

## 一、經營環境

二零零六年，國內房地產市場繼續實施宏觀調控政策。國務院及中國人民銀行、建設部、稅務總局等部門相繼出台了《國務院研究促進房地產業健康發展六條措施》、《關於調整住房供應結構穩定住房價格的意見》、《關於規範房地產市場外資准入和管理的意見》、《關於個人住房轉讓所得徵收個人所得稅有關問題的通知》等一系列調控政策，進一步調整住房供應結構、穩定住房價格。由於北京市房地產市場住房的需求依然旺盛，全市房屋銷售價格呈平穩增長趨勢，商品房空置面積持續下降，市場總體保持穩定運營狀況。房地產投資增速較上年回升9.3個百分點，投資比重下降。全年本市完成房地產開發投資人民幣1,719.9億元，較上年增長12.8%。房地產開發投資佔全社會投資的比重為51%，較上年回落2.9個百分點，投資結構逐步優化。商品房施工面積10,483.5萬平方米，較上年下降2.5%，其中住宅施工面積6,311.3萬平方米，較上年下降13.3%。商品房竣工面積3,193.9萬平方米，較上年下降15.3%，其中住宅2,193.3萬平方米，下降22.8%。全市商品房銷售面積2,607.6萬平方米，其中商品住宅銷售2,205萬平方米，佔全部銷售面積的84.6%。

二零零六年北京GDP為人民幣7,720.3億元，較上年增長12.0%，連續8年保持兩位數增長。在經濟持續快速增長的帶動下，城市建設全面提速，奧運經濟日益彰顯。北京投資物業市場繼續保持良好

## I. Operating Environment

In 2006, the implementation of the macro-economic control measures on the domestic property market continued. The State Council and authorities such as the People's Bank of China, the Ministry of Construction and the State Administration of Taxation successively introduced a series of macro-economic control measures including "The Six Measures of the State Council to Promote Healthy Development of the Property Sector", "Opinions on Adjusting the Supply of Housing and Stabilising Housing Prices", "Opinions on Regulating the Entry and Management of Foreign Investments in the Property Market" and "Notice of the State Administration of Taxation on Relevant Issues concerning Imposing Individual Income Tax on House Transfer Income Received by Individual", further adjusting the supply structure of residential housing and stabilizing residential property prices. As the demand for residential housing remained strong in the Beijing property market, the municipality's property sales prices were rising steadily. Vacant area of commodity housing declined further, with the market generally maintaining a stable state of operation. The growth rate in property investments rebounded by 9.3 percentage points as compared to the previous year, while the proportion of investments decreased. During the year, the municipality completed property development investments of RMB171,990,000,000, representing a 12.8% increase over the previous year. Property development investments accounted for 51% of the community's total investments, dropping back by 2.9 percentage points as compared to the previous year and showing a gradual optimisation in investment structure. Area under construction for commodity housing was 104,835,000m<sup>2</sup>, representing a 2.5% decrease over the previous year. Area under construction for commodity residential flats was 63,113,000m<sup>2</sup>, representing a 13.3% decrease over the previous year. Area completed for commodity housing was 31,939,000m<sup>2</sup>, representing a 15.3% decrease over the previous year. Area completed for commodity residential flats was 21,933,000m<sup>2</sup>, representing a 22.8% decrease over the previous year. Area sold for commodity housing was 26,076,000m<sup>2</sup>, among which 22,050,000m<sup>2</sup> came from commodity residential flats, accounting for 84.6% of total area sold.

In 2006, Beijing's GDP amounted to RMB772,030,000,000, representing a 12.0% increase over the previous year and marked the eighth consecutive year of double-digit growth. Driven by continued, rapid economic growth, urban development accelerated and the Olympic economy's impact was becoming apparent. The investment property market of Beijing maintained a sound condition, with the

態勢，公寓租賃市場空置率有所下降，總體表現較為平穩。寫字樓租賃市場雖然需求強勁，但由於供應量在奧運前的集中投放過大，市場競爭也將進一步顯現。

二零零六年北京市人均 GDP 達到 6,210 美元，全市實現社會消費品零售額人民幣 3,275.2 億元，較上年增長 12.8%。城市居民人均可支配收入人民幣 1.99 萬元，較上年增長 13.2%。隨著居民收入增長加快，消費增長和消費升級的效應加速體現，零售商業繼續保持快速增長態勢。

## 二、業務回顧

二零零六年，公司發展物業、投資物業及酒店和零售商業適應市場變化，開拓經營，公司經營效益再次達到歷史高點，全年實現經營溢利人民幣 649,397,000 元，較去年同期上漲 71%。

vacancy rate in the apartment leasing market decreasing while the overall performance was stable. As for the office leasing market, while demand was strong, the excessive release of supply concentrated before the Olympic Games is going to cause further market competition.

