximately over the same period of last year. Operating profit reached RMB307,893,000, up 65.6% over the same period of last year. Profit attributable to equity holders was RMB182,050,000, up 47.8% over the same period of last year.

In the first half of the year, the Company's development properties generated an operating profit of RMB178,893,000, up 149% over the same period of last year.

The latest round of macro-economic control measures are intended for restructuring commodity housing, strictly curbing the construction of low-density high-grade commodity housing and suspending the supply of land for villa-type property development projects, whilst placing a focus on the development of small- and medium-sized "suite-type" ordinary commodity housing at medium to low prices. Already with a substantial amount of low-density apartments and villa projects under development, of which their selling prices are on the rise, the Company remains optimistic about the market as it is not much affected by the above-said measures. In the first half of the year, total area of commodity housing sold by means of contract amounted to 100,043 m², up 17% over the same period of last year. Of this area, villas accounted for 38% and low-density apartments accounted for 27%. Given the increasing quality of commodity housing developed by the Company, the gross profit margin is rising year after year.

In April 2006, the Company won a bid at a public land auction for a piece of reserve land covering 230,000 m² for the Haidian Hot Spring D1 Project, which will help the Company to build a foundation for continued development.

For the investment properties business, the Company's operating income and profit rose significantly as compared to the same period of last year as a result of continuous integration of resources and optimisation of management structure. In the first half of the year, rental income from investment properties amounted to RMB150,401,000 and income from hotels amounted to RMB150,338,000, up 1.5% and 19.7% respectively over the same period of last year. Operating profit of investment properties and hotels reached a record high of RMB105,689,000, up 23.5% over the same period of last year.

Crown Plaza Park View Wuzhou Beijing sought to expand the high-grade market for business travellers, emerging as a benchmark among five-star hotels in the northern district of Beijing. Its results peaked at a new high, with a growth of 20.96% in average room rate and an average occupancy rate of 83.06%, up 3.76 percentage points over the same period of last year. The hotel ranks third in terms of occupancy rate among five-star hotels in Beijing, first among 56 hotels in China under the management of InterContinental Hotels Group, and second in terms of GOP value.

The integrated operation of Beijing Continental Grand Hotel and Beijing International Convention Centre helps the Company build a hotel specially designed for holding conventions, and achieve resources sharing between the hotel and the convention centre. As a result of this, cost efficiencies are on the rise.

經營回顧

業務回顧

二零零六年上半年，公司積極推進三大主營業務，加強專業化、品牌化管理，業績取得了較大增長。營業額為人民幣1,498,028,000元，較去年同期上升約14.6%，經營溢利人民幣307,893,000元，較去年同期增長65.6%，股東應佔溢利182,050,000元，較去年同期上升47.8%。

上半年公司發展物業實現經營溢利人民幣178,893,000元，較去年同期上升149%。

本輪宏觀調控政策旨在調整商品房結構，嚴控低密度高檔商品房建設，停止別墅類房地產開發項目土地供應，重點發展中低價位、中小套型普通商品房。公司目前開發的低密度公寓和別墅項目較多，銷售價格不斷攀升，市場前景看好，受政策影響不明顯。上半年公司商品房合同銷售面積達100,043平方米，較去年同期增長17%。其中，別墅約佔銷售面積的38%，低密度公寓約佔27%。公司開發的商品房品質不斷提升，毛利率逐年提高。

今年4月，公司通過土地市場公開交易，競拍取得海澱溫泉D1項目23萬平方米土地儲備，為公司的持續發展奠定了基礎。

投資物業不斷整合資源，優化管理結構，經營收入和經營利潤比去年同期有較大幅度的增長。上半年投資物業租金收入人民幣150,401,000元；酒店收入人民幣150,338,000元，同比分別增長1.5%和19.7%；投資物業及酒店實現經營溢利人民幣105,689,000元，創歷年新高，較去年同期相比上升23.5%。

五洲皇冠假日酒店力拓高端商務客源市場，樹立了京北地區五星級酒店標杆，業績再攀新高，平均房價增幅達20.96%，平均出租率達83.06%，較去年增加3.76個百分點，出租率在北京市五星級酒店中排名第三，在洲際酒店管理集團內地管理的56家酒店中排名第一，GOP值排名第二。

五洲大酒店與北京國際會議中心一體化經營，打造專業會議酒店，實現會議與酒店的資源共享，效益不斷提升。

Review of Operations

Of the Company's 13 blocks of apartments for lease, 8 blocks have been undergoing interior structural renovation works over the past several years, and the benefits of renovated apartments have increased remarkably as a result. However, in the first half of the year, the overall occupancy rate and income of these apartments declined as compared to the same period of last year, due to the renovation works carried out to the roads surrounding the Asian Games Village and the construction works of Olympic Games projects. The Company's office premises, upon the changes made to the operation mode, were able to leverage the advantages of their professional operation and management and capitalised on their multi-function and multi-faceted product nature, thereby enabling sales income and occupancy rates to increase slightly over the same period of last year.

