

# 主席報告

## Chairman's Statement

本人欣然向股東提呈本集團業務營運之報告。

### 年度經營業績

本集團二零零三財政年度之綜合營業額及股東應佔溢利分別為港幣12.5億元及港幣7,887萬元。每股盈利為港幣5.2仙。董事會建議宣派末期股息每股港幣2.7仙。

### 二零零三年物業發展業務回顧

於二零零三年，本集團全部物業發展收入來自於北京。按北京市統計局數據，二零零三年住宅商品房銷售面積為1,771.1萬平方米，銷售額為人民幣789.2億元，分別增長10.4%（二零零二年：42.3%）及10.1%（二零零二年：34.8%）。相對而言，本集團去年在北京的物業銷售取得了不俗的增長，全年住宅銷售面積207,829平方米，年增長92.9%，總合同金額港幣14.3億元，年增長116.3%。

去年上半年北京市受到“非典型肺炎”的影響，整體房地產銷售受到了衝擊。有鑒於此，管理層及時調整了銷售推廣策略，以綠色健康居住為號召，力推翡翠城等郊區低密度樓盤，扭轉了銷售局面；加上下半年本集團以“企業總部”概念推售旗下的置地星座和峻峰華亭等寫字樓項目，市場反應熱烈，令本集團下半年整體銷售額達港幣11億元，佔全年銷售的77%。

I am pleased to present to the shareholders my report about the operation of the Group.

### Operating Results for the Year

The Group's consolidated turnover and profit attributable to shareholders for financial year 2003 were HK\$1.25 billion and HK\$78.87 million, respectively. Earnings per share were HK5.2 cents. The Board of Directors recommends a final dividend of HK2.7 cents per share.

### Review of Property Development Businesses in 2003

In 2003, all of the Group's property development revenues were generated from Beijing. According to the statistics provided by Beijing Statistical Bureau, total sales area of commodity residential housing in Beijing in 2003 were 17.71 million square metres with a total turnover of RMB78.92 billion, representing year-on-year growth of 10.4% (2002: 42.3%) and 10.1% (2002: 34.8%), respectively. In contrast, the Group registered rather impressive growth in property sales in 2003. Total sales area were 207,829 square metres in gross floor area (GFA) terms, up 92.9% year-on-year. Total contract value was HK\$1.43 billion, representing an increase of 116.3% year-on-year.

The real estate market in Beijing was severely impacted by the outbreak of SARS (Severe Acute Respiratory Syndrome) in the first half of 2003. In response to the adverse situation, management swiftly changed marketing focus from downtown projects to La Firenze, a suburban townhouse and villa project, using “green-living” as an attraction. This move successfully restored the Company's sales. Later in the year, the Group launched two other commercial projects, namely, Grand Constellation and Top Box, which, under the “corporate headquarters” marketing concept, were warmly received by customers. As a result, the Group registered robust sales of HK\$1.1 billion in the second half of 2003, accounting for 77% of full year contract value.

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另外，去年六月中國人民銀行頒佈了“關於進一步加強房地產信貸業務管理的通知”（簡稱“121號文”），收緊了房地產信貸，旨在冷卻市場，調控房貸風險。本集團利用於香港上市的優勢，引入了美元貸款，非但保證了資金鏈的暢通，還進一步降低了貸款成本。

在市場競爭激烈的情況下，本集團大力控制建築成本，堅持落實招標採購制度，在保證質量的前提下，價低者中標。同時，在二零零三年銷售數量大幅增長及加入了上海和成都兩個地區分公司的前提下，資本化前銷售費用下降32%，資本化前管理費用只略增加5%。

在北京市以外，本集團旗下位於成都的項目取得了滿意的開盤成績（二零零三財政年度並未入帳）。該項目一期的可出售面積約為125,400平方米，可售單位合共982個。截至去年底，該項目的意向定購數量已超過1,400多套，目前正處於正式簽約階段，進展順利，預計今年12月底入夥。成都項目二期目前處於籌備階段，計劃於今年第四季推出市場。

在上海，由於當地政府負責的居民拆遷工作較預期慢，本集團旗下上海項目的開發進度會有所推遲。董事局預計該項目一期用地將於今年下半年完成拆遷清場，明年中旬開始預售，一期可銷售面積約87,535平方米。

Furthermore, in June 2003, the People's Bank of China announced a series of measures (known as "Circular 121") designed to tighten credit supply to the property industry in a bid to cool down the real estate sector and reduce overall financial risk. Against this backdrop, the Group took advantage of its listing status in Hong Kong and successfully obtained US dollar funding. This move not only secured a steady supply of capital for the Group but also further reduced its costs of borrowing.