The per capita GDP of Beijing was US\$6,210 in 2006, while the municipality's total retail sales of consumer goods amounted to RMB327,520,000,000, representing a 12.8% increase over the previous year. The per capita disposable income of Beijing residents amounted to RMB19,900, representing a 13.2% increase over the previous year. With the growth in residents' income accelerating, the impact of consumption growth and consumption upgrade was emerging more rapidly and the retail operation continued to maintain the trend of rapid growth.

## II. Business Review

In 2006, the Company's development properties, investment properties and hotels, as well as retail operation adapted to market changes and underwent operation expansion, pushing the Company's operating efficiency to another historic high. Operating profit for the year amounted to RMB649,397,000, representing an increase of 71% over the corresponding period of the previous year.



### 1、發展物業

二零零六年，發展物業面對國家宏觀調控政策、行業監管力度持續加大的市場環境，密切追蹤政策和市場變化，加大項目開發與拓展力度，主動調整營銷策略，建設規模和經濟效益均創歷史新高。全年開復工面積138萬平方米，竣工面積達11萬平方米，合同銷售面積21萬平方米。全年實現銷售合同收入人民幣3,161,000,000元，較去年同期增長137.31%。經營溢利人民幣363,804,000元，較去年同期增長141%。其中，北辰綠色家園項目採用價格監測機制，適時調整價格策略，全年銷售11.29萬平方米，合同銷售額達人民幣1,174,460,000元，較去年均有大幅增長。長島瀾橋項目連年熱銷，年內已全部售罄。碧海方舟項目加快開發力度，發揮品牌優勢，別墅銷售勢頭良好，其中公寓項目全面竣工後，兩次提高售價，銷售前景十分看好。香山清琴項目憑藉獨特的品質和優越的地理位置，成為領銜京城別墅市場的名星樓盤，全年銷售183套，合同金額達人民幣1,433,160,000元，其中獨棟別墅自開盤後即受到市場追捧，年內六次調價，現每平方米售價已超過4萬元人民幣。長河玉墅項目銷售走勢良好，售價亦持續上漲，開盤3個月累計簽約近億元。

### 1. Development Properties

In 2006, faced with a market environment where the State's macro-economic control measures and industry regulatory efforts were further intensifying, the Company's property development operation closely monitored policy and market changes and reinforced its efforts on project development and expansion. The Company took initiatives to adjust its marketing and sales strategies, while construction scale and economic efficiency set historic records. The total area under construction was 1,380,000m<sup>2</sup>, while total area completed was 110,000m<sup>2</sup>. Contracted sales area was 210,000m<sup>2</sup>. Contracted sales revenue amounted to RMB3,161,000,000 for the year, representing a 137.31% increase over the corresponding period of the previous year. Operating profit amounted to RMB363,804,000, representing an increase of 141% over the corresponding period of the previous year. Among these, Beichen Green Garden adopted a price monitoring mechanism to adjust pricing strategies in a timely manner. The project had 112,900m<sup>2</sup> sold during the year, registering contracted sales of RMB1,174,460,000, both reporting substantial increases over the previous year. Changdao Lanqiao Garden Villas were sold out during the year, after years of success in sales. The development of Bihai Fangzhou Garden Villas was accelerated, with the project demonstrating its brand advantage and producing an encouraging sales momentum. The sales prices of the apartments were raised twice upon completion, with bright sales prospects ahead. As for the project of Fragrant Hill Qingqin, its unique quality and excellent location have made it a star project leading the villa market in Beijing. 183 units were sold during the year, resulting in contracted sales of RMB1,433,160,000. The detached villas of the project have been very popular in the market since offering, with prices being raised six times during the year. The per sq. m. sales price has now surpassed RMB40,000. The Changhe Yushu Garden Villas also reported a solid sales performance with sale prices rising. Contracted sales for the project amounted to approximately RMB100 million during the three months of sales offer.



二零零六年四月，公司通過土地市場公開交易，競得約 23 萬平米的溫泉 D1 項目，該項目已完成產品定位、市場定位和總體規劃方案的初步設計，正在加快辦理前期相關手續。

In April 2006, the Company won a bid at a public land auction for a piece of reserve land covering 230,000m<sup>2</sup> for the Hot Springs D1 Project. The preliminary designs for the project's product positioning, market positioning and overall planning proposal were completed and the Company is accelerating the conduct of relevant pre-stage procedures.

