

The Board of Directors (the “Board”) of Shanghai Forte Land Co., Ltd. (the “Company” or “Forte”) is pleased to announce its unaudited consolidated interim results of the Company, its subsidiaries and its jointly controlled entity (the “Group”) for the six months ended 30 June 2004 (the “Period”) prepared in conformity with the International Financial Reporting Standards (“IFRS”) 34 “Interim Financial Reporting” promulgated by the International Accounting Standards Board (the “Interim Results”). The Interim Results have been reviewed and confirmed by the Audit Committee of the Company.

Results and Dividends

During the Period, the Group recorded a turnover of about RMB918,082,000. Gross profit margin of the Group reached 39.42%. Profit from operating activities was RMB306,509,000. Profit attributable to shareholders was RMB220,150,000. Basic earnings per share amounted to RMB0.107 for the Period. The Board had declared to pay an interim dividend of RMB 0.06 per share for the six months ended 30 June 2004.

Management Discussion and Analysis

Operational Review

Market Overview

During the Period, there were significant changes in the macro-economic policies of the PRC. During the past two years, the PRC economy grew rapidly. However, bottleneck issues became apparent in respect of the energy and transportation sectors due to the excessive growth in certain industries. The PRC government launched a series of macro-economic control measures for a stable development of the economy and to avoid vigorous fluctuation. The measures which target at the property industry include control of bank loans to property developers and land supply in order to cool down the excessive growth in property investment.

復地（集團）股份有限公司（「本公司」或「復地」）董事會（「董事會」）欣然宣佈本公司、其附屬公司及合營公司（「本集團」）截至二零零四年六月三十日止六個月（「期內」）根據國際會計準則委員會頒佈之國際財務報告準則34號（「中期財務報告」）編制之未經審核的綜合業績（「中期業績」）。本公司的審核委員會已審閱及確認此中期業績。

業績及股息

於期內，本集團錄得的營業額約為人民幣918,082,000元。本集團毛利率達到39.42%，經營業務溢利為人民幣306,509,000元，股東應佔溢利為人民幣220,150,000元，每股基本盈利為人民幣0.107元。同時，董事會議決派發截至二零零四年六月三十日止六個月的中期股息每股人民幣0.06元。

管理層分析與討論

經營回顧

市場概要

在回顧期內，中國宏觀經濟政策發生了重大調整。過去兩年，中國經濟快速發展；但因部分行業投資增長過快，在發展中出現的能源、運輸等瓶頸問題日趨明顯。為有利於經濟的可持續發展、避免大起大落，中央政府相繼出台了一系列宏觀調控政策。其中，對房地產行業的調控主要表現在控制銀行對開發商的信貸規模和控制土地供應，以達到舒緩房地產投資增長過快的目的。

With appropriate control in property investment, the macro-economic control policy adopted by the State has not yet affected the demand and market price of properties in the PRC. For the first half of the year, total gross floor area (“GFA”) of residential properties sold in the PRC reached 110.1 million sq.m., representing an increase of 26.3% compared to the corresponding period of last year. Total GFA completed during the Period amounted to 95.53 million sq.m., showing a growth of 15.6% over the corresponding period of last year. Average market price of residential properties in the PRC during the Period was RMB2,701/sq.m., representing an increase of 11.6% compared to the corresponding period of last year.

Such changes in credit control and land supply policies substantially altered the business environment of the property industry in the PRC. Large developers with adequate capital and abundant land bank become more competitive in the new business settings.

在適度控制房地產投資的前題下，宏觀調控並未衝擊中國房地產市場的需求和價格。上半年中國全國商品房銷售面積11,010萬平方米，比去年同期增幅達26.3%；房屋竣工面積9,553萬平方米，比去年同期增長15.6%。六月份中國全國商品房平均銷售價格為人民幣2,701元／平方米，比去年同期上升11.6%。

信貸政策和土地供應政策的變化較明顯地改變了房地產企業的經營環境。資金充沛、土地儲備充足的大型開發商的競爭優勢得以突顯。

Overview of the Property Market in Shanghai

During the Period, the Shanghai economy sustained rapid and steady growth with a GDP of RMB341.8 billion, a total retail sales of consumer products of RMB121.5 billion and a foreign direct investment of USD6.149 billion, all of which are higher than those in the corresponding period of last year.

上海房地產市場概述

回顧期內，上海經濟保持快速穩健發展，實現GDP 3,417.75億元人民幣、社會消費品零售總額1,215億元人民幣、外商直接投資合同金額61.49億美元，均比去年同期實現增長。

Indicators 指標		For the first half of 2002 二零零二年上半年		For the first half of 2003 二零零三年上半年		For the first half of 2004 二零零四年上半年	
		Amount 金額	Growth rate 增長率	Amount 金額	Growth rate 增長率	Amount 金額	Growth rate 增長率
GDP (RMB billion) ¹	GDP (十億元人民幣) ¹	252.3	10%	282.6	11.4%	341.8	14.8%
Total retail sales of consumer products (RMB billion)	社會消費品 零售總額 (十億元人民幣)	99.6	9.8%	108.3	8.8%	121.5	12.2%
Direct foreign investment (contracted amount, USD billion)	外商直接投資 (合同金額， 十億美元)	4.334	N/A	6.072	40.1%	6.149	1.3%

(Source: Shanghai Statistics Bureau)

(數據來源：上海市統計局)

Note 1: GDP growth rate is calculated on nominal price basis and adjusted to real value.

註1： GDP增長率是按照可比價格計算、修正後的同比值。

During the Period, the Shanghai Municipal Government implemented a series of measures targeting at the property market with a view of optimizing the demand and supply structure, controlling excessive growth in market price and improving industry operations. The Measures for Online Filing and Registration of Sales Contracts for residential properties in Shanghai aims at improving the transparency of property transactions and the policy to restrict the transfer of pre-sold properties aimed at reducing the impact of short-term speculation.

回顧期內，為順應中國中央政府宏觀調控要求，上海市政府針對房地產市場實施了一系列優化供應和需求結構、控制房價過高漲幅、改善行業經營秩序的行政措施。其中，《上海市商品房銷售合同網上備案與登記辦法》旨在提高商品房交易的透明度；限制期房轉讓政策的目的是在於降低短期炒房行為對市場的影響。

From the statistics published recently, the responses of the market, such as supply, demand and price, were principally in line with the series of the measures introduced.

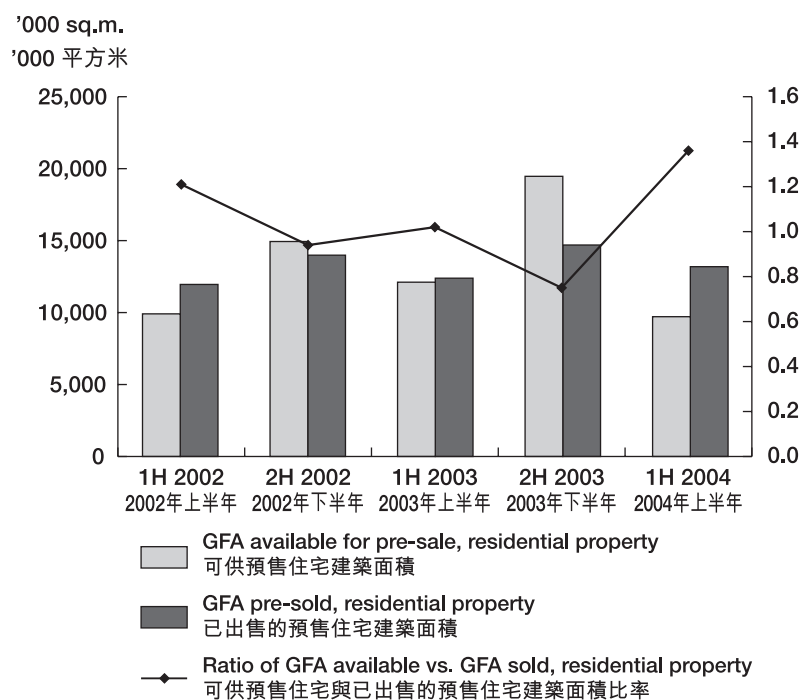
從近期公佈的數據看，市場供應、需求和價格的反應與政府一系列舉措的初衷基本一致。

For the first half of 2004, the total GFA of residential properties approved for sale, which reflects the new supply of residential properties available for sale for the current period, was 9.68 million sq.m., representing a decrease of 20% compared to the corresponding period of last year. Although the demand from speculative investment shrank as a result of the macro-economic control measures, the total GFA of registered residential properties pre-sold, which reflects the current market demand, reached a remarkable height of 13.15 million sq.m., representing an increase of approximately 7% over the corresponding period of last year. Meanwhile, the ratio of market supply and demand for the first half of the year was 1:1.35, indicating that a stable and strong demand of local residents for improving living conditions is the fundamental driving force of the market. This is also one of the most important elements for ensuring a healthy market.

二零零四年上半年度，反映即期新增供應量的商品住宅批准可預售面積共968萬平方米、比去年同期下降約20%。雖受宏觀調控影響，投資性需求有所萎縮，但反映市場即期需求的商品住宅登記已預售面積在上半年度依然達可觀的1,315萬平方米，比去年同期增幅達7%，並使上半年度市場供應量和需求量的比例達到1:1.35，表明來自上海本地居民改善居住條件的需求穩定而強勁，是上海房地產市場根本驅動力，是繼續保證市場健康運行的重要因素之一。

Pre-sale areas sold exceeded available pre-sale areas in the first half of 2004

於二零零四年上半年的已售預售面積超逾可供預售面積



(Source: CEIC, Shanghai Bureau of Statistic)

(數據來源：CEIC、上海市統計局)

Meanwhile, the increase in the market price of residential properties in Shanghai slowed down remarkably. For the first half of 2004, average price of residential properties sold in Shanghai was RMB5,135/sq.m., representing an increase of 19.8% over the same period of last year. Monthly marginal increase was 1.9%, 0.9%, 1.0%, 0.9%, 1.5% and 1.3%, respectively. Cumulative increase was 7.7%. Average monthly increase was 1.2%, representing a decrease of 0.7% compared with that of last year.