As keen competition persisted, the Group continued to emphasize on cost savings. On one hand, the Group continued to use the tendering mechanism to ensure the lowest construction costs for reasonable quality. On the other, management remained mindful of expenses. While business volume substantially increased in 2003, selling expenses (pre-capitalization) declined by 32% year-on-year. Moreover, although the Group set up two more operating subsidiaries in Shanghai and Chengdu last year, total administrative expenses (pre-capitalization) only rose modestly by 5% year-on-year.

Outside Beijing City, the Group's project in Chengdu experienced initial success (the results were not booked in fiscal 2003). Phase I of the Chengdu project offers a residential property development with a GFA of 125,400 square metres in 982 units. Up to the end of last year, the Group has received over 1,400 preliminary purchase orders. Formal contract signing is already underway and good progress has been made. Phase 1 of the project will be completed around December 2004. Phase 2 is in the planning stage and should be launched in the fourth quarter of 2004.

In Shanghai, the relocation of the existing dwellers from the project site, which is handled by the local government, has proceeded slower than expected. Hence, the launch of the Group's Shanghai project will be delayed. The Board of Directors expects the site for phase 1 of the project to be cleared by the second half of 2004 and pre-sale of the project to begin in the middle of 2005. Phase 1 of the Group's Shanghai project comprises GFA of around 87,535 square metres.

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### 物業發展項目銷售資料

本集團二零零三年入帳的樓盤均來自於北京市場，總銷售面積207,829平方米，總合同金額港幣1,432,056,160元，截至二零零三年底平均結算比例為77%。

### Details of Property Sales

In 2003, all of the Group's property sales were generated from Beijing City. Total sales area were 207,829 square metres in GFA terms and total contract value was HK\$1,432,056,160. Up to the end of 2003, the average percentage of completion was about 77%.

		預計 完工日期 Expected Completion Date	總銷 售面積 Total Saleable GFA (平方米)* (Sqm)*	單位總數 Total Total Saleable Unit (個) (Number)	截至 二零零三年 底累積 已售面積 Accumulated GFA Sold up to End 2003 (平方米) (Sqm)	截至 二零零三年 底累積 已售 單位總數 Accumulated Unit Sold up to End 2003 (個) (Number)	二零零三年 銷售面積 GFA Sold in 2003 (平方米) (Sqm)	結算比例 % of Completion	二零零三年 平均售價 Average Selling Price in 2003 (人民幣/ 平方米) (RMB/Sqm)
風景翠園 (別墅·公寓)	La Firenze 1 (Villa, Apartment)	二零零一年九月 Sep-2001	53,939	236	26,567	113	17,351	92%	6,584
翡翠城二期 (A區)	La Firenze 2 (Area A)	二零零二年六月 Jun-2002	104,708	586	73,804	385	55,687	81%	5,235
峻峰華亭	Top Box	二零零二年五月 May-2002	55,816	311	25,660	130	23,658	67%	11,202
優士閣	U-Space	項目轉讓 Project Transfer	58,593	600	38,134	379	27,001	75%	9,357
京通陽光華苑	Jingtong Sunny Uptown	二零零零年九月 Sep-2000	345,618	3,453	326,625	3,304	47,473	100%	4,729
置地星座	Grand Constellation	二零零二年十二月 Dec-2002	39,862	8 棟 Blocks	10,639	2 棟 Blocks	10,639	61%	16,537
鳳凰城二期	Phoenix City 2	二零零三年九月 Sep-2003	128,434	713	12,195	103	12,195	45%	8,868
其他住宅	Other Residential						10,977	100%	7,346
停車場	Car Park						2,848	100%	3,800

\* 總銷售面積為已取得預售許可證之面積

\* Total saleable GFA is defined as area already obtained pre-sale permit.