#### 報告期內各項目樓盤結算銷售情況表

項目名稱 Project Name		結算面積	結算金額	銷售面積	銷售金額
		Confirmed Sales Area (千平方米) ( <i>'000 m<sup>2</sup></i> )	Confirmed Sales Amount (人民幣千元) ( <i>RMB'000</i> )	Contracted Sales Area (千平方米) ( <i>'000 m<sup>2</sup></i> )	Contracted Sales Revenue (人民幣千元) ( <i>RMB'000</i> )
綠色家園	Beichen Green Garden	82.2	748,672	112.9	1,174,460
碧海方舟	Bihai Fangzhou Garden Villas	7.2	209,851	7.7	191,070
香山清琴	Fragrance Hill Qingqin	—	—	60.4	1,433,160
長河玉墅	Changhe Yushu Garden Villas	—	—	8.5	95,830
長島瀾橋	Changdao Lanqiao Garden Villas	45.0	614,015	19.4	266,500
溫泉 D1	Hot Springs D1 Project	尚未開工 Construction not commenced	—	—	—
其他	Others	—	36,349	—	—

#### Gross Sales Performance of Property Development Projects during the Reporting Period

#### 2006 年公司項目一覽表

項目名稱 Project Name		規劃建築面積	2006 年新開工面積	2006 年竣工面積
		Planned Construction Area (千平方米) ( <i>'000 m<sup>2</sup></i> )	Construction Area Commenced in 2006 (千平方米) ( <i>'000 m<sup>2</sup></i> )	Completed Area in 2006 (千平方米) ( <i>'000 m<sup>2</sup></i> )
綠色家園	Beichen Green Garden	1,644.9	987.4	62.5
碧海方舟	Bihai Fangzhou Garden Villas	77.1	22.0	22.0
香山清琴	Fragrance Hill Qingqin	203.9	177.3	—
長河玉墅	Changhe Yushu Garden Villas	204.5	42.0	—
長島瀾橋	Changdao Lanqiao Garden Villas	113.1	27.3	27.3
溫泉 D1	Hot Springs D1 Project	230.3	—	—
北辰大廈	Beichen Building	131.8	131.8	—
國家會議中心	National Convention Centre	533.9	533.9	—

#### Projects of the Company in 2006

## 2、投資物業及酒店

投資物業及酒店業務通過專業化經營和品牌培育，以市場開發為重點，強化內部管理，提高服務質量，經濟效益不斷提高，成為公司整體經營業績提升的又一個增長點。全年實現經營溢利人民幣280,014,000元，較去年增長38%。

公寓經營管理公司在部分樓座升級改造、市場環境變化較大的情況下，加大市場開發力度，提高營銷能力，實現經濟效益平穩發展。寫字樓經營管理公司通過資源整合，擴大經營面積，租金和出租率穩步攀升。

五洲皇冠假日酒店根據季節變化，靈活調整促銷策略和客房價格，出租率和平均房價實現了較好匹配，客源結構日趨合理，經濟效益繼續保持快速增長，經營毛利率(GOP率)在洲際酒店管理集團管理的北亞區42家洲際品牌酒店中位居榜首，客人滿意度指數也排名第一，全年實現經營溢利人民幣

## 2. Investment Properties and Hotels

Through professional management and brand cultivation and focusing on market development, the Company strengthened the internal management and enhanced the quality of service of the investment properties and hotels operation. Accordingly, economic efficiency has been rising and the operation has become another source of growth that lifted the Company's overall operating results. The operation realised an operating profit of RMB280,014,000 for the year, representing a 38% increase over the previous year.

Amidst upgrading renovations for certain properties and more significant changes in the market environment, the apartment operation and management company stepped up its market development effort and enhanced its marketing and sales capability, thereby achieving a steady development of economic efficiency. The office operation and management company expanded its operating area through resource integration, leading to steady increases in rentals and tenancy rates.