Overview of the Property Market in Wuhan and Nanjing

During the Period, the GDP of Wuhan and Nanjing recorded its historical high. Wuhan and Nanjing are the regions in which the Group has placed emphasis for its business development outside Shanghai. The GDPs of Wuhan and Nanjing were RMB91.223 billion and RMB90.281 billion, respectively, representing increases of 13.7% and 18.2%, respectively, over the same period of last year. This provides a solid foundation for further development of the property market in the two cities.

Despite the continuous tightening of the macro-economic control measures and the slowdown in the investment of property development, market demand in the two cities remained strong. The property prices rose steadily during the Period and the market sentiments maintained optimistic.

Ratio of market demand and supply for residential properties in two cities of the PRC during the Period is set out below:

與此同時，上海住宅銷售價格漲幅卻開始趨緩。二零零四年度上半年，上海住宅商品房平均銷售價格為人民幣5,135元/平方米，較去年同期上漲19.8%；各月環比漲幅分別為1.9%、0.9%、1.0%、0.9%、1.5%和1.3%，累計漲幅7.7%；月均漲幅1.2%、比去年月均漲幅回落0.7%。

武漢及南京房地產市場概述

回顧期內，武漢及南京兩市的經濟總量實現歷史性突破。武漢和南京為集團於上海以外的發展重點。GDP分別為人民幣912.23億元和902.81億元人民幣，同比增長13.7%和18.2%，為房地產市場的進一步發展奠定了良好的經濟基礎。

雖然宏觀政策持續偏緊的影響、房地產開發投資步伐放慢，但上半年內兩城市住宅市場需求旺盛，價格平穩上行，市場氣氛依然良好。

於期內，中國國內兩城市商品房市場供需比如下：

Unit: '000 sq.m.

單位：千平方米

Cities 城市		GFA completed 竣工建築面積	GFA sold 銷售建築面積	Ratio of demand and supply 供需比例
Nanjing (Jan. to June)	南京（1－6月份）	1,460	1,870	1:1.28
Wuhan (Jan. to June)	武漢（1－6月份）	1,160	2,250	1:1.94

(Source: National Bureau of Statistics of China and the Residential and Property Department of the Ministry of Construction, local media of two cities)

（資料來源：中國國家統計局、建設部住宅與房地產業司，兩地的媒體）

Business Review

Despite the continuous impact of the implementation of the macro-economic control measures, the Group achieved encouraging results through the dedication of its management and staff. The Company's major accomplishments are reflected in the following three aspects:

Project Development

1. During the Period, there were 14 projects under development. The total GFA amounted to approximately 867,000 sq.m. The construction work of two projects, namely Yi He Hua Cheng (Phase 2) and Forte Aroma Riverside Garden, with a total GFA of approximately 192,700 sq.m., has commenced during the Period. Three projects, namely Forte Sunny City (Phase 3), Domo City (Phase 2) and Forte Cui Wei New City (Phase 1A), with a total GFA of approximately 153,800 sq.m., were completed and ready for occupation.
2. The Group jointly developed the projects of Forte Elegant Garden and Forte Aroma Riverside Garden with foreign funds, namely Morgan Stanley Real Estate Fund and ING Real Estate Investment Management respectively. Through such projects, the Group established both a cooperation mechanism and a communication platform to enable the Group to have closer cooperation with overseas funds in the future.

Property Sales

Due to the overall pace of development as planned, total saleable GFA decreased in the first half of 2004 as compared with the same period of last year. Nevertheless, satisfactory sales results were recorded. Total GFA sold during the Period was approximately 200,691 sq.m, including a total GFA of approximately 59,938 sq.m. developed by joint venture companies in which the Group has interests. Major projects in Shanghai, namely Chun Shen Forte City (Phase 2) (also known as Spring in Berlin), Forte Elegant Garden (Phase 1), Yi He Hua Cheng (Phase 1) and Graceful Oasis successfully completed their sales plan and received good responses from the market. In respect of the development in other regions, sales of Forte Cui Wei New City (Phase 1B) in Wuhan and Forte Ronchamp Villa (Phase 1) in Nanjing proceeded well.

業務回顧

在中國政府不斷出台宏觀調控的政策環境下，通過本集團管理層及員工的不懈努力，上半年本集團取得良好的業績，主要成就體現在三個方面：

項目發展

- 1、回顧期內，本集團相繼有14個項目處於開發過程中，建築面積約為867,000平方米。其中新開工兩個項目（頤和華城（二期）、復地香堤苑），建築面積約為192,700平方米，另外有三個項目（復地太陽城（三期）、多摩園景（二期）、復地翠微新城（一期A））實現落成入賬，建築面積約為153,800平方米。
- 2、本集團成功與海外基金（包括摩根士丹利房地產基金和荷蘭國際房地產公司）合作開發復地雅園和復地香堤苑項目，本集團與海外基金建立合作的機制，溝通的平台，為未來更廣泛的合作奠定基礎。

銷售業績

因項目開發周期的原因，二零零四年上半年度本集團可供銷售面積較去年同期有所減少，但都錄得了理想的銷售成績，累計實現銷售建築面積約200,691平方米，其中包括聯營公司59,938平方米。在上海，春申復地城二期（又稱柏林春天）、復地雅園一期、頤和華城一期和錦繡華城等主要項目均順利完成銷售計劃、並有良好市場表現。異地發展方面，武漢「復地翠微新城一期B」和南京「復地朗香別墅一期」的銷售進展亦很順利。

Projects for sale in the first half of 2004

二零零四年度上半年之銷售項目

Table (1): Projects obtained pre-sale permit before 1 January 2004

表(1)：已在二零零四年一月一日前取得預售許可證的項目

As at 30 June 2004

截止二零零四年六月三十日

No.	Name of Project	Location	Total approximate GFA sold 上半年 售出建築面積	Accumulated percentage sold 累計銷售率	Interest attributable to the Group 集團權益
序號	項目名稱	所在區域	(sq.m.) (平方米)		
1	Chun Shen Forte City (Phase 2) 春申復地城(二期)	Shanghai 上海	58,420	93%	90%
2	Yi He Hua Cheng (Phase 1) 頤和華城(一期)	Shanghai 上海	42,666	88%	50%
3	Graceful Oasis (Phase 1) 錦繡華城(一期)	Shanghai 上海	5,046	99%	40%
4	Graceful Oasis (Phase 2) 錦繡華城(二期)	Shanghai 上海	28,233	100%	40%
5	Graceful Oasis (Phase 3, Phase 6A) 錦繡華城(三期、六期A)	Shanghai 上海	9,360	96%	40%
6	Forte Allen Poem (Phase 1) 復地愛倫坡(一期)	Shanghai 上海	4,428	93%	70%
7	Forte Elegant Garden (Phase 1) 復地雅園(一期)	Shanghai 上海	4,978	62%	93.99%
8	Forte Cui Wei New City (Phase 1A) 復地翠微新城(一期A)	Wuhan 武漢	3,559	100%	60%
9	Forte Shengtang Artistic County (Phase 1), renamed as Forte Ronchamp Villa 復地盛唐藝郡(一期) 更名為「復地朗香別墅」	Nanjing 南京	4,398	85%	99.67%
10	Other projects 其它零星尾盤項目	Shanghai 上海	12,952	N/A 不適用	N/A 不適用

Total GFA sold of the above projects in aggregate during the Period was approximately 174,040 sq.m.

以上項目上半年度總概約售出建築面積：
174,040平方米

Table (2): Projects obtained pre-sale permit after 1 January 2004

表(2)：在二零零四年一月一日後取得預售許可證的項目

		As at 30 June 2004 截止二零零四年六月三十日					
No.	Name of Project	Location	Date of obtaining pre-sale permit 預售證 取得時間	Total salable area 可銷售建築面積 (sq.m.) (平方米)	Total approximate GFA sold 上半年 售出建築面積 (sq.m.) (平方米)	Accumulated percentage sold 累計 銷售率	Interest attributable to the Group 集團權益
11	Graceful Oasis (Phases 4, 5 and 7) 錦繡華城 (四、五、七期)	Shanghai 上海	1 April 2004 二零零四年四月一日 29 April 2004 二零零四年四月二十九日 24 May 2004 二零零四年五月二十四日	12,953 4,712 11,472	15,226	52%	40%
12	Forte Cui Wei New City (Phase 1B) 復地翠微新城 (一期B)	Wuhan 武漢	26 May 2004 二零零四年五月二十六日 10 June 2004 二零零四年六月十日	20,913 19,097	11,425 —	55% —	60%

Total GFA sold of the above projects in aggregate during the Period was approximately 26,651 sq.m.

以上項目上半年度總概約售出建築面積：
26,651平方米

Land Bank

As a result of a series of macro-economic control measures, the PRC Government tightened the control on land supply. The Group is cautious in acquiring new land reserve during the Period. However, the Group applied for the land use right certificates for future development projects in order to ensure continuous supply of properties for sale. In the first half of 2004, the Company's four major land banks, Songjiang Lot No.11, Songjiang Jiu Ting, Qu Yang Xin Guang and Qingpu Lot No. 18 (Phase 1), were granted the land use right certificates. Total planned GFA which have been granted the land use right certificates during the Period was approximately 483,094 sq.m. (in which approximately 428,554 sq.m. was attributable to the Group according to its equity interests).

土地儲備

受一系列宏觀調控的影響，中國政府加大土地供應的調控力度，控制了新增土地的供應量，所以本集團今年對增加新土地儲備採取謹慎態度。儘管如此，本集團為確保可供銷售的樓盤供應持續不斷，積極辦理有關手續。二零零四年上半年，公司四個土地儲備項目獲得了《房地產權證》：「松江11號地塊」、「松江九亭項目」、「曲陽新光項目」及「青浦18號地塊」(一期)，總規劃建築面積約為483,094平方米(其中按本集團權益計算約為428,554平方米)。

As at 30 June 2004, a total GFA of approximately 1,676,617 sq.m. attributable to the Group according to its equity interests were granted land use right certificates.

Business Outlook for the second half of the year

1. For the second half of the year, the Group will launch a number of new projects for pre-sale. By capitalizing our accurate product positioning, solid customer base, reputable brand and excellent sales and marketing capability, the Group is expected to achieve better results and further enhance its profitability during this year.
2. Under the current macro-economic control measures, it is expected that land supply will be further tightened and bank credit to property developers will be reduced. However, the market demand will continue to be strong. Therefore, the market environment will actually benefit enterprises with sufficient land reserve and strong financial resources like Forte. Leveraging on the existing land reserve, the Group will continue to proceed to the development of each project as planned and will carefully seek appropriate opportunities for acquisition in order to further expand its business.