The Company's retail operation generated an operating profit of RMB39,050,000 in the first half of the year, up 1.5% over the same period of last year. While continuing its efforts on adjusting the product mix and the brand name structure as well as on boosting sales, the Company remained active in advancing the preparatory work for new commercial projects such as those at Beichen Building and Green Garden.

In late May 2006, the Company issued RMB1.5 billion 10-year bonds at a rate of 4.1% per annum. The net proceeds from the bond issue will all be used to fund the construction of the Beijing Olympic Park National Convention Centre and its complementary facilities.

The construction works of the Beijing Olympic Park National Convention Centre, the Olympic Media Village and Beichen Building are proceeding on schedule and at full speed. The concrete construction of the main part and auditorium of the Beijing Olympic Park National Convention Centre has all been completed, and the construction of the two-storey podium as part of the convention centre's complementary projects has been completed. Phase I works on the Olympic Media Village have been completed on the ground level and construction above the ground level has commenced, with certain works completed to four storeys above-ground. Phase II works have already commenced in full swing while underground infrastructure works are proceeding. As for Beichen Building, the steel construction of ten storeys of the main block has been completed, while the commercial podium structure has already been topped out.

OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of the year, Beijing is expected to introduce the relevant implementation rules on the basis of the national macro-economic control measures, aimed at continuously rectifying and regulating the property market, adjusting the supply structure of residential property and curbing surging housing prices, thereby promoting a sound and sustainable long-term development of the property sector.

It is stipulated under the new policy published by the Ministry of Construction that of the total area of commodity residential flats newly approved or under new construction, residential flats with a "suite-type" area of less than 90 m² (including economical housing) should account for more than 70% of the total annual supply of urban housing. This policy does not have any impact on the Company's projects. Six of the seven residential projects to be developed by the Company have obtained commencement permits, and the product design is being carried out for the newly acquired Hot Spring D1 Project. As restrictions have been imposed on the supply of low-density and large housing under the macro-economic control measures, our four villa projects and one low-density project will become rarities on the market, so much so that there will be room for significant rise in their selling prices in future.

經營回顧

公司擁有13棟出租公寓，近幾年已先後對8棟公寓進行了內部結構改造，改造後的公寓效益明顯提升。但今年上半年受亞運村周邊道路改造、奧運項目建設施工影響，公寓整體出租率和收入較去年同期有所下降。寫字樓通過調整經營模式，充分發揮專業化經營管理的優勢，實現物業產品多功能、多層次的格局，銷售收入和出租率較去年同期均有小幅上升。

公司零售商業上半年實現經營溢利人民幣39,050,000元，較去年同期增長1.5%。在繼續調整商品結構、品牌結構，加大促銷力度的同時，積極推進北辰大廈、綠色家園等新商業項目的籌備工作。

今年5月底，公司發行了人民幣15億元十年期企業債券，年利率4.1%。募集資金全部投資於國家會議中心及配套設施工程的建設。

國家會議中心、奧運媒體村及北辰大廈工程建設正按計劃全面推進。國家會議中心主體及報告廳混凝土結構施工全部完畢，會議中心配套項目已完成地上二層裙房結構施工。奧運媒體村一期工程已達正負零，局部工程到達地上四層，二期工程已全面開工，正在進行地下基礎工程施工。北辰大廈主樓工程已達到十層鋼結構，商業裙樓結構封頂。

下半年展望

根據國家宏觀調控政策，預計北京市下半年將出台相應的調控細則，繼續整頓和規範房地產市場秩序，調整住房供給結構，抑制住房價格過快上漲，促進房地產行業長期穩健持續發展。

建設部新近出台政策規定：新審批、新開工的商品住房總面積中，套型面積90平方米以下住房（含經濟適用房）面積所佔比重必須達到年度城市住房供應總量的70%以上。該項政策對本公司項目沒有影響，公司開發的7個住宅項目已有6個取得開工許可證，新獲得的溫泉D1項目正本在進行產品設計。由於宏觀政策限制低密度、大戶型的供應，本公司4個別墅項目和1個低密度項目將成為稀缺產品，銷售價格未來有較大上漲空間。

Review of Operations

With the advent of the Olympic Games and the construction of infrastructure facilities surrounding the Olympic core district, economic benefits buoyed by the event are becoming more apparent. Traffic improvements, the formation of a proper environment and the assembly of business operations have placed unique advantages upon the properties in the Asian-Olympic Games district, and have provided strong support to the needs of the commercial and residential property market in the district. The Company owns in the district leaseable properties, hotels and retail operations, two Olympic Games projects - the Olympic Park National Convention Centre and the Olympic Media Village, and the Green Garden residential project located adjacent to the 10,000-hectare Olympic National Forest Park. All these properties and projects are expected to appreciate significantly as the Olympic Games event approaches.