Owing to flexible adjustments in promotion strategies and room rates with reference to seasonal changes, Plaza Park View Wuzhou Beijing improved the correlation between the occupancy rate and the average room rate, with the customer base gradually rationalised. Economic efficiency maintained its rapid growth, with the hotel's gross operating profit margin (GOP margin) topping all 42 InterContinental hotels in North Asia under the management of InterContinental Hotels Group. The hotel's customer satisfaction index also ranked first among the 42 hotels. The hotel realised an operating profit of RMB62,110,000 for the year, representing a 49% increase over the



62,110,000元，較去年增長49%。五洲大酒店及北京國際會議中心在資源整合後，通過調整銷售管理體制，靈活運用價格策略，優勢持續顯現，全年實現經營溢利人民幣70,950,000元，較去年增長26%。

此外，12月12日本公司與洲際酒店管理集團簽訂了國家會議中心項目內高檔酒店的管理協議，以確保該酒店未來運營取得良好的收益。

### 3、零售商業

二零零六年，零售商業深入分析市場，加快商品結構的調整，全年實現經營溢利人民幣57,664,000元，較去年增長1.5%。

年內，公司在充分研究國內外零售業發展趨勢的基礎上，初步完成了零售商業的管理體制和組織系統建設，形成了以商業發展分公司統管百貨、超市連鎖、購物廣場三個專業化運營分公司的清晰發展架構。百貨分公司適時進行了「營採分離」經營模式的調整。超市分公司與AC尼爾森合作，創新經營方式，逐步實現向「食品加強型」超市目標的轉變。11月28日公司與香港知名公司共同設立北辰大廈商業合資公司，率先打造亞奧商圈高檔精品百貨店，並將力爭於2008年奧運會前開業。

previous year. As for the Beijing Continental Grand Hotel and the Beijing International Convention Centre, after resource integration, the synergy advantage continued to take effect through an adjustment of the sales management regime and a flexible adoption of pricing strategies. The unit realised RMB70,950,000 in operating profit for the year, representing a 26% increase over the previous year.

In addition, on 12 December 2006, the Company and InterContinental Hotels Group entered into a management agreement regarding the luxury hotel in the National Convention Centre project, in order to ensure solid results for the hotel's future operation.

### 3. Retail Operation

In 2006, the retail operation conducted an in-depth analysis on the market and accelerated the adjustment of the product mix, realising an operating profit of RMB57,664,000 for the year, representing a 1.5% increase over the previous year.

During the year, on the basis of sufficient research on the development trends of the domestic and international retail sectors, the Company basically completed the establishment of the management regime and organisation system, forming a clear development structure with a commercial development subsidiary heading the three business branches of supermarket chains, department stores and shopping arcades. The department store branch has undergone an operation mode adjustment of "separating operation and purchasing" in a timely manner. The supermarket chain branch was cooperating with AC Nielsen to develop innovative operation approaches, in order to gradually achieve the transition towards a "food-enhanced" type of supermarket. On 28 November 2006, the Company joined forces with a renowned Hong Kong company to establish the Beichen Building commercial joint venture, leading the way to open a upmarket department store in the Asian-Olympic Games district and striving for the store's commencement before the 2008 Olympic Games.

4、 融資方面

二零零六年五月二十九日至六月二日，公司成功發行十年期 15 億企業債券，票面年利率為 4.1%。本期債券募集資金人民幣 1,478,980,000 元，將全部用於奧林匹克公園國家會議中心及配套設施工程的建設。

二零零六年十月十六日，公司在上海證券交易所成功發行 15 億 A 股，扣除發行費用後，募集資金人民幣 3,517,070,000 元，將用於北辰大廈和奧運媒體村項目建設。

5、 奧運工程及重點項目

奧林匹克公園國家會議中心主體及配套項目混凝土結構及鋼結構施工全部完成，主體與配套混凝土結構均通過驗收。

奧運媒體村各棟樓結構施工已全面超額完成形象進度計劃指標。北辰大廈主樓和裙樓實現結構封頂，並通過結構第二階段驗收工作。

4. Financing

During the period between 29 May 2006 and 2 June 2006, the Company successfully issued the 10-year corporate bond for a principal amount of RMB1,500,000,000. The bond carries a coupon rate of 4.1% per annum. The bond issue raised RMB1,478,980,000 in proceeds, with the entire amount to be used for the construction of the Beijing Olympic Park National Convention Centre and its ancillary facilities.

On 16 October 2006, the Company successfully issued 1,500,000,000 A shares on the Shanghai Stock Exchange for proceeds of RMB3,517,070,000 (excluding issuing fees). The proceeds will be used for the construction of the projects of Beichen Building and Olympic Media Village.

5. Projects Related to the Olympic Games and Other Major Projects

The cement structures and steel structures of the main structure and ancillary projects of the Beijing Olympic Park National Convention Centre were completed. The cement structures of the main structure and ancillary projects were inspected and accepted.