Financial Analysis

1. Interim profit

For the six months ended 30 June 2004, the Group recorded turnover amounted to RMB 918,082,000, representing a decrease of 19.9% compared with the same period of 2003 (same period of 2003: RMB1,146,207,000). Consolidated net profit after tax and minority interests amounted to RMB220,150,000, representing a decrease of 8.4% compared with the same period of 2003 (same period of 2003: RMB240,346,000). The decrease in turnover of the Group during the Period was mainly attributable to the decrease in salable area during the Period as compared with the same period of 2003. The decrease in percentage of consolidated net profit was less than that in turnover, mainly due to an increase in the average gross profit

截至二零零四年六月三十日，按本集團權益計算，已獲得《房地產權證》的土地儲備的總可建建築面積約為1,676,617平方米。

下半年展望

- 1、今年下半年，本集團將陸續推出多個新項目以供預售，憑藉公司準確的產品定位，忠實的客戶群，良好以及優秀的營銷組織能力，相信會取得較好的銷售業績，進一步提高集團本財政年度的盈利。
- 2、在現行的宏觀政策調控下，預計下半年新增土地供應仍將收緊，同時銀行對開發商的信貸資金也仍偏緊，但消費市場需求仍會保持暢旺。這樣的行業環境，反而有利於像復地這樣土地儲備充足，資金充沛的企業。本集團將會利用現有土地儲備，繼續按計劃推進各個項目，同時也會審慎地進行分析判斷，尋找合適的收購機會，穩健拓展公司業務。

財務分析

1. 中期溢利

截至二零零四年六月三十日止六個月內，本集團錄得營業額人民幣918,082,000元，較二零零三年同期下降19.9%（二零零三年同期：人民幣1,146,207,000元）；除稅及少數股東權益後的綜合淨溢利為人民幣220,150,000元，較二零零三年同期下降8.4%（二零零三年同期：人民幣240,346,000元）。本集團營業額的下降主要原因在於期內推出的可供銷售面積較上年同期減少，而綜合淨溢利的下降比率小於營業額的下降幅度主要原因在於項目平均毛利率的上升。本集團於期內之整體毛利率已

margin. During the Period, the overall gross profit margin of the Group increased from 29.97% for the six months ended 30 June 2003 to 39.42% for the Period.

2. Financial resources, liquidity and liabilities

During the Period, the Group's liquidity maintained at a healthy level. Its financial resources were allocated in a reasonable manner. As at 30 June 2004, the total assets of the Group amounted to RMB5,562,674,000, in which current assets accounted for RMB2,650,263,000. Total liabilities accounted for RMB2,438,412,000, in which the current liabilities amounted to RMB2,022,372,000 and non-current liabilities amounted to RMB416,040,000. The shareholders' equity was RMB2,951,255,000.

As at 30 June 2004, the Group's cash and bank deposits amounted to RMB983,332,000. The Group's net debt to capitalization rate was reflected as a net cash position. It is calculated by the remaining balance of bank borrowings minus cash and bank balances (factor A), divided by the sum of net assets and factor A. The Directors believe that the Group has sufficient working capital for its operations and the liquidity of assets and that solvency is healthy.

3. Pledge of assets

As at 30 June 2004, properties under development with a book value of RMB782,122,320 were pledged to banks for the guarantee of bank facilities.

4. Contingent Liabilities

The Group provides bank guarantees in favour of its customers in respect of the mortgage loans provided by the banks to such customers for their purchases of the Group's properties until submission of the relevant property ownership certificates by the relevant customers to the banks. As at 30 June 2004, the remaining amount of the bank guarantees provided by the Group was approximately RMB975,776,000.

由二零零三年同期之29.97%上升至期末之39.42%。

2. 財政資源、流動資金及負債狀況

於回顧期內，本集團的資金流動性維持在健康水平，而財政資源亦作出合理分佈。於二零零四年六月三十日，本集團的總資產達到人民幣5,562,674,000元，其中流動資產達人民幣2,650,263,000元，總負債為人民幣2,438,412,000元，其中流動負債為2,022,372,000元，非流動負債為416,040,000元，股東權益達到人民幣2,951,255,000元。

於二零零四年六月三十日，本集團之現金和銀行存款達到人民幣983,332,000元，集團的淨資本負債比體現為淨現金狀態（計算方式為銀行借款餘額減去現金及銀行存款餘額之淨額（以A表示）除以淨資產和A之和）。董事相信本集團有充足資金作為日常營運用途，資產流動性良好，償債能力充分。

3. 資產抵押

截至二零零四年六月三十日止，賬面總值約為人民幣782,122,320元的發展中物業，已抵押於銀行作為本集團取得銀行信貸之擔保。

4. 或然負債

本集團為銀行就給予購買本集團物業之客戶的按揭提供擔保，擔保將於有關客戶向承按銀行呈交有關的房屋所有權的權益證書的時候終止。於二零零四年六月三十日，已提供的擔保餘額達人民幣975,776,000元。

Save as disclosed above, the Group did not have any outstanding loan capital, bank overdrafts, liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans or acceptance credits or hire purchase commitments, or guarantees or other material contingent liabilities outstanding as at 30 June 2004, apart from intra-group liabilities.

5. Commitments

As at 30 June 2004, the capital expenditures of committed projects contracted were RMB2,098,783,000. In addition, as at 30 June 2004, lease payments under non-cancellable operating leases were RMB15,709,000 of which RMB6,859,000 should be repaid within a year, RMB4,888,000 should be repaid in the second to fifth years, inclusive, and RMB3,962,000 should be repaid over five years.

Interim Dividend

The Board was authorized by the shareholders to consider and approve the payment of an interim dividend of 2004 at the annual general meeting of the Company held on 11 June 2004. The Board has resolved to declare an interim dividend of RMB0.06 per share for the six months ended 30 June 2004, to shareholders (including holders of domestic shares and holders of H shares) whose names appear on the register of members of the Company as at 9 September 2004 (“Interim Dividend”). Cheques for the Interim Dividend will be dispatched to shareholders on or around 15 October 2004.

According to the Articles of Association of the Company (“Articles of Association”), dividends payable to shareholders shall be calculated and declared in RMB. Dividends payable to holders of the Company’s domestic shares shall be paid in RMB, whereas dividends payable to holders of the Company’s H shares shall be paid in Hong Kong dollars. The exchange rate to be adopted shall be the average closing rates of the five business days preceding the date of declaration of interim dividend as announced by the People’s Bank of China.

除上文所披露者外，於二零零四年六月三十日，除集團內公司間的負債外，本集團並無任何未償還借貸資本、銀行透支、承兌負債、或其它類似債務、債權證、按揭、抵押或貸款或承兌信貸、租購承擔、未償還的擔保或其它重大或然負債。

5. 承擔

於二零零四年六月三十日，本集團所承擔的項目以合同方式承擔的資本開支人民幣2,098,783,000元，此外，於二零零四年六月三十日，不可撤銷經營性租約項下為人民幣15,709,000元，其中人民幣6,859,000元需於一年內支付，人民幣4,888,000元需於二至五年（包括首尾兩年）內支付，另外人民幣3,962,000元於五年後支付。

中期股息

股東於二零零四年六月十一日本公司的股東周年大會上授權董事會考慮及批准派發二零零四年中期股息。董事會議決派發截至二零零四年六月三十日止六個月的中期股息每股人民幣0.06元（包括內資股股東及H股股東），分配對象為截止二零零四年九月九日收市後於公司登記在冊的全體股東。中期股息的支票將於二零零四年十月十五日前後寄發予股東。

根據本公司之公司章程（「公司章程」），所派股息將以人民幣計值和宣佈，應付之股息以人民幣向內資股股東發放，以港幣向H股股東發放。以港幣發放的股息計算之匯率以宣派中期股息日前五個工作天中國人民銀行公佈的人民幣兌換港幣平均基準匯率為準。

Closure of Register of Members

Due to the forthcoming extraordinary general meeting of the Company which is scheduled to be held on 28 September 2004 (“EGM”) and according to the Articles of Association, no transfer of shares shall be registered in the register of members 30 days before the date for holding a general meeting. The Company’s register of members of H shareholders will be closed from 27 August 2004 to 28 September 2004 (both days inclusive) for the purpose of the EGM. During that period, no transfer of shares will be registered. In order to qualify for the Interim Dividend, all instrument of transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company’s H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Thursday, 26 August 2004.

Share capital

The shareholding structure of the Company as at 30 June 2004:

Class of shares 股份類別		Number of shares held 股份數目	Percentage 百分比
Domestic Shares	內資股	1,473,768,065	66.78%
H Shares	H股	733,013,435	33.22%
Total	總計	2,206,781,500	100.00%

暫停辦理股份過戶登記手續

由於本公司即將舉行的臨時股東大會，預計將於二零零四年九月二十八日舉行，而根據公司章程，股東的登記過戶手續將於本公司舉行股東大會前30日暫停辦理。就臨時股東大會而言，本公司H股股東的登記過戶手續將於二零零四年八月二十七日至二零零四年九月二十八日（首尾兩天包括在內）暫停辦理。於該段期間內，不會登記股份的過戶。為符合收取中期股息之資格，所有過戶表格連同有關股票須於二零零四年八月二十六日（星期四）下午四時前送達本公司於香港之H股股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

股本

截至二零零四年六月三十日本公司之股權結構：

Substantial shareholders

As at 30 June 2004, the following shareholders (who are not Directors nor chief executives) had 5% or more beneficial interests or short positions in the issued shares, underlying shares and debentures of the Company as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance:

主要股東

於二零零四年六月三十日，根據證券及期貨條例第336條所存置的主要股東登記名冊顯示，下列股東（非本公司董事或最高行政人員）於本公司已發行股份、相關股份及債券中擁有5%或以上的實益權益或淡倉：