In the second half of 2006, the Company will aim to increase the return on its assets, optimise its product mix and expand its scale of investment, thereby creating greater value for our shareholders.

For its property development, the Company will step up market operation, further enhance sales and adjust marketing strategies for sales projects in a timely manner. The Company will actively participate in public land auctions, step up project expansion outside Beijing, gradually adjust its development planning and enrich its product mix. In the second half of the year, our property development projects Chenghe Yushu Garden Villas and Bihai Fangzhou Garden apartments will be offered for sale; the sale of Changdao Lanqiao Garden Villas will be finalised and completed; the construction of Phase II of Bihai Fangzhou Garden Villas will commence; Phase I of Xiangshan Qingqin Garden Villas will be completed by the end of the year; the development and sale of Green Garden apartments will be stepped up; further product design and market positioning analysis will be carried out for the low-density hot spring project; and the construction of Beichen Building will be advanced on schedule, aiming to top out the main tower by the end of the year.

Ensuring a steady progress on the construction of the Olympic projects, the Company will strive to top out the Olympic Park National Convention Centre project by the end of the year. The main structures of complementary projects are expected to be topped out by the end of the year as well. The construction of the Olympic Media Village project will achieve its plan target.

For its investment properties and hotels, the Company will continue to optimise its client base, strengthen asset management, keep costs under control, enhance professional brand name building and continue to raise profitability.

For its department stores, the Company will carry out a research project on brand name combination and re-configuration, and will stick to the "trendy department store" concept. The Company's supermarkets will strive to increase transactions and to re-position themselves as food-enhanced supermarkets. The Company will be actively preparing for the operations of the commercial projects at Beichen Building, Green Garden and the Olympic Park National Convention Centre.

The Company will continue expanding its financing channels by actively working on preparations for the A-share issue, and seek to complete the issue exercise within the year.

經營回顧

伴隨著奧運會的臨近，奧運核心區域周邊基礎設施的建設，奧運經濟的帶動效應日漸顯現。交通改善、環境營造、商業的聚集使亞奧區域物業享有得天獨厚優勢，為亞奧區域的商務和住宅市場需求提供了強勁支持。公司擁有的出租物業、酒店及商業，兩個奧運項目－奧林匹克國家會議中心和奧運媒體村，以及緊鄰萬畝奧林匹克國家森林公園的綠色家園居住區項目，都將隨著奧運的到來而大幅升值。

二零零六年下半年，公司將加大提高資產收益，優化產品結構，擴大投資規模，為股東創造更大的價值。

發展物業將通過加大市場運營力度，進一步強化銷售，適時調整在售項目營銷策略。積極參與土地公開交易，加大京外項目的開拓力度，逐步調整開發佈局，豐富產品結構。下半年公司發展物業項目：長河玉墅別墅、碧海方舟公寓將開始銷售；長島瀾橋別墅將結案封盤；碧海方舟別墅二期開工建設，香山清琴別墅一期工程年底竣工；綠色家園公寓項目繼續加大開發銷售工作，溫泉低密度項目深化產品設計和市場定位分析；北辰大廈按計劃推進工程進度，力爭主樓年底實現結構封頂。

確保奧運項目工程建設的穩步推進，奧林匹克國家會議中心項目力爭年底前實現封頂，配套項目也將年底前實現主體結構封頂。奧運媒體村項目施工實現工程計劃目標。

投資物業及酒店將繼續優化客源結構，加強資產管理，控制成本，抓好品牌化、專業化建設，繼續提高收益水平。

商業百貨公司將專項研究品牌組合與調整，堅持走現代百貨的道路。超市公司將努力提高交易次數，向食品加強型超市調整。同時，積極籌備北辰大廈、綠色家園、奧運國家會議中心商業項目的運營工作。

繼續加大公司融資工作，積極籌備A股發行前的準備工作，力爭早日完成A股發行。

Discussion and Analysis of the Group's Performance

Financial Resources and Cash Flow Situation

Equity holders' interest as at 30th June 2006 increased by 2.7% compared with that as at 31st December 2005. The increase was mainly due to the increase in the profit attributable to equity holders of RMB182,050,000 for the Period.

