

1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). They have been prepared under the historical cost convention.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (“new HKFRSs”) which are effective for accounting periods beginning on or after 1st January 2005.

The Group has not early adopted these new HKFRSs in the accounts for the year ended 31st December 2004.

The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

(b) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st December.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

1 主要會計政策

編製此等賬目所採用之主要會計政策列載如下：

(a) 編製基準

本帳目按照香港普遍採納之會計原則以及香港會計師公會頒佈之會計準則編制。賬目按歷史成本原則編制。

香港會計師公會已經頒佈了一系列新的／(經修訂的)財務報告準則，將於二零零五年一月一日起生效。

於二零零四年十二月三十一日本集團未提前採用上述新的／(經修訂的)財務報告準則編制賬目。

本集團已經開始評估上述新的／(經修訂的)財務報告準則對本集團的影響，目前尚無評判其對本集團經營業績是否產生重大影響。

(b) 綜合賬目

綜合帳目包括本公司及各附屬公司截至十二月三十一日止之帳目。

在年內購入或售出之附屬公司業績由收購生效日起計或計至出售生效日止列入綜合損益表內。

1 PRINCIPAL ACCOUNTING POLICIES

(continued)

(b) Consolidation (continued)

The gain or loss on the disposal of subsidiaries represents the difference between the proceeds of the sale and the Group's share of its net assets.

All significant intercompany transactions and balances between Group companies are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

(c) Subsidiaries

Subsidiaries are those entities in which the company, directly or indirectly, controls more than one half of the voting power, has the power to govern the financial and operating policies, to appoint or remove the majority of the members of the Board, or to cast majority of votes in the meetings of the Board.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(d) Jointly controlled entities

A jointly controlled entity is a joint venture established as a corporation, partnership or other entity in which the ventures have their respective interests and establish a contractual arrangement among them to define their joint control over the economic activity of the entity and none of the participating parties has unilateral control over the economic activity.

1 主要會計政策 (續)

(b) 綜合賬目 (續)

出售附屬公司之收益或虧損指出售所得之收入與集團應佔該公司資產淨值。

所有集團內公司間之重大交易及結餘已於綜合帳目時對銷。

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中擁有之權益。

(c) 附屬公司

附屬公司指本公司直接或間接控制過半數投票權；有權控制財政及營運決策；委任或撤換董事會大多數成員。或在董事會會議上有大多數投票權之實體。

在本公司之資產負債表內，附屬公司之投資以成本值扣除減值虧損準備入帳。本公司將附屬公司之業績按已收及應收股息入帳。

(d) 共同控制實體

共同控制實體指以公司、合作夥伴或其他實體形式成立的合營企業，合營各方於該企業擁有各自的權益，並作出合同安排以界定各方對該實體經濟活動的共同控制，且任何參與一方均不可能對該實體的經濟活動行使單一控制權。

1 PRINCIPAL ACCOUNTING POLICIES

(continued)

(d) Jointly controlled entities (continued)

The consolidated profit and loss account includes the Group's share of the results of jointly controlled entities for the year, and the consolidated balance sheet includes the Group's share of the net assets of jointly controlled entities and goodwill or negative goodwill (net of accumulated amortisation) on acquisition.

The consolidated profit and loss account also includes the Group's share of the income and expenses arising from jointly controlled assets for the year, and the consolidated balance sheet includes the Group's share of the assets and liabilities in relation to such joint ventures.

In the Company's balance sheet, the investments in jointly controlled entities are stated at cost less provision for impairment losses. The results of jointly controlled entities are accounted for by the Company on the basis of dividends received and receivable.

(i) Equity joint ventures

Equity joint ventures are joint ventures in respect of which the ventures capital contribution ratios are defined in the joint venture contracts and the ventures profit sharing ratios are in proportion to the capital contribution ratios.

The Group's investments in these joint ventures are accounted for as subsidiaries (where the Group has the power to exercise control governing the financial and operating policies) or as jointly controlled entities (where the Group and the other ventures of the equity joint venture established joint control over the economic activity thereof).