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### 物業投資

本集團目前在北京市的重點投資物業如下：

### Property Investment

The Group's key investment properties in Beijing City are as follows:

		本集團實際 擁有的權益 Effective Ownership of the Group	總建築面積 Total GFA (平方米) (Sqm)	類別 Type
西單文化廣場	Xidan Cultural Centre	70.4%	36,184	零售 Retail
華威大廈	Huawei Centre	35.2%	54,214	零售／公寓 Retail/Apartment
華南大廈	Huanan Building	14.7%	70,058	零售 Retail

西單文化廣場的改造工程接近完工，招租工作順利，引入了新加坡“77街”及“運動100”等知名租戶，估計該商場的出租率將接近100%。計劃於今年五月一日正式開幕營業，將成為西單購物區和長安街上一個專門針對年輕消費群並集購物、運動、休閒和餐飲於一身的大型地下購物中心。

The facelift project of Xidan Cultural Centre is about to complete and the pre-lease exercise has been making good progress. Key tenants already committed include Singapore's "77th Street" and the famous Beijing sports retailer, "Sport 100". Management expects an occupancy rate of close to 100%. The grand opening of this underground shopping mall designed for young customers is scheduled on 1st May, 2004. It will become one of the largest shopping malls along Changan Street in Xidan Shopping District offering a large number of choices in shopping, sports, leisure and dining.

華威大廈的服務公寓和短期租賃業務在去年第二季受到了“非典”的影響，因此去年上半年業績較為遜色，但於下半年已經逐步恢復正常。目前該物業商場部分出租率接近100%，公寓部分平均出租率32%。

The service-apartment and short-term rental businesses of Huawei Centre were adversely affected by SARS in the second quarter of last year. Consequently, its contribution to the Group in the first half of 2003 declined over the same period of the previous year. However, businesses went gradually back to normal in the second half of 2003. Currently, the occupancy rate of its retail space is close to 100% and that of the service apartments is around 32%.

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### 土地儲備

本集團有充足土地儲備支援集團未來的增長，所以去年並未購入任何土地。本集團目前的土地儲備總面積約517萬平方米，詳細分佈見下表：

### Land Bank

Since the Group has sufficient land bank to support growth in the intermediate future, it did not purchase any land in 2003. Total size of the Group's land bank at present is approximately 5.17 million square metres in GFA terms.

地區	Location	發展中物業 Property under Development	待出售物業 Property held for Sale	投資及 自用物業 Property held for investment or Own Use	長期 土地儲備 Long-term Land Reserve	總數 Total GFA
		(平方米) (GFA Sqm)	(平方米) (GFA Sqm)	(平方米) (GFA Sqm)	(平方米) (GFA Sqm)	(平方米) (GFA Sqm)
北京*	Beijing*	1,444,683	169,262	101,223	2,279,625	3,994,794
上海	Shanghai	218,469	0	0	0	218,469
成都	Chengdu	960,614	0	0	0	960,614
總數	Total	2,623,766	169,262	101,223	2,279,625	5,173,878

\* 本集團佔北京地區土地儲備70.4%之權益

\* The Group has a 70.4% attributable interest in land held by its Beijing Subsidiary.

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### 貸款及負債比率

截至二零零三年十二月三十一日，本集團的綜合借貸額為港幣34.1億元。現金及銀行結存為港幣13.9億元，存款中85.7%為人民幣，其餘為美元及港元。本集團的淨負債對股東權益比率為50.8%。

本集團的借貸總額中，約42.2%為人民幣貸款，其餘為美元貸款。美元貸款中有6,500萬安排了匯率對沖，將匯率變動產生的負面風險維持在審慎水平，同時保留若干空間把握匯率變動產生的好處。