Name of shareholders 股東名稱	Class of shares 股份類別	Number of shares 股份數目	Percentage in the relevant class of share capital 佔該類別股本的百分比	Percentage in total share capital 佔總股本的百分比
Shanghai Fosun High New Technology Development Company Limited 上海復星高新技術發展有限公司	Domestic Shares 內資股	318,292,450 (Long position) (長倉)	21.60%	14.42%
Shanghai Fosun High Technology (Group) Company Limited ("Fosun High Technology") 上海復星高科技(集團)有限公司(「復星高科技」)	Domestic Shares 內資股	1,051,845,515 (Long position) (Note 1) (長倉) (註1)	71.37%	47.66%
Shanghai Guangxin Technology Development Company Limited ("Shanghai Guangxin") 上海廣信科技發展有限公司(「上海廣信」)	Domestic Shares 內資股	1,140,671,315 (Long position) (Note 2) (長倉) (註2)	77.40%	51.69%
Shanghai Fosun Industrial Company Limited ("Fosun Industrial") 上海復星實業股份有限公司(「復星實業」)	Domestic Shares 內資股	267,217,615 (Long position) (Note 3) (長倉) (註3)	18.13%	12.11%
Shanghai Fosun Information Development Company Limited ("Fosun Information") 上海復星信息產業發展有限公司(「復星信息」)	Domestic Shares 內資股	207,260,200 (Long position) (長倉)	14.06%	9.39%

Name of shareholders 股東名稱	Class of shares 股份類別	Number of shares 股份數目	Percentage in the relevant class of share capital 佔該類別股本的百分比	Percentage in total share capital 佔總股本的百分比
Shanghai Fosun Pharmaceutical Development Company Limited ("Fosun Pharmaceutical") 上海復星醫藥產業發展有限公司(「復星醫藥」)	Domestic Shares 內資股	267,217,615 (Long position) (長倉)	18.13%	12.11%
The Capital Group Companies, Inc.	H Shares H 股	85,016,000 (Long position) (長倉)	11.60%	3.85%
J.P. Morgan Chase & Co.	H Shares H 股	74,254,000 (Long position) (長倉)	10.13%	3.36%
		73,510,000 (Lending pool) (可供借出的股份)	10.03%	3.33%
Commonwealth Bank of Australia	H Shares H 股	65,460,000 (Long position) (長倉)	8.93%	2.97%
T. Rowe Price International	H Shares H 股	58,938,000 (Long position) (長倉)	8.04%	2.67%
Morgan Stanley	H Shares H 股	41,081,000 (Long position) (長倉)	5.60%	1.86%
		41,391,000 (Short position) (淡倉)	5.65%	1.88%

Notes:

1. Of these 1,051,845,515 shares, 577,367,700 shares are directly held by Fosun High Technology and the remaining 474,477,815 shares are deemed corporate interests indirectly through Fosun Information and Fosun Pharmaceutical.
2. Of these 1,140,671,315 shares, 88,825,800 shares are directly held by Shanghai Guangxin, the remaining 1,051,845,515 shares are deemed corporate interests indirectly held through Fosun High Technology, Fosun Information and Fosun Pharmaceutical.
3. All of these 267,217,615 shares are deemed corporate interests indirectly held by Fosun Industrial through Fosun Pharmaceutical.

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2004, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short positions which any such Director is taken or deemed to have under such provisions of the SFO) or which was required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO are as follows:

- (a) Long positions in the shares, underlying shares and debentures of the Company:

Name of director 董事名稱	Types of interests 權益類別
Guo Guangchang 郭廣昌	Corporate 公司

附註：

1. 該等1,051,845,515股股份中，577,367,700股股份由復星高科技直接持有，而餘下474,477,815股股份被視為透過復星信息及復星醫藥間接持有的公司權益。
2. 該等1,140,671,315股股份中，88,825,800股股份由上海廣信直接持有，餘下的1,051,845,515股股份被視為透過復星高科技、復星信息及復星醫藥間接持有的公司權益。
3. 所有該等267,217,615股股份被視為由復星實業透過復星醫藥間接持有的公司權益。

董事於股份及相關股份之權益、淡倉及債券

於二零零四年六月三十日，根據證券及期貨條例第XV部7及8分部知會本公司及香港聯合交易所有限公司（「聯交所」）的權益及淡倉（包括其根據證券及期貨條例視作擁有的權益及淡倉）或根據證券及期貨條例第352條所存置的登記冊顯示，下列董事於本公司已發行股本中擁有本公司及其相關法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中擁有實益權益或淡倉：

- (a) 與本公司股份、相關股份及債券的長倉：

Number of shares 股份數目	Percentage of the total number of shares in issue 佔已發行股本的概約百分比
1,458,963,765	66.11%

(b) Long positions in the shares, underlying shares and debentures of the Company's associated corporations (within the meaning of Part XV of the SFO):

(b) 與本公司相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券的長倉：

Name of director 董事名稱	Name of associated corporation 相聯法團名稱	Nature of interest 權益類別	Number of shares directly and indirectly held 直接及間接持有的股份數目	Approximate percentage of shares in issue of the associated corporation 佔相聯法團已發行股份的概約百分比
Guo Guangchang 郭廣昌	Shanghai Fosun Hongqiao Property Development Co., Ltd. 上海復星虹橋房地產開發有限公司	Corporate 公司	N/A 不適用	20%
Guo Guangchang 郭廣昌	Shanghai Fujin Property Development Co., Ltd. 上海復錦房地產開發有限公司	Corporate 公司	N/A 不適用	10%
Guo Guangchang 郭廣昌	Shanghai Guangxin Technology Development Company Limited 上海廣信科技發展有限公司	Individual 個人	N/A 不適用	58%
Fan Wei 范偉	Shanghai Guangxin Technology Development Company Limited 上海廣信科技發展有限公司	Individual 個人	N/A 不適用	10%

Listing of H Shares

The Company's H shares were listed on the Stock Exchange on 6 February 2004.

H股上市

本公司H股於二零零四年二月六日於香港聯交所上市。

Purchase, redemption or sale of listed securities of the Group

During the Period, neither the Group, nor any of its subsidiaries, nor a jointly controlled entity purchased, redeemed or sold any of the Group's listed securities.

購買、贖回或出售本集團的上市證券

於期內，本集團、其任何子公司及共同控制實體於年內概無購買、贖回或出售任何本集團的上市證券。

Directors' compliance with the code for securities transactions by Directors

Immediately before the listing of its H Shares on the Stock Exchange, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Specific enquiry has been made of all Directors, who have confirmed that they complied with required standard set out in the Model Code.

Compliance with the Code of Best Practice

In the opinion of the Directors, the Company complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") since the listing of the Company's shares on the Stock Exchange on 6 February 2004 until 30 June 2004.

Audit Committee

The audit committee was established in accordance with Appendix 14 of the Listing Rules, which comprises Mr. Charles Nicholas Brooke, Mr. Chen Yingjie and Mr. Zhang Hongming. The duties of the audit committee include reviewing and providing supervision over the Group's financial reporting processes and internal controls as well as providing advice to the Board. The audit committee has reviewed the Company's 2004 interim financial report for the six months ended 30 June 2004.

Disclosure of Information on the Stock Exchange's Website

The Company will submit to the Stock Exchange and publish on the website of the Stock Exchange (website: <http://www.hkex.com.hk>) all the information as required under paragraphs 46(1) and 46(6) of Appendix 16 of the Listing Rules in due course.

董事遵守董事進行證券交易的守則

於H股在聯交所上市前，本公司剛採納上市規則附錄十所載上市發行人董事進行證券交易標準守則（「標準守則」）。本公司已向全體董事作出特定查詢，而他們已確認，他們已遵守標準守則內載列的所需標準。

遵守最佳應用守則

董事會認為，自本公司於二零零四年二月六日上市以來至二零零四年六月三十日期間，本公司一直嚴格遵守上市規則附錄14載列的最佳應用守則。

審核委員會

根據上市規則附錄14規定而成立之審核委員會，其成員包括蒲祿祺先生、陳穎傑先生及張泓銘先生。審核委員會的主要職責為審閱及監察本集團的財務申報程序及內部監控制度，以及向董事會提供意見。本公司截至二零零四年六月三十日止六個月之中期財務報告已經由審核委員會審閱。

於聯交所網頁公佈之資料

截有根據聯交所上市規則附錄十六第46(1)至46(6)段所規定的資料，將於限期前呈交聯交所，並在其網址www.hkex.com.hk上發佈。

By Order of the Board
Guo Guangchang
Chairman

承董事會命
董事長
郭廣昌

Condensed Consolidated Income Statement

For the six months ended 30 June 2004

簡明綜合損益表

截至二零零四年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		2004 RMB'000 (Unaudited) 人民幣千元 (未經審核)	2003 RMB'000 (Unaudited) 人民幣千元 (未經審核)
		Notes 附註	
Turnover	營業額	3	918,082
Cost of properties sold	銷售物業成本		(556,129)
Gross profit	毛利		361,953
Other revenue	其他收入	3	14,936
Selling expenses	銷售開支		(38,505)
Administrative expenses	行政開支		(30,376)
Other costs	其他成本		(1,499)
Profit from operating activities	經營業務溢利		306,509
Finance costs	融資成本	4	(4,901)
Share of profits less losses of associates	應佔聯營公司之溢利減 虧損		68,581
Profit before income tax and minority interests	除所得稅及少數股東權益 前之溢利	4	370,189
Income tax expense	所得稅開支	5	(103,967)
Profit before minority interests	未計少數股東權益前溢利		266,222
Minority interests	少數股東權益		(46,072)
Net profit attributable to shareholders	股東應佔溢利		220,150
Dividend	股息		
Proposed interim	建議之中期股息	6	132,407
Earnings per share - basic (RMB)	每股盈利 - 基本 (人民幣元)	7	0.107

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2004

簡明綜合股東權益變動表

截至二零零四年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		2004 RMB'000 (Unaudited) 人民幣千元 (未經審核)	2003 RMB'000 (Unaudited) 人民幣千元 (未經審核)
Issued and fully paid share capital	已發行及繳足之普通股股本		
At beginning of period	期初餘額	296,086	211,490
Global offering of shares	全球發售新股	146,602	—
Domestic share converted to H share	內資股轉化為H股	(1,332)	—
Bonus share issue	發行紅股	—	84,596
At end of period	期末餘額	441,356	296,086
Capital reserve	資本儲備		
At beginning of period	期初餘額	2	2
Global offering of shares	全球發售新股	1,671,965	—
Share issue expenses	發行費用	(119,423)	—
At end of period	期末餘額	1,552,544	2
Statutory surplus reserve	法定盈餘公積金		
At beginning and end of period	期初及期末餘額	92,601	32,563
Statutory public welfare fund	法定公益金		
At beginning and end of period	期初及期末餘額	60,243	19,181
Retained earnings	留存收益		
At beginning of period	期初餘額	584,361	321,210
Net profit for the period	本期淨溢利	220,150	240,346
Proposed interim dividend	建議之中期股息	(132,407)	—
Bonus share issue	發行紅股	—	(84,596)
At end of period	期末餘額	672,104	476,960
Reserves	儲備	2,377,492	528,706
Proposed dividend	建議之股息		
At beginning of period	期初餘額	—	—
Proposed interim dividend	建議之中期股息	132,407	—
At end of period	期末餘額	132,407	—
Total equity	股東權益合計	2,951,255	824,792