The main structure construction of the Olympic Media Village buildings was fully ahead of the planned target for physical progress. The main structures of Beichen Building's main building and podium were also topped out and have passed the second phase of inspection and acceptance.



### 三、二零零七年展望

二零零七年，房地產市場將繼續通過政府調控和市場機制兩個手段，在保持房地產投資合理規模的基礎上，調整土地和住房供應結構，確保有效供給，穩定價格，整頓和規範房地產市場秩序，進一步促進房地產業持續健康發展。宏觀調控將進一步提高房地產行業的行業壁壘，加速行業整合，對於具有資金渠道暢通優勢、規模大、資金實力強的地產公司將獲得巨大的發展空間。

二零零七年，是北京市實施「新北京、新奧運」的關鍵一年，預計北京將繼續保持較快的經濟增長，城鎮居民人均可支配收入也將持續快速增長，消費能力和支付能力進一步提高。隨著奧運建設帶給北京經濟的積極影響，以及奧運會的臨近，奧運場館及相關配套設施將陸續完成，奧運核心區域及周邊市場商機無限。本公司目前擁有奧林匹克國家會議中心及奧運媒體村兩個奧運項目，投資物業緊鄰奧運核心區，這將使我們成為奧運經濟的直接受益者，公司將抓住房地產市場調控和奧運經濟帶來的發展契機，加快發展速度，創造更好的經營業績。

#### 1、發展物業

土地儲備是地產類公司持續發展的命脈。二零零七年，本公司將把擴大土地儲備作為發展物業第一要務加以落實，充分利用業已積累的土地公開市場競標及收購兼併能力和綜合開發實力，採取切實可行的方式，努力大幅增加土地儲備，同時，注重京內外業務的均衡發展，力爭實現發展物業京外跨區域發展。

### III. Prospects in 2007

In 2007, on the basis of maintaining property investments at a rational scale, the property market will continue to undergo changes in the structure of land and residential flat supply through government control measures and market mechanisms. Such changes will aim at ensuring effective demand and supply and stabilising prices, as well as reshuffling and regulating the order of the property market, so as to further facilitate a sustainable and healthy development of the property sector. The macro-economic control measures will further raise industry barriers and accelerate industry integration. Property developers with the competitive edges of smooth financing channels, large operating scale and funding prowess will gain substantial room for development.

2007 is the decisive year for realising the “A New Beijing, the New Olympic Games” strategy. It is estimated that Beijing will maintain relatively rapid economic growth, while the per capita disposable income for urban residents will also continue to rise rapidly, with consumption capacity and payment capacity further increasing. With positive impact of the Olympic Games-related construction upon the Beijing economy, the advent of the Olympic Games, and the Olympic stadiums and related ancillary facilities to be gradually completed, there will be boundless business opportunities in the Olympic core district and the neighbouring markets. At present, the Company owns two Olympic projects, namely the Beijing Olympic Park National Convention Centre and the Olympic Media Park. Such investment properties’ close proximity to the Olympic core district will make the Company a direct beneficiary of the Olympic economy. The Company will grasp the development opportunities presented by the property market’s control measures and the Olympic economy, accelerating its development to create better operating results.

#### 1. Development Properties

Land reserves constitute the vein of life for the sustainable development of property developers. In 2007, the Company will make land reserve expansion its top priority and strive to achieve this objective. The Company will capitalise on the backlog of public land auctions, making use of its merger and acquisition prowess and integrated development capabilities and adopting practical and feasible means, to strive for a substantial expansion in its land reserves. Meanwhile, the Company will emphasise a balanced development of operations inside and outside Beijing, striving to achieve cross-regional development of development properties beyond Beijing.



二零零七年，公司將繼續擴大發展物業開發規模，實現全年開復工面積將超過150萬平方米；繼續加大現有項目開發建設和經營銷售力度，加快推進溫泉D1項目的開發進度，深化市場定位、規劃設計和營銷方案，力爭三季度開盤銷售。綠色家園、碧海方舟、香山清琴、長河玉墅項目將抓住商品房特別是別墅銷售市場的有利時機，提高項目的收益水平。

## 2、投資物業

二零零七年，投資物業一方面要進一步細分市場，創新營銷，充分利用地處奧運商圈核心區域的資源優勢，確保經濟效益穩步提升。另一方面，在做好奧運會服務接待籌備以及存量、新增投資物業在奧運會期間營銷策劃的同時，繼續落實與國外具有優秀管理品牌的會展企業合作，確定國家會議中心在奧運會後運營的組織、管理、營銷方案，為新增投資物業提高盈利水平打好基礎。

