

Chairman's Statement 董事長報告

The successful listing of Forte not only provided the Company with sufficient capital for future development, but also enhanced the management quality to international standards and the competitiveness of the Company. We are confident of capturing opportunities arising from the rapid development and the market consolidation of the real estate industry in the PRC.

上市對本公司的意義不僅在於取得了充足的發展資金，更要求管理層以國際優秀公司標準來管理公司，提升公司綜合競爭能力，在中國房地產行業未來的發展和產業整合中佔據先機。

To our shareholders,

On behalf of the Board of Directors (the "Board"), I am pleased to present the annual results of the Company for the year ended 31 December 2003 (the "Year").

The successful listing of Forte on The Stock Exchange of Hong Kong Limited on 6 February 2004 not only provided the Company with sufficient capital for future development, but also enhanced the management quality to international standards and the competitiveness of the Company. We are confident of capturing opportunities arising from the rapid development and the market consolidation of the real estate industry in the PRC.



Guo Guangchang
郭廣昌
Chairman
董事長

尊敬的股東們：

本人謹代表董事會欣然提呈復地(集團)股份有限公司(「復地」或「本公司」)截至二零零三年十二月三十一日止年度(「年內」)的全年業績，以供股東們省覽。

二零零四年二月六日，復地成功於香港聯合交易所有限公司上市。上市對本公司的意義不僅在於取得了充足的發展資金，更要求管理層以國際優秀公司標準來管理公司，提升公司綜合競爭能力，在中國房地產行業未來的發展和產業整合中佔據先機。

With the efforts of our dedicated staff and management, the Company achieved encouraging results during the Year. Net profit attributable to shareholders increased by 31.5% to RMB 449 million, exceeding the profit estimate of not less than RMB 440 million, which is stated in the prospectus of the Company dated 27 January 2004. (the "Prospectus"). Earnings per share were RMB 0.303, which was computed with by dividing net profit attributable to shareholders for the year ended 31 December 2003 (RMB 449 million) by 1,480,430,000 domestic shares in issue on the assumption that 1,480,430,000 domestic shares had been in issue throughout the year ended 31 December 2003 and as if the sub-division of the Company's ordinary shares from one ordinary share of nominal value of RMB1.00 each into five ordinary shares of nominal value of RMB0.20 each, had taken place as at 1 January 2003.

年內，本公司在管理層及全體員工的共同努力下，取得了令人鼓舞的業績。本公司錄得股東應佔純利為人民幣4.49億元，較二零零二年上升31.5%，並超越了於二零零四年一月二十七日刊發的上市時招股章程中所作不少於人民幣4.4億元的溢利估計，每股盈利為人民幣0.303元（上述每股盈利是根據本年度股東應佔純利人民幣4.49億元除以截至二零零三年十二月三十一日止年度內已發行1,480,430,000股內資股計算而得）（假設該1,480,430,000股內資股於整個截至二零零三年十二月三十一日年度已獲發行，並猶如將本公司普通股，由一股每股面值人民幣1.00元的普通股，分為五股每股面值人民幣0.20元的普通股，分拆已於二零零三年一月一日進行）。



Above up:
Gu Bei New Garden | 古北新苑

Below down:
All New Shanghai | 上海知音苑

China's economy is currently in a stage of prosperous development, and Shanghai, being the core city of the economy in China, the future prospect will be promising. Shanghai as at the end of 2003, the Gross Domestic Product ("GDP") per capita in Shanghai reached US\$5,642. According to the urban development history of other major cities in the world, residential housing will continue to be an important portion of Shanghai's overall consumption in the next five to ten years. Demand for residential housing in the future will be fuelled by the following three momentums:

- 1) As being the most attractive city of the PRC, Shanghai has become the ideal place for living and business development in China. With more and more people coming to Shanghai, especially the highly educated, the demand for residential housing will continue to increase.
- 2) Over 70,000 households are relocated within Shanghai each year, mainly due to urban redevelopment and improvement in urban infrastructure, this generates stable demand for new housing.
- 3) The increasing income stimulates the demand for better living environment in Shanghai, which further propels the growth of the Shanghai residential property market.

With its strong presence in Shanghai, the Company will capitalize on its sound financial position during the market consolidation process in order to further expand the Company's operation scale. Leveraging on its accurate product positioning, efficient multi-project management system and its business model with rapid asset turnover, the Company will continue to focus on creating a premium living environment for its customers, an ideal career space for its staff and maximise the value for its shareholders.

中國經濟正處於蓬勃發展之中，而上海，作為中國的經濟中心城市，未來前景更是無可限量。至二零零三年年底，上海之人均國內生產總值已達到5,642美元，根據世界其他主要城市之發展歷史，未來五至十年內住房消費會成為上海一個持續的消費熱點。未來住房的需求仍將來自三個主要的方面：

- 1) 作為中國最具吸引力的城市，上海正吸引著越來越多的外來優秀人才落戶上海、發展事業，持續的人口增長也將會帶來持續的住房需求。
- 2) 上海每年超過七萬戶家庭因為舊區改造及基礎設施而需要被拆遷，帶來了穩定的新房需求。
- 3) 隨著經濟收入的提高，越來越多上海家庭需要更新他們的住房，這成為上海未來住房市場持續不斷的動力。

立足於上海市場的復地，將充分利用公司雄厚的資本實力，在市場整合過程中搶佔先機，擴大公司經營規模。同時，憑藉發揮公司準確的定位產品、高效的多項目管理能力及快速周轉的業務模式，繼續專注為客戶建造優質生活空間，為員工營造理想事業空間，為股東創造更大的價值空間。

On behalf of the board, I would like to express my sincere gratitude to our shareholders, investors, business partners and customers for their trust and continuous support. We will strive to create a prosperous, auspicious and successful future, to maximise the returns to our shareholders.

Guo Guangchang
Chairman

Shanghai, the PRC
12 April 2004

在此，本人謹代表董事會向我們的股東及投資者、業務夥伴、客戶的信任與支持表示感謝，並祝願我們攜手共創理想的事業發展空間。

董事長
郭廣昌

中國•上海
二零零四年四月十二日