Condensed Consolidated Balance Sheet

30 June 2004

簡明綜合資產負債表

二零零四年六月三十日

		Notes	30 June 2004 RMB'000 (Unaudited) 二零零四年 六月三十日 人民幣千元 (未經審核)	31 December 2003 RMB'000 二零零三年 十二月 三十一日 人民幣千元
		附註		
Non-current assets	非流動資產			
Property and equipment	固定資產		28,213	23,468
Goodwill	商譽		2,520	2,478
Negative goodwill	負商譽		(581)	(303)
Interests in associates	於聯營公司之權益		441,344	305,398
Available-for-sale long term investments	可供出售之長期投資		837	837
Payment in advance	預付投資款		19,770	—
Properties under development	開發中物業	8	2,420,308	1,647,271
			<u>2,912,411</u>	<u>1,979,149</u>
Current assets	流動資產			
Cash and cash equivalents	現金及現金等價物		983,332	467,945
Trade receivables	應收賬款	9	20,735	46,290
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項		411,467	223,748
Completed properties for sale	待售已落成物業		96,618	122,711
Properties under development	開發中物業	8	939,551	1,027,040
Amount due from a jointly controlled entity	應收合營公司款項		196,682	92,199
Amounts due from related companies	應收關聯公司款項		1,878	13,228
			<u>2,650,263</u>	<u>1,993,161</u>

Condensed Consolidated Balance Sheet(Continued)
30 June 2004**簡明綜合資產負債表（續）**

二零零四年六月三十日

		Notes 附註	30 June 2004 RMB'000 (Unaudited) 二零零四年 六月三十日 人民幣千元 (未經審核)	31 December 2003 RMB'000 二零零三年 十二月 三十一日 人民幣千元
Current liabilities	流動負債			
Interest-bearing loans and borrowings	計息借款	10	583,000	953,000
Trade payables	應付賬款	11	825,057	941,143
Accrued liabilities and other payables	應計款項及其他 應付款項		375,362	135,160
Tax payable	應付稅項		80,530	138,205
Amounts due to related companies	應付關聯公司款項		158,423	255,575
			<u>2,022,372</u>	<u>2,423,083</u>
Net current assets/(liabilities)	流動資產／（負債）淨額		<u>627,891</u>	<u>(429,922)</u>
Total assets less current liabilities	總資產減流動負債		<u>3,540,302</u>	<u>1,549,227</u>
Non-current liabilities	非流動負債			
Interest-bearing loans and borrowings	計息借款	10	360,000	318,800
Deferred tax liabilities	遞延稅項	12	56,040	62,323
			<u>416,040</u>	<u>381,123</u>
Minority interests	少數股東權益		<u>173,007</u>	<u>134,811</u>
			<u>2,951,255</u>	<u>1,033,293</u>
Capital and reserves	股本及儲備			
Share capital	股本	13	441,356	296,086
Reserves	儲備		2,377,492	737,207
Proposed interim dividend	建議之中期股息	6	132,407	—
			<u>2,951,255</u>	<u>1,033,293</u>

Director
董事Guo Guang Chang
郭廣昌Director
董事Fan Wei
范偉

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2004

簡明綜合現金流量表

截至二零零四年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		2004 RMB'000 (Unaudited) 人民幣千元 (未經審核)	2003 RMB'000 (Unaudited) 人民幣千元 (未經審核)
Net cash outflow from operating activities	經營業務產生之現金流出淨額	(739,281)	(291,384)
Net cash outflow from investing activities	投資活動產生之現金流出淨額	(105,513)	(13,827)
Net cash outflow before financing activities	未計融資活動前之現金流出淨額	(844,794)	(305,211)
Net cash inflow from financing activities	融資活動產生之現金流入淨額	1,360,181	230,066
Increase/(decrease) in cash and cash equivalents	現金及現金等價物之增加/ (減少)	515,387	(75,145)
Cash and cash equivalents at beginning of period	現金及現金等價物之期初餘額	467,945	431,298
Cash and cash equivalents at end of period	現金及現金等價物之期末餘額	983,332	356,153
Analysis of balances of cash and cash equivalents	現金及現金等價物結餘額分析		
Cash and bank balances	現金及銀行存款	983,332	356,153

Notes to Condensed Financial Statements

30 June 2004

1. Basis of Presentation and Accounting Policies

These unaudited condensed interim consolidated accounts should be read in conjunction with the 2003 annual accounts.

The condensed interim consolidated financial statements are prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and IFRS 34 "Interim Financial Reporting" promulgated by the International Accounting Standards Board. The basis of preparation and accounting policies used in the preparation of the condensed interim consolidated financial statements are the same as those used in the annual consolidated financial statements for the year ended 31 December 2003.

2. Segment Information

The Group's turnover and profit for the six months ended 30 June 2003 and 2004 were mainly derived from property development. The principal assets employed by the Group are located in the PRC. Accordingly, no segmental analysis by business and geographical segments is provided.

簡明財務報表附註

二零零四年六月三十日

1. 編製基礎和會計政策

該等未經審核的簡明中期綜合賬目應與二零零三年度賬目一併閱讀。

本簡明中期綜合財務報表乃根據香港聯合交易所有限公司（「香港聯交所」）證券上市規則附錄十六之適用披露要求以及國際會計準則委員會頒佈之國際財務報告準則（「國際財務報告準則」）第34號《中期財務報告》編製。本中期簡明綜合財務報表所採用的編製基礎和會計政策與本集團截至二零零三年十二月三十一日止年度綜合財務報表所採用的編製基礎和會計政策相一致。

2. 分類資料

本集團於截至二零零三年六月三十日及二零零四年六月三十日止各六個月期間之營業額及溢利主要來自物業開發。本集團之主要資產位於中國。因此，不再贅述按業務及地區劃分之分類資料。

Notes to Condensed Financial Statements

(Continued)

30 June 2004

3. Turnover and Revenue**簡明財務報表附註(續)**

二零零四年六月三十日

3. 營業額及收入

		For the six months ended 30 June 截至六月三十日止六個月	
		2004 RMB'000 (Unaudited) 人民幣千元 (未經審核)	2003 RMB'000 (Unaudited) 人民幣千元 (未經審核)
Sale and pre-sale of properties	銷售及預售物業	954,540	1,199,367
Property agency fees	物業代理及中介費	20,430	12,616
Property sales planning fees	物業銷售策劃費	313	—
Construction supervisory fees	建築工程監理費	125	200
		<u>975,408</u>	<u>1,212,183</u>
Less: Business tax and government surcharges	減：營業稅及政府 附加費	<u>(57,326)</u>	<u>(65,976)</u>
Turnover	營業額	<u>918,082</u>	<u>1,146,207</u>
Government grants	政府津貼	11,902	11,459
Interest income	利息收入	2,442	730
Negative goodwill recognised as income	確認為收入之負商譽	172	172
Registration income	代辦登記收費	127	348
Others	其他	293	204
Other revenue	其他收入	<u>14,936</u>	<u>12,913</u>
Total revenue	收入合計	<u><u>933,018</u></u>	<u><u>1,159,120</u></u>

Notes to Condensed Financial Statements

(Continued)

30 June 2004

簡明財務報表附註（續）

二零零四年六月三十日

4. Profit Before Income Tax and Minority Interests

The Group's profit before income tax and minority interests is arrived at after charging:

4. 除所得稅及少數股東權益前之溢利

本集團之除所得稅及少數股東權益前之溢利已扣除下列各項：

		For the six months ended 30 June 截至六月三十日止六個月	
		2004 RMB'000 (Unaudited) 人民幣千元 (未經審核)	2003 RMB'000 (Unaudited) 人民幣千元 (未經審核)
Interest on bank loans	銀行貸款利息	23,145	12,808
Less: Interest capitalised	減：資本化之利息	(22,623)	(12,115)
		522	693
Exchange loss	滙兌損失	4,349	—
Bank charges and commissions	銀行手續費及傭金	30	26
		4,901	719
Finance costs	融資成本		
<i>Average interest rate of interest capitalised</i>	<i>資本化之利息平均利率</i>	5.08%	4.86%
Depreciation	折舊	1,997	1,353
Amortisation of goodwill	商譽攤銷	307	101
Loss on disposal of property and equipment	處置固定資產損失	126	209
Auditors' remuneration	核數師酬金	530	—
Staff costs	員工成本：		
Wages and salaries	工資及薪金	28,223	23,534
Retirement costs:	退休金：		
- defined contribution fund	— 定額供款	2,250	1,741
Accommodation benefits:	住房福利：		
- defined contribution fund	— 定額供款	994	501

5. Tax

Provision for PRC income tax has been provided at the applicable income tax rate of 33% on the assessable profits of the Company.

Shanghai Xinyuan Property Development Co., Ltd. ("Xinyuan") and Shanghai Cetong Real Estate Agency Co., Ltd., two subsidiaries of the Company and Shanghai Puhua Property Development Co., Ltd., an associate of the Company, located in Shanghai Pudong New Area, are subject to income tax at a preferential rate of 15%.

5. 稅項

中國所得稅撥備乃按本公司之應納稅溢利所適用之所得稅率33%作出。

位於上海浦東新區的兩家子公司，上海新遠房地產開發有限公司（「新遠」）和上海策通房地產經紀有限公司，以及一家聯營公司—上海浦華房地產開發有限公司，乃按優惠稅率15%支付所得稅。

Notes to Condensed Financial Statements

(Continued)

30 June 2004

5. Tax (Continued)

Pursuant to a document “(94) Cai Shui Zi No. 001” dated 29 March 1994 jointly issued by the Ministry of Finance and the State Tax Bureau and an approval document dated 28 December 2002 issued by the Shanghai Putuo District Tax Bureau, Shanghai Resource Property Consultancy Co., Ltd., a subsidiary established on 3 July 2002 and is principally engaged in the rendering of consultancy services, is exempted from income tax for the two years from 1 September 2002, the date SRPC commenced its business, to 31 August 2004.