## 3、零售商業

零售商業在二零零七年將充分發揮專業運營的優勢，完善單店向多店、連鎖、規模發展所必需的運營與管理模式。超市、百貨及購物廣場分公司在確保現有門店經營效益的同時，按計劃周密做好北辰大廈約4萬多平米精品百貨店、綠色家園約4萬多平米社區購物中心、國家會議中心約8萬多平米社區購物廣場的開業籌備工作。

In 2007, the Company will continue to expand the development scale of its development properties, with the commenced and resumed construction area expected to exceed 1,500,000m<sup>2</sup> for the year. The Company will further strengthen the efforts on the development and construction and marketing and sales of existing projects. It will accelerate the development progress of the Hot Springs D1 Project, enhancing the project's market positioning, planning and design, and marketing and sales proposals and striving to offer the project for sale in the third quarter of this year. As for the projects of Beichen Green Garden, Bihai Fangzhou Garden Villas, Fragrance Hill Qingqin and Changhe Yushu Garden Villas, the Company will grasp the favourable sales opportunity for commodity housing, particularly that for villas, to raise turnovers from these projects.

## 2. Investment Properties

In 2007, the property investment operation will further segment its market on the one hand to introduce marketing and sales innovations, so as to sufficiently utilise the resource advantage enjoyed by the operation's location in the core district of Olympic business circle, thereby ensuring a gradual rise in economic efficiency. On the other hand, while effectively completing the service and reception preparation for the Olympic Games and reserving and adding investment properties for planning marketing and sales during the period the Olympic Games, the operation will further confirm cooperation with foreign convention enterprises with excellent management records. The organisational, management, marketing and sales proposals for the post-Olympic operation of the Beijing Olympic Park National Convention Centre will be finalised, laying a solid foundation for increasing the profitability of the new investment properties.

## 3. Retail Operation

In 2007, the retail operation will fully utilise its advantage in professional operation, enhancing the necessary operation and management models for the transition from single-shop to multi-shop, chain operation and large-scale development. The supermarket, department store and shopping arcade branches will ensure the operating efficiency of the existing outlets, as well as carefully completing as planned the commencement preparation for the 40,000m<sup>2</sup> luxury department store in Beichen Building, the 40,000m<sup>2</sup> community shopping arcade in Beichen Green Garden, and the 80,000m<sup>2</sup> shopping plaza in the National Convention Centre.

#### 4、公司發展戰略和品牌建设

根據市場形勢和企業內外環境變化，建立公司總體發展戰略和目標的動態管理機制，進一步深化和完善各業務板塊及各專業子公司戰略。全面實施公司品牌規劃，加強公司品牌管理，提升公司品牌價值。

#### 5、積極推進奧運項目建設

二零零七年，公司將按照奧運工程項目建設計劃，按時、優質、出色的完成奧林匹克國家會議中心和奧運媒體村的工程建設，充分籌備相關賽時接待服務工作，迎接奧運，服務奧運。

#### 4. Corporate Development Strategy and Brand Building

With reference to the market situation and changes in the internal and external environment, the Company will establish a dynamic management system to achieve overall corporate development strategies and objectives, further extending and enhancing the sub-strategies for various operations and specialised branches. Corporate brand planning will be fully implemented to enhance the Company's brand management and to improve the value of the Company's brands.

#### 5. Pressing Ahead on the Progress of Olympic Projects

In 2007, the Company will adhere to the construction plans for the Olympic projects to complete the construction of the Beijing Olympic Park National Convention Centre and the Olympic Media Village in a timely and outstanding manner with good quality. The Company will also fully prepare itself for the relevant hospitality services during the Olympic Games, achieving the aim of embracing the Games and serving the Games.

各位股東，二零零七年本公司管理層及全體員工將站在一個更新的起點上，團結拼搏，開拓進取，用優異的經營業績回報股東，並對各位股東的支持和信任表示衷心的感謝！

Dear shareholders, in 2007, the management and the entire staff are standing on a new platform, working diligently for development and progress, striving to reward shareholders with excellent operating results. We would like to express our sincere gratitude and appreciation for the support and trust of our shareholders.



趙惠芝

ZHAO Hui-Zhi

總經理

General Manager

二零零七年四月十八日

18th April 2007