Net borrowings of the Group as at 30th June 2006 amounted to RMB3,369,170,000, among which, RMB1,500,000,000 was bond issued with a term of 10 years and the remaining balance was bank borrowings. The Group's current assets comprised mainly bank deposits and cash, properties held for sale and properties under development for sale, which amounted to RMB6,865,071,000 whereas current liabilities amounted to RMB3,995,456,000. As at 30th June 2006, balance of bank deposits and cash amounted to RMB2,429,086,000.

As at 30th June 2006, the land use rights and properties underdevelopment of certain properties were pledged by the Group as security for long term bank loan of RMB 370,000,000 (2005: Nil) and the gearing ratio of the Group was 57.5% calculated by dividing total liabilities over total assets.

The Group had arranged bank financing for certain purchasers of our properties and provided guarantees to secure the repayment obligations of such purchasers. The outstanding guarantees amounted to RMB 1,466,311,000 as at 30th June 2006 (2005: RMB956,416,000), except for this, the Group had no other contingent liabilities, nor did it hedge against any exchange rate risk.

Comparison of Operating Results

Comparison of the six months ended 30th June 2006 over the corresponding period of the previous year:

The Group's turnover for the six months ended 30th June 2006 was approximately RMB1,498,028,000, an increase of approximately 14.6% over the corresponding period of the previous year. The increase in turnover is mainly attributed to the substantially increase in the revenue of property sales and hotel operation.

Operating profit of the Group for the six months ended 30th June 2006 amounted to approximately RMB307,893,000, an increase of approximately 65.6% over the corresponding period of the previous year. Profit attributable to equity holders amounted to approximately RMB182,050,000, representing an increase of 47.8% over the corresponding period of the previous year.

Sales of properties and land use rights recorded a turnover of RMB720,203,000, representing an increase of 35.3% over the corresponding period of the previous year. The increase in operating profit is mainly due to the recognised income from Phase II of Changdao Lanqiao, Zone B3 of Green Gardan and Jiang Zhuang Hu Garden Villas.

The rental income of investment properties for the six months ended 30th June 2006 amounted to RMB150,401,000, representing an increase of 1.5% compared to the corresponding period of the previous year.

During the Period, the shopping centre operation recorded a turnover of RMB439,548,000, representing a decrease of 6.2% over the corresponding period of the previous year. Profit margin of the shopping centre operation increased due to an adjustment of business strategies and enhancements of product structure and quality. Operating profit increased by 1.5% when compared to the corresponding period of last year.

Turnover of the hotel operation surged by 19.7% with operating profit amounting to RMB30,921,000. Benefitting from its excellent management and environment, Crowne Plaza Parkview Wuzhou Beijing achieved better rentals and occupancy rates than other competitors of the same grade. By altering to the operation model and by collaborating with Beijing International Convention Centre, 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

於二零零六年六月三十日的權益持有人應佔資本之權益較二零零五年十二月三十一日有2.7%的上升，此上升主要是由於本期間新增本公司權益持有人應佔溢利人民幣182,050,000元。

本集團在截至二零零六年六月三十日的借款淨額為人民幣3,369,170,000元。本集團的借款中有人民幣1,500,000,000元為十年期債券，其餘借款主要來自銀行，流動資產主要是銀行存款及現金、發展中物業及待售開發中物業。流動資產的數額為人民幣6,865,071,000元，而流動負債數額則為人民幣3,995,456,000元。於二零零六年六月三十日，銀行存款及現金的餘額為人民幣2,429,086,000元。

本集團截至二零零六年六月三十日以若干發展物業在建項目的土地使用權及該在建物業作為抵押物，從銀行取得長期借款人民幣370,000,000元。（二零零五年：無），集團的資本與負債比率為57.5%（計算方式為總負債除以總資產）。

本集團就若干物業單位為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。於二零零六年六月三十日未清償的擔保金額為人民幣1,466,311,000元（二零零五年：人民幣956,416,000元），除此之外，集團並無重大或然負債，集團並無滙率風險對沖。

經營業績比較

截至二零零六年六月三十日止六個月期間與去年同期比較：

本集團截至二零零六年六月三十日止六個月期間之營業額約為人民幣1,498,028,000元，較去年同期上升約14.6%，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。

本集團二零零六年六月三十日止六個月期間經營溢利約為人民幣307,893,000元，比去年同期上升約65.6%，股東應佔溢利約為人民幣182,050,000元，比去年同期上升47.8%。