Pursuant to an approval document issued by the Shanghai Putuo District Tax Bureau in May 2004, Shanghai Resource Advertising Co., Ltd. (“SRAC”), a subsidiary established on 15 January 2004 and is principally engaged in the rendering of advertising consultancy services, is exempted from income tax for the year ending 31 December 2004.

All other subsidiaries, associates and a jointly controlled entity of the Company are subject to income tax at the rate of 33%.

No provision for Hong Kong profits tax has been made as the Group has no assessable profits arising in Hong Kong for the six months ended 30 June 2004.

Major components of income tax expense for the Period is as follows:

		For the six months ended 30 June 截至六月三十日止六個月	
		2004 RMB'000 (Unaudited) 人民幣千元 (未經審核)	2003 RMB'000 (Unaudited) 人民幣千元 (未經審核)
Group:	集團		
- Current	— 當期	96,420	6,286
- Deferred (note 12)	— 遞延	(6,283)	73,580
		90,137	79,866
Share of tax attributable to associates	應佔聯營公司之稅項	13,830	7,955
Income tax expense	所得稅開支	103,967	87,821

簡明財務報表附註 (續)

二零零四年六月三十日

5. 稅項 (續)

根據財政部及國家稅務總局於一九九四年三月二十九日聯合發出之文件《(94)財稅字001號》及上海市普陀區稅務局於二零零二年十二月二十八日發出之批文，本公司之子公司上海策源置業顧問有限公司（「策源顧問」）（成立於二零零二年七月三日，主要從事提供顧問服務）自二零零二年九月一日（即策源顧問開始經營業務之日）起至二零零四年八月三十一日止兩年內免繳所得稅。

另外，根據上海市普陀區稅務局於二零零四年五月發出之批文，本公司之子公司上海策源廣告有限公司（「策源廣告」）（成立於二零零四年一月十五日，主要從事提供廣告諮詢服務）於截至二零零四年十二月三十一日止一年內免繳所得稅。

本公司之所有其他子公司、聯營公司及一家合營公司均須按所得稅率33%繳稅。

由於本集團於截至二零零四年六月三十日止六個月（「本期間」）並無在香港獲得任何應課稅溢利，因此並無就香港利得稅作出撥備。

於本期間，所得稅開支之主要構成如下：

Notes to Condensed Financial Statements

(Continued)

30 June 2004

簡明財務報表附註（續）

二零零四年六月三十日

5. Tax (Continued)

A numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

5. 稅項（續）

運用適當之所得稅稅率，會計溢利和所得稅開支之調節表如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2004 RMB'000 (Unaudited) 人民幣千元 (未經審核)	2003 RMB'000 (Unaudited) 人民幣千元 (未經審核)
Accounting profit	會計溢利	370,189	344,575
Non-taxable profit of two subsidiaries	兩家子公司毋需課稅之溢利	(22,391)	(32,505)
Profit of the Group subject to income tax	本集團須繳納所得稅之溢利	347,798	312,070
Tax at applicable tax rate of	適用稅率計算稅項		
- 33%	- 33%	81,821	62,010
- 15%	- 15%	14,978	18,624
Sub-total	小計	96,799	80,634
Tax effect of expense items which are not deductible for income tax purposes	所得稅不獲扣減之開支項目之稅項影響	7,168	7,187
Income tax expense	所得稅開支	103,967	87,821

Deferred taxes relate to temporary differences in the recognition of revenue, costs and expenses.

遞延稅項與收益、成本及開支確認之暫時性差異有關。

Notes to Condensed Financial Statements

(Continued)

30 June 2004

6. Dividend

The directors of the Company recommend the payment of an interim dividend of RMB0.06 per share (for the six months ended 30 June 2003: nil). The recommendation has been set out in the interim financial statements.

7. Earnings Per Share

The basic earnings per share amounts for the Period have been computed by dividing the net profit attributable to shareholders for the Period of RMB220,150,000 (for the six months ended 30 June 2003: RMB240,346,000) by the weighted average number of 2,060,331,269 shares in issue (for the six months ended 30 June 2003 was 1,480,430,000 shares on the assumption that 1,480,430,000 Domestic Shares had been in issue since 1 January 2003, and as if the sub-division of the Company's shares from one Domestic Share of a nominal value of RMB1.00 each into five Domestic Shares of a nominal value of RMB0.20 each in January 2004 had taken place as at 1 January 2003) during the Period.

Diluted earnings per share for the six months ended 30 June 2003 and 2004 has not been disclosed as no diluting events existed during these periods.

8. Properties Under Development

Cost	成本
Add: Attributable profit on pre-sale of properties	加：預售物業應佔之溢利
Less: Deposits and progress instalments received	減：已收之按金及分期款項
Portion classified as current assets	列作流動資產

簡明財務報表附註(續)

二零零四年六月三十日

6. 股息

本公司董事建議按每股人民幣0.06元(截至二零零三年六月三十日止六個月：無)派發中期股息，該等建議已列載於本中期財務報表。

7. 每股盈利

每股基本盈利乃按本期間的股東應佔溢利人民幣220,150,000元(截至二零零三年六月三十日止六個月：人民幣240,346,000元)除以本期間內已發行股份之加權平均股數2,060,331,269股(截至二零零三年六月三十日止六個月為1,480,430,000股，乃基於該1,480,430,000股內資股已於二零零三年一月一日發行之假設，及猶如二零零四年一月一日本公司股份由每股面值人民幣1.00元之內資股拆細為五股每股面值為人民幣0.20元之內資股一事於二零零三年一月一日已經發生)計算。

因無導致每股盈利稀釋之事項存在，故於截至二零零三年六月三十日及二零零四年六月三十日止各六個月期間經稀釋之每股盈利未作披露。

8. 開發中物業

	30 June 2004 RMB'000 (Unaudited) 二零零四年 六月三十日 人民幣千元 (未經審核)	31 December 2003 RMB'000 二零零三年 十二月 三十一日 人民幣千元
Cost	4,078,757	3,333,459
Add: Attributable profit on pre-sale of properties	449,564	384,873
Less: Deposits and progress instalments received	(1,168,462)	(1,044,021)
Portion classified as current assets	3,359,859 (939,551)	2,674,311 (1,027,040)
	<u>2,420,308</u>	<u>1,647,271</u>

Notes to Condensed Financial Statements

(Continued)

30 June 2004

8. Properties Under Development (Continued)

The Group's properties under development are situated in Shanghai, Wuhan, Nanjing and Beijing, the PRC.

The Group's properties under development with a book value of RMB782,122,320 (31 December 2003: 263,947,000) as at 30 June 2004 were pledged to banks to secure bank loans amounting to RMB363,000,000 as at 30 June 2004 (31 December 2003: 190 million).

9. Trade Receivables

Outstanding balances aged:	按賬齡分類之餘額：
Within six months	6個月內
More than six months, but within one year	6個月至1年

簡明財務報表附註（續）

二零零四年六月三十日

8. 開發中物業（續）

本集團開發中物業位於中國上海市、武漢市、南京市及北京市。

本集團開發中物業於二零零四年六月三十日之賬面值為人民幣782,122,320元（二零零三年十二月三十一日：人民幣263,947,000元），已質押予銀行作為銀行貸款人民幣363,000,000元（二零零三年十二月三十一日：人民幣190,000,000元）之抵押物。

9. 應收賬款

30 June 2004 RMB'000 (Unaudited) 二零零四年 六月三十日 人民幣千元 (未經審核)	31 December 2003 RMB'000 二零零三年 十二月 三十一日 人民幣千元
14,320	46,167
6,415	123
<u>20,735</u>	<u>46,290</u>

Notes to Condensed Financial Statements

(Continued)

30 June 2004

10. Interest-Bearing Loans and Borrowings**簡明財務報表附註(續)**

二零零四年六月三十日

10. 計息借款

		30 June 2004 RMB'000 (Unaudited) 二零零四年 六月三十日 人民幣千元 (未經審核)	31 December 2003 RMB'000 二零零三年 十二月 三十一日 人民幣千元
Bank loans:	銀行貸款：		
Unsecured	無抵押	580,000	1,081,800
Secured	已抵押	363,000	190,000
		<u>943,000</u>	<u>1,271,800</u>
Repayable:	須於以下期限償還：		
Within one year	1年內	583,000	953,000
In the second year	第2年	250,000	190,000
In the third to fifth years, inclusive	第3至第5年 (包括首尾2年)	110,000	128,800
		<u>943,000</u>	<u>1,271,800</u>
Portion classified as current liabilities	列作流動負債	<u>(583,000)</u>	<u>(953,000)</u>
		<u>360,000</u>	<u>318,800</u>

The bank loans bear interest at rates from 4.78% to 5.49% (31 December 2003: from 4.78% to 5.49%) per annum. As at 30 June 2004, bank loans amounting to RMB130,000,000 (31 December 2003: nil) were guaranteed by Shanghai Tech-Microsystem Co., Ltd.

As at 30 June 2004, bank loans amounting to RMB363,000,000 (31 December 2003: RMB190 million) were secured on the Group's properties under development with a book value of RMB782,122,320 as at 30 June 2004 (31 December 2003: RMB263,947,000).