截至二零零三年十二月三十一日，本集團約36.1%的銀行貸款於一年內到期，而其餘則為長期貸款。通過靈活運用美元貸款和對人民幣貸款進行再融資，目前本集團的美元貸款利率為年息2%以下，人民幣貸款利率為基準利率下浮10%（即政策允許的最低水平），去年底的平均銀行貸款年息約為3.13%（二零零二年：4.15%）。本集團所有銀行貸款的利率均為浮動利率。

### 僱員及酬金政策

截至二零零三年十二月三十一日，本集團在中國大陸和香港僱用了約1,000名全職員工（包括屬下的物業及經紀公司）。本集團根據員工的業績表現、工作經驗和市場工資水平來決定員工的薪酬。此外，酌情給予績效獎金，其他員工福利包括公積金、保險與醫療計劃及股票期權計劃。

### Borrowings and Financial Leverage

As of 31st December, 2003, the Group had consolidated borrowings of HK\$3.41 billion. Cash and bank balances were HK\$1.39 billion, of which 85.7% were denominated in Renminbi, and the rest were in US dollars. The Group's net debt to net equity ratio stood at 50.8%.

Of the Group's total borrowings, about 42.2% were denominated in Renminbi and the rest were in US dollars. Amongst the US dollar loans, US\$65 million were hedged against currency risk so as to control the downside risk of currency fluctuation at a prudent level while leaving a certain degree of upside potential.

As of the balance sheet date, about 36.1% of the Group bank loans were due within one year and the rest were long term in nature. By exploiting the lower interest rates of its US dollar loans and re-negotiating its Renminbi loans, the Group's borrowing cost for the former is less than 2% per annum and that for the latter stands at 10% below the basis interest rate, which is the lowest level allowed by Chinese regulations. At the end of last year, the average cost of debt of the Group was around 3.13% per annum (2002: 4.15% per annum). All of the Group's loans are floating rate in nature.

### Employee and Compensation Policy

As of 31st December, 2003, the Group employed approximately 1,000 full time staff in Mainland China and Hong Kong (including its property management and agency subsidiaries). The Group remunerates its employees based on their performance, work experience and the prevailing market wage level. In addition, performance bonuses are granted on a discretionary basis. Other employee benefits include provident fund, insurance and medical coverage as well as share option scheme.

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### 前景

隨著本集團全國發展戰略的落實，成都、上海項目的陸續開盤和北京地區銷售業績的增長，董事局對本集團未來的前景充滿信心。

具體而言，本集團旗下北京公司將在力推熱銷中的七大樓盤的同時，加快“翡翠城三期”及“鳳凰城三期與寫字樓部分”等未來重點樓盤的開發速度。上海方面，重點工作是落實“上海灘花園一期”的動工，爭取明年中旬預售。成都公司則會在“成都翡翠城”一期成功的基礎上，儘快推出二期銷售。另一方面，本集團計劃進一步落實全國發展戰略，目前已經派遣了工作小組到武漢、重慶等地進行考察，預計今年內應有突破。

最後，我謹代表董事局和股東，向過去一年裏努力不懈的員工們表達誠摯的謝意。

主席  
寧高寧

二零零四年四月八日，香港

### Prospects

As the Group's nationwide strategy gradually bears fruit and with the successive launch of its new projects in Chengdu and Shanghai as well as the recovery of its Beijing operation, the Board of Directors is very confident about the prospects of the Group.

Specifically, while continuing to build on the sales momentum of the existing seven projects in Beijing, management will expedite the development of future key projects like “La Firenze Phase 3” and “Phoenix City Phase 3 and Phoenix City commercial areas”. In Shanghai, the key is to ensure the groundbreaking of “Shanghai Town Project” phase 1 and the pre-sale to begin in 2005. In Chengdu, further to the success of “Chengdu Jade City Project” phase 1, management will speed up the launch of phase 2. Moreover, to further implement its nationwide expansion, the Group has sent task forces to prospective new markets like Wuhan and Chongqing. The Board of Directors expects breakthrough in these new markets in 2004.

Lastly, on behalf of the Board of Directors and the shareholders, I would like to express my sincere appreciation to all the staff for their hard work in the past financial year.

Ning Gaoning  
Chairman

8th April, 2004, Hong Kong