物業及土地使用權銷售營業額人民幣720,203,000元，比去年同期上升35.3%，上升的主要原因是長島瀾橋二期、綠色家園B3區、姜庄湖別墅確認收入。

截至二零零六年六月三十日止，投資物業實現租金收入人民幣150,401,000元，比去年同期上升約1.5%。

購物中心本期間營業收入為人民幣439,548,000元，比去年同期下降約6.2%。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1.5%。

酒店營業額比去年同期增加19.7%，經營溢利人民幣30,921,000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 registered capital as at 30th June 2006 totalled 1,867,020,000 shares in issue, comprising:

Domestic shares	1,160,000,000 shares	representing 62.13%
H shares	707,020,000 shares	representing 37.87%

Shareholdings of Substantial Shareholders

As at 30th June 2006, 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"):

Long positions in shares of the Company

Name of shareholder	Nature of interest	Capacity	Class of shares	Number of share held	Percentage of the relevant class of shares	Percentage of total share capital
Beijing North Star Industrial Group Company	Corporate interest	Beneficial owner	Domestic shares	1,160,000,000	100.00%	62.13%
Chen Chu Hui	Personal interest	Beneficial owner	H shares	35,578,000	5.03%	1.91%

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 2006.

INTERESTS OF DIRECTORS AND SUPERVISORS OF THE COMPANY

As at 30th June 2006, none of the directors, supervisors, chief executive 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 executive of the Company or their associates had been granted or had exercised any such rights during the six months ended 30th June 2006.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has strived to maintain and establish a high level of corporate governance and has 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

本公司於二零零六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62.13%
H股	707,020,000股	佔37.87%

主要股東持股情況

本公司於二零零六年六月三十日，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：

本公司股份的好倉情況

股東姓名	權益性質	身份	股份類別	所持 股份數目	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	35,578,000	5.03%	1.91%

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二零零六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

於二零零六年六月三十日，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。於截至二零零六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 enquiries from all directors and supervisors of the Company, the Company confirms 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 2006.

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 2006 has been reviewed by the Audit Committee and the Board of the Company. The Audit Committee comprises with 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 DEPOSITS AND DUE FIXED DEPOSITS

As at 30th June 2006, the Group had no designated deposits that were placed with financial institutions in the PRC. All of the Group’s cash deposits has been placed with commercial banks in the PRC in compliance with relevant laws and regulations. The Group has not experienced any incidents of not being able to withdraw bank deposits when due.

EMPLOYEES

As at 30th June 2006, the Company had 4,589 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, the management of employee remunerations will be more efficient while employees will be motivated to work hard to bring good results to the Company. Save from the remuneration policies 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.

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二零零六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二零零六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

於二零零六年六月三十日，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

截至二零零六年六月三十日止，本公司僱員人數為4,589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。

STAFF QUARTERS

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

DOCUMENT FOR FUTURE REFERENCE

The original copy of the 2006 interim report, signed by the Chairman is available for inspection at the Secretariat of the Board, of which the address is:

Beijing North Star Company Limited
707, Tower A, Hui Xin Building
No. 8 Bei Chen Dong Road
Chao Yang District
Beijing, the PRC

By Order of the Board
Zhao Hui-Zhi
Chairman

Beijing, the PRC
15th August 2006



員工宿舍

於本期間內，本公司並無向員工提供任何員工宿舍。

備查文件

經董事長簽署的二零零六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
北辰東路八號滙欣大廈A座707
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
二零零六年八月十五日

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

公司資料

COMPANY INFORMATION ENQUIRY

Address: 707, Tower A, Hui Xin Building
No. 8 Bei Chen Dong Road,
Chao Yang District, Beijing, the
PRC

Postal code: 100101

Telephone: 86(10) 6499 1277,
8498 0392, 6499 1057

Fax: 86(10) 6499 1352

Website: www.beijingns.com.cn

REGISTRATION

Date and place
of first registration: 2nd April 1997,
Beijing, the PRC

Registration number 11509936
with the Industry
and Commerce
Bureau:

Registration number 110105633791930
with the Taxation
Bureau:

公司資訊諮詢

地址：中國北京市朝陽區
北辰東路8號
滙欣大廈A座707

郵編：100101

電話：86(10) 6499 1277、
8498 0392、6499 1057

傳真：86(10) 6499 1352

網址：www.beijingns.com.cn

註冊登記

首次註冊登記 一九九七年四月二日
日期及地點：中國北京市

工商登記號：11509936

稅務登記號：110105633791930

Corporate Information 公司資料

AUDITORS

PRC auditor: PricewaterhouseCoopers
Zhong Tian CPAs Co., Ltd.

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Stock Code

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股份代號

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