銀行貸款年利率為4.78%至5.49%(二零零三年十二月三十一日: 4.78%至5.49%)。於二零零四年六月三十日, 銀行貸款金額人民幣130,000,000元(二零零三年十二月三十一日: 無)由上海德律風根微電子股份有限公司提供擔保。

於二零零四年六月三十日, 銀行貸款金額人民幣363,000,000元(二零零三年十二月三十一日: 人民幣190,000,000元)以本集團開發中物業作為抵押, 於二零零四年六月三十日之賬面值為人民幣782,122,320元(二零零三年十二月三十一日: 人民幣263,947,000元)。

Notes to Condensed Financial Statements

(Continued)

30 June 2004

簡明財務報表附註（續）

二零零四年六月三十日

11. Trade Payables

11. 應付賬款

		30 June 2004 RMB'000 (Unaudited) 二零零四年 六月三十日 人民幣千元 (未經審核)	31 December 2003 RMB'000 二零零三年 十二月 三十一日 人民幣千元
Outstanding balances aged:	按賬齡分類之餘額：		
Within six months	六個月內	572,519	870,133
More than six months, but within one year	六個月至一年	142,555	47,283
Over one year	超過一年	109,983	23,727
		<u>825,057</u>	<u>941,143</u>

12. Deferred Tax Liabilities

12. 遞延稅項負債

		30 June 2004 RMB'000 (Unaudited) 二零零四年 六月三十日 人民幣千元 (未經審核)	31 December 2003 RMB'000 二零零三年 十二月 三十一日 人民幣千元
Deferred tax liabilities arising from Sales revenue recognised in the IFRS financial statements, but not taken up in the PRC statutory accounts:	遞延稅項負債 在國際財務報告準則會計 報表中確認之銷售收入 (本集團之中國法定報表未 予確認)：		
At beginning of period/year	期／年初	95,565	96,136
Decrease during the period/year	本期／年減少	(2,650)	(571)
At end of period/year	期／年末	<u>92,915</u>	<u>95,565</u>
Deferred tax assets arising from Related costs and expenses in respect of the above sales revenue not taken up in the PRC statutory accounts:	遞延稅項資產與上述 確認之銷售收入相關之 成本和費用（本集團 之中國法定報表未 予確認）：		
At beginning of period/year	期／年初	33,242	23,069
Increase during the period/year	期／年增加	3,633	10,173
At end of period/year	期／年末	<u>36,875</u>	<u>33,242</u>
Net deferred tax liabilities	遞延稅項負債淨額	<u>56,040</u>	<u>62,323</u>

Notes to Condensed Financial Statements

(Continued)

30 June 2004

簡明財務報表附註(續)

二零零四年六月三十日

13. Share Capital

13. 股本

		30 June 2004 Number of shares 二零零四年 六月三十日 人民幣千元 股份數目	31 December 2003 Number of shares 二零零三年 十二月三十一日 人民幣千元 股份數目	30 June 2004 RMB'000 (Unaudited) 二零零四年 六月三十日 人民幣千元 (未經審核)	31 December 2003 RMB'000 二零零三年 十二月三十一日 人民幣千元
Registered	已註冊	2,206,781,500	296,086,000	441,356	296,086
Issued and fully paid:	已發行及繳足之普通股：				
Domestic Shares of RMB0.20 (2003: RMB1.00) each	每股面值人民幣 0.20 元之內資股 (二零零三年：人民幣 1.00 元)	1,473,768,065	296,086,000	294,754	296,086
H Shares of RMB0.20 each	每股面值人民幣 0.20 元之 H 股	733,013,435	—	146,602	—
Total	股本合計	2,206,781,500	296,086,000	441,356	296,086

In preparation for the Global Offering, the Company obtained an approval issued by the China Securities Regulatory Commission on 7 January 2004, approving the sub-division of 296,086,000 ordinary shares of a nominal value of RMB1.00 each into 1,480,430,000 ordinary shares of a nominal value of RMB0.20 each. The above-mentioned sub-division of shares was approved by the shareholders of the Company at the general meeting held on 8 January 2004.

Pursuant to the "Provisional Administrative Measures for the Reduction of State-owned Shares in Raising the Social Security Fund", 6,661,935 Domestic Shares of the Company were converted into 6,661,935 Sale H Shares. Net proceeds from the sale of the 6,661,935 Sale H Shares should be remitted to the National Social Security Fund (the "NSSF").

為籌備全球發售，本公司於二零零四年一月七日獲得中國證券監督管理委員會發出的批復，批准將本公司註冊資本的股份由 296,086,000 股每股面值人民幣 1.00 元的普通股拆細為 1,480,430,000 股每股面值人民幣 0.20 元的普通股。本公司於二零零四年一月八日召開之股東大會批准通過上述股份拆細。

根據《減持國有股籌集社會保障資金管理暫行辦法》，本公司 6,661,935 股內資股轉為減持國有股出售存量 6,661,935 股。該減持國有股出售存量 6,661,935 股所募集的資金應支付予全國社會保障基金（「社保基金」）。

Notes to Condensed Financial Statements

(Continued)

30 June 2004

13. Share Capital (Continued)

638,271,935 H Shares of the Company, which represented 631,610,000 New H Shares and 6,661,935 Sale H Shares, were listed on the Main Board of the Stock Exchange on 6 February 2004 and 94,741,500 additional New H Shares, issued upon exercise of an over-allotment option, were listed on the Main Board of the Stock Exchange on 19 February 2004. These H Shares with a nominal value of RMB0.20 each were issued to the public by way of global offering at a price of HK\$2.35 per share. After deducting net proceeds of approximately RMB15,548,000 from the sale of 6,661,935 Sale H Shares, which should be remitted to the NSSF as explained above, and the share issue expenses of approximately RMB119,423,000, the Company raised net proceeds of approximately RMB1,697,812,000, of which issued capital amounted to RMB145,270,000 and capital reserve amounted to RMB1,552,542,000.

14. Commitments**Capital commitments**

Capital commitments in respect of:

Land acquisition:

Contracted, but not provided for

Properties under development:

Contracted, but not provided for

資本承擔：

購買土地：

已訂約但未撥備

開發中物業

已訂約但未撥備

簡明財務報表附註（續）

二零零四年六月三十日

13. 股本（續）

本公司638,271,935股H股，其中包括631,610,000股H股及減持國有股出售存量6,661,935股H股，於二零零四年二月六日在香港聯交所主板上市，另外超額配售的新股94,741,500股於二零零四年二月十九日在香港聯交所主板上市。該等通過全球發售予公眾之每股面值人民幣0.20元的公開發行價格為每股港幣2.35元。扣除上述應支付社保基金之減持國有股出售存量6,661,935股H股所募集資金淨額約計人民幣15,548,000元及發行費用約計人民幣119,423,000元，本公司募集資金淨額約計人民幣1,697,812,000元，其中認繳註冊資本計人民幣145,270,000元以及股本溢價計人民幣1,552,542,000元。

14. 承擔**資本承擔**

		30 June 2004 RMB'000 (Unaudited) 二零零四年 六月三十日 人民幣千元 (未經審核)	31 December 2003 RMB'000 二零零三年 十二月 三十一日 人民幣千元
Capital commitments in respect of:	資本承擔：		
Land acquisition:	購買土地：		
Contracted, but not provided for	已訂約但未撥備	1,961,552	2,434,450
Properties under development:	開發中物業		
Contracted, but not provided for	已訂約但未撥備	137,231	126,007
		2,098,783	2,560,457

Notes to Condensed Financial Statements

(Continued)

30 June 2004

14. Commitments (Continued)

Operating lease commitments

Future minimum lease payments under non-cancellable operating leases for each of the following periods:	不可取消之經營租約須於未來下列期間內支付之最低租金：
Within one year	1 年內
In the second to fifth years, inclusive	第 2 至第 5 年 (包括首尾 2 年)
Over five years	超過 5 年

15. Contingent Liabilities

As at 30 June 2004, the Group provided guarantees of approximately RMB975,776,000 in favour of its customers in respect of mortgage loans provided by banks to such customers for their purchases of the Group's developed properties where the underlying real estate certificates can only be provided to the banks on a time delayed manner due to administrative procedures in the PRC. These guarantees provided by the Group will be released when the customers pledge their real estate certificates as securities to the banks for the mortgage loans granted by the banks.

簡明財務報表附註 (續)

二零零四年六月三十日

14. 承擔 (續)

經營租賃承擔

	30 June 2004 RMB'000 (Unaudited) 二零零四年 六月三十日 人民幣千元 (未經審核)	31 December 2003 RMB'000 二零零三年 十二月 三十一日 人民幣千元
	6,859	7,050
	4,888	8,402
	3,962	4,626
	<u>15,709</u>	<u>20,078</u>

15. 或然負債

於二零零四年六月三十日，本集團就對購買本集團之已開發物業而辦理按揭貸款之客戶提供銀行擔保，產生之或有負債約計人民幣975,776,000元，而由於需要辦理中國之行政手續，銀行會稍遲才獲提供相關之房地產權證。本集團向銀行提供之該等擔保，將於客戶向銀行質押其房地產權證作為銀行批出之按揭貸款之抵押後解除。

Notes to Condensed Financial Statements

(Continued)

30 June 2004

簡明財務報表附註（續）

二零零四年六月三十日

16. Related Party Transactions

The Group had the following material transactions with related parties:

16. 關聯方交易

本集團與關聯方進行之重大交易如下所列：

Name of related parties 關聯方名稱	Nature of transactions 交易性質	For the six months ended 30 June 截至六月三十日止六個月	
		2004 RMB'000 (Unaudited) 人民幣千元 (未經審核)	2003 RMB'000 (Unaudited) 人民幣千元 (未經審核)
Recurring transactions 持續性交易			
Shanghai Fosun Industrial Co., Ltd. (notes b & e) 上海復星實業股份有限公司 (附註b及e)	Operating lease in respect of office buildings rented by the Company from the related company 由本公司向關聯公司租用辦公室之經營租賃	2,139	2,139
Shanghai Furui Property Management Co., Ltd. (notes b & e) 上海復瑞物業管理有限公司 (附註b及e)	Property management services provided by the related company 由關聯公司提供之物業管理服務	2,203	1,302
Shanghai Fuxin Property Development Co., Ltd. (notes b & f) 上海復鑫房地產開發有限公司 (附註b及f)	Sales agency services provided to the related company 向關聯公司提供之銷售中介服務	—	2,117
Shanghai Fuxin Property Development Co., Ltd. (notes b & f) 上海復鑫房地產開發有限公司 (附註b及f)	Construction supervisory services provided to the related company 向關聯公司提供之建築工程監理服務	—	200
Shanghai Xingye Investment Development Co., Ltd. (notes b & f) 上海興業投資發展有限公司 (附註b及f)	Sales agency services provided to the related company 向關聯公司提供之銷售中介服務	6,866	—

Notes to Condensed Financial Statements

(Continued)

30 June 2004

16. Related Party Transactions (Continued)**簡明財務報表附註 (續)**

二零零四年六月三十日

16. 關聯方交易 (續)

		For the six months ended 30 June 截至六月三十日止六個月	
		2004 RMB'000 (Unaudited) 人民幣千元 (未經審核)	2003 RMB'000 (Unaudited) 人民幣千元 (未經審核)
Name of related parties 關聯方名稱	Nature of transactions 交易性質		
Non-recurring transactions 非持續性交易			
Shanghai Fosun High Technology (Group) Co., Ltd. (notes a & c) 上海復星高科技(集團)有限公司(附註a及c)	Bank loans guaranteed by the related company 由關聯公司擔保之銀行貸款	—	410,000
Shanghai Fosun Investment Co., Ltd. (notes b & c) 上海復星產業投資有限公司(附註b及c)	Bank loans guaranteed by the related company 由關聯公司擔保之銀行貸款	—	50,000
Shanghai Yitong Advertising Co., Ltd. (notes b & d) 上海一統廣告商務發展有限公司(附註b及d)	Advertising services provided by the related company 由關聯公司提供之廣告服務	648	2,960

Notes:

- (a) Shanghai Fosun High Technology (Group) Co., Ltd. ("SFHTGC") is the holding company of the Company.
- (b) Shanghai Fosun Industrial Co., Ltd., Shanghai Yitong Advertising Co., Ltd. ("SYAC"), Shanghai Fosun Investment Co., Ltd. and Shanghai Xingye Investment Development Co., Ltd. are subsidiaries of SFHTGC. Shanghai Fuxin Property Development Co., Ltd. and Shanghai Furui Property Management Co., Ltd. are associates of the Company.
- (c) The bank loans of the Group were guaranteed by the related companies free of charge. The guarantees given by the related companies have been released by May 2004.

附註：

- (a) 上海復星高科技(集團)有限公司(「復星高科技」)為本公司之控股公司。
- (b) 上海復星實業股份有限公司、上海一統廣告商務發展有限公司(「上海一統」)、上海復星產業投資有限公司及上海興業投資發展有限公司為復星高科技之子公司。上海復星房地產開發有限公司及上海復瑞物業管理有限公司為本公司之聯營公司。
- (c) 本集團之銀行貸款由關聯公司提供無償擔保。關聯方提供之擔保已於二零零四年五月解除。

Notes to Condensed Financial Statements

(Continued)

30 June 2004

16. Related Party Transactions (Continued)

- (d) From 1 January 2000 to 31 December 2003, the Group engaged SYAC for the provision of advertising consultancy services to the Group whenever advertising consultancy services were required for the Group's property development projects. The relevant contracts were entered into between the Company or its subsidiaries and SYAC on a project-by-project basis. SYAC received a fixed sum, as determined by both parties on an arm's length basis, under the respective advertising consultancy agreements for the services rendered.

On 18 October 2002, the Company entered into a new advertising agency agreement with SYAC for a term of three years commencing on 18 October 2002 (the "Advertising Agency Agreement"). The Company may terminate the Advertising Agency Agreement by giving SYAC a 30-day written notice.

Pursuant to the Advertising Agency Agreement, the Company engaged SYAC as a non-exclusive advertising agent for the Group to procure advertising spaces from the media for the Group's property development projects. The principal terms of the Advertising Agency Agreement are summarised below:

The Company or its subsidiaries may purchase the required advertising spaces through SYAC on the bases that:

- (i) the Company or its subsidiaries shall obtain quotes from at least one independent third party advertising agent for reference at the same time when they request SYAC to provide quotes in respect of the purchase of the required advertising space; and
- (ii) the quotes given by SYAC shall not be less favourable than those provided by any independent third party advertising agents.

The Company and its subsidiaries are not obliged to purchase any advertising space through SYAC if the terms offered by SYAC are less favourable than those offered by third parties. However, the Company or its subsidiaries will give priority to SYAC if the quotes provided by SYAC and those provided by any independent third parties are the same or are very similar.

The Group set up a new wholly-owned subsidiary, SRAC, with a registered capital of RMB1 million in January 2004. Subsequent to the establishment of SRAC, the Group ceased to engage SYAC for the provision of advertising services as the advertising services are conducted by SRAC.

簡明財務報表附註（續）

二零零四年六月三十日

16. 關聯方交易（續）

- (d) 由二零零零年一月一日至二零零三年十二月三十一日，本集團委聘上海一統提供廣告顧問服務，隨時為本集團之物業開發項目提供廣告顧問服務。本公司或其子公司與上海一統按個別項目基準訂立有關合同。上海一統根據各項廣告顧問協議，就所提供之服務收取定額費用，費用金額由訂約方按公平基準厘定。

於二零零二年十月十八日，本公司與上海一統訂立了一項新廣告代理協議（「廣告代理協議」），由二零零二年十月十八日起，為期三年。本公司可向上海一統發出三十天之書面通知，終止該廣告代理協議。

根據該廣告代理協議，本公司委聘上海一統為本集團之非專有權廣告代理，負責為本集團之物業開發項目物色媒體廣告位。該廣告代理協議之主要條款概述如下：

本公司或其子公司按下列基準透過上海一統購買所需廣告位：

- (i) 本公司或其子公司於要求上海一統提供購買廣告位之報價時，須同時向至少一名獨立第三方廣告代理索取報價，以作參考；及
- (ii) 上海一統提供之報價須不高於任何獨立第三方廣告代理所提供之報價。

倘上海一統之條款遜於第三方提供之條款，本公司及其子公司毋須一定通過上海一統購買任何廣告位。然而，倘上海一統提供之報價與獨立第三方所提供之相同或非常相若，本公司或其子公司將優先委聘上海一統。

二零零四年一月，本集團成立了一家全資子公司，策源廣告，註冊資本為人民幣1,000,000元。其後本集團的廣告顧問服務由策源廣告承擔，終止了與上海一統的服務協議。

Notes to Condensed Financial Statements

(Continued)

30 June 2004

16. Related Party Transactions (Continued)

- (e) The directors consider that the fees for property management services and rentals for office buildings paid to related companies were determined based on prices available to third party clients of the related companies.
- (f) The directors consider that the fees for consulting services, sales agency services, and construction supervisory services provided to the related companies were determined based on prices available to third party clients.

In the opinion of the directors, all the transactions above were conducted in the normal course of the Group's business.

17. Post Balance Sheet Events

- (1) Pursuant to an approval document "Hu Wai Zi Wei Pi Zi (2004) No. 770" issued by the Shanghai Foreign Investment Committee on 25 May 2004, ING REI Investment (China) B.V. acquired 20% and 10% equity interests respectively, in Shanghai Songjiang Forte Property Development Co., Ltd. ("Songjiang Forte"), a subsidiary of the Company, from the Company and Xinyuan, a subsidiary of the Company, in July 2004. Thereafter, Songjiang Forte changed its status to that of a Sino-foreign co-operative joint venture company.
- (2) Pursuant to a share transfer agreement dated 24 June 2004 entered into by the Company, Xinyuan and Tiancheng Property Development Company ("Tiancheng"), the Company and Xinyuan acquired 15% and 20% equity interests, respectively, in Shanghai Forte Zhibao Property Development Co., Ltd. ("Forte Zhibao"), a subsidiary of the Company, from Tiancheng on 5 July 2004. As a result, the Company and Xinyuan hold 80% and 20% equity interests, respectively, in Forte Zhibao.

18. Approval of the Financial Statements

The interim financial report was approved by the board of directors on 10 August 2004.

簡明財務報表附註(續)

二零零四年六月三十日

16. 關聯方交易(續)

- (e) 董事認為，支付予關聯公司之物業管理服務費及辦公室樓宇之租金乃根據關聯公司給予第三方客戶之價格厘定。
- (f) 董事認為，提供予關聯公司之顧問服務、銷售中介服務及建築工程監理服務之費用，乃根據給予第三方客戶之價格厘定。

董事認為，上述所有交易均是按照本集團之正常商業條款進行。

17. 結算日後事項

- (1) 經上海市外國投資工作委員會於二零零四年五月二十五日頒發之滬外資委批字(2004)第770號文批准，於二零零四年七月，ING REI Investment (China) B.V.分別從本公司及本公司之子公司新遠收購了本公司之子公司上海松江復地房地產開發有限公司(「松江復地」)的20%及10%股權。此後，松江復地變更為中外合作企業。
- (2) 根據二零零四年六月二十四日本公司、新遠與天誠房地產開發公司(「天誠」)簽訂之股權轉讓協議，於二零零四年七月五日，本公司及新遠分別從天誠收購了於本公司之子公司上海復地智寶房地產開發有限公司(「復地智寶」)的15%及20%股權。因該等轉讓，本公司及新遠分別持有復地智寶80%及20%股權。

18. 批准財務報表

本中期財務報告已於二零零四年八月十日獲董事會批准。

Corporate Information

公司資料

Executive Directors

執行董事

Guo Guangchang

Fan Wei

Ding Guoqi

郭廣昌

范偉

丁國其

Non-Executive Director

非執行董事

Feng Xiekun

馮燮堃

Independent Non-Executive Directors

獨立非執行董事

Charles Nicholas Brooke

Chen Yingjie

Zhang Hongming

蒲祿祺

陳穎傑

張泓銘

Authorized Representatives

獲授權代表

Fan Wei and Ding Guoqi

范偉及丁國其

Company Secretary

公司秘書

Lo Yee Har Susan

盧綺霞

Registered Office in the PRC

中國註冊辦事處

9th Floor

510 Caoyang Road

Shanghai

PRC

中國上海

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Principal Place of Business in the PRC

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6樓及7樓

郵編200010

電話：(8621) 6332 0055/6332 2337

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Bank of East Asia Harbour View Centre

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Wanchai

Hong Kong

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港灣中心28樓

Auditors

核數師

Ernst & Young

安永會計師事務所

Legal Advisor as to Hong Kong Law

香港法律顧問

Herbert Smith

史密夫律師事務所

Legal Advisor as to PRC Law

中國法律顧問

Chen & Co. Law Firm

瑛明律師事務所

Hong Kong H Share Registrar

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Shops 1712-1716

17th Floor, Hopewell Centre

183 Queen's Road East

Hong Kong

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香港

皇后大道東183號

合和中心17樓

1712-1716號舖

Principal Bankers

主要往來銀行

Agricultural Bank of China

Industrial and Commercial Bank of China

China Construction Bank

China Merchants Bank

Shanghai Pudong Development Bank

中國農業銀行

中國工商銀行

中國建設銀行

招商銀行

上海浦東發展銀行