1 主要會計政策 (續)

(d) 共同控制實體 (續)

綜合損益賬包括集團應佔共同控制實體本年度業績，而綜合資產負債表則包括集團應佔共同控制實體之資產淨值及收購產生之商譽／負商譽（扣除累計攤銷）。

綜合損益賬亦包括集團應佔本年度由共同控制資產所產生之收入及支出，而綜合資產負債表則包括集團應佔有關合營業務之資產及負債。

在本公司之資產負債表內，共同控制實體之投資以成本值減去減值虧損準備入賬。本公司將共同控制實體之業績按已收及應收股息入賬。

(i) 合資經營企業

合資經營企業指合營各方的出資比例已在合營企業合同中界定，而合營各方的利潤分成比率與其出資比率構成相應比例關係。

本集團於該等合營企業的投資按附屬公司（倘本集團有權行使控制權控制其財務及經營決策）或共同控制實體（倘本集團與該合資經營企業的其他合營方共同控制其經濟活動）列帳。

1 PRINCIPAL ACCOUNTING POLICIES

(continued)

(d) Jointly controlled entities (continued)

(ii) Co-operative joint ventures

Co-operative joint ventures are joint ventures in respect of which the ventures profit sharing ratios and share of net assets are not in proportion to their capital contribution ratios but are as defined in the joint venture contracts.

The Group's investments in these joint ventures are accounted for as subsidiaries (where the Group has the power to exercise control governing the financial and operating policies) or as jointly controlled entities (where the Group and the other ventures of the co-operative joint venture established joint control over the economic activity thereof).

(e) Associated companies

An associated company is a company, not being a subsidiary or a joint venture, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of associated companies for the year, and the consolidated balance sheet includes the Group's share of the net assets of the associated companies and goodwill or negative goodwill (net of accumulated amortisation) on acquisition.

Equity accounting is discontinued when the carrying amount of the investments in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

1 主要會計政策 (續)

(d) 共同控制實體 (續)

(ii) 合作經營企業

合作經營企業指合營各方的利潤分成比率及資產淨值的分攤並非按期出資比例計算，而是根據合營企業合同中所界定。

本集團於該等合營企業的投資按附屬公司(倘本集團有權行使控制權控制其財務及經營決策)或共同控制實體(倘本集團與該合作經營企業的其他合營方共同控制經濟活動)列帳。

(e) 聯營公司

聯營公司為附屬公司或合營企業以外，集團持有其股權作長期投資，並對其管理具有重大影響力之公司。

綜合損益賬包括集團應佔聯營公司之本年度業績，而綜合資產負債表則包括集團應佔聯營公司之資產淨值及收購產生之商譽／負商譽(扣除累計攤銷)。

當聯營公司之投資賬面值已全數撇銷，便不再採用權益會計法，除非集團就該聯營公司已產生承擔或有擔保之承擔。

1 PRINCIPAL ACCOUNTING POLICIES

(continued)

(e) Associated companies (continued)

In the Company's balance sheet the investments in associated companies are stated at cost less provision for impairment losses. The results of associated companies are accounted for by the Company on the basis of dividend received and receivable.

(f) Properties and equipment

(i) Construction in progress

Construction in progress is investments in land and buildings on which construction work has not been completed and which, upon completion, management intend to hold for investment purposes. These properties are carried at cost, which includes land cost, development and construction costs attributable to the development and interest capitalised less any accumulated impairment losses. No depreciation is provided on construction in progress. On completion, the properties are transferred to investment or hotel properties at cost less accumulated impairment losses.

1 主要會計政策 (續)

(e) 聯營公司 (續)

在本公司之資產負債表內，聯營公司之投資以成本值減去減值虧損準備列賬。本公司將聯營公司之業績按已收及應收股息入賬。

(f) 物業及設備

(i) 在建工程

在建工程指投資的土地及樓宇建設工程尚未完工，而於完工後，管理層擬持有作投資用途。該等物業是以成本列帳，當中包括開發項目土地成本，應佔的開發及建設成本和資本化利息減去任何累積減值虧損。在建工程不作折舊撥備。物業於完工後結轉為投資或酒店物業，按成本減累積減值虧損列帳。

1 PRINCIPAL ACCOUNTING POLICIES

(continued)

(f) Properties and equipment (continued)

(ii) Other properties and equipment

Other properties and equipment, including interests in land and buildings other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation of properties and equipment is calculated to write off their cost less accumulated impairment losses over the estimated useful lives of the assets, using the straight line method. Estimated useful lives are summarised as follows:

Land held on long or medium term lease	Unexpired period of the lease
Buildings	34 to 40 years
Hotel properties	40 years
Furniture, fixtures and equipment	5 to 10 years
Motor vehicles	5 to 9 years

Major costs incurred in restoring properties and equipment to their normal working condition are charged to the profit and loss account. Improvements are capitalised and depreciated over their expected useful lives to the Group.

The gain or loss on disposal of a fixed asset other than properties under construction is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account.

1 主要會計政策 (續)

(f) 物業及設備 (續)

(ii) 其他固定資產及設備

其他固定資產及設備(包括於在建工程以外土地及樓宇中擁有的權益)按成本減累積折舊及累積減值虧損列帳。物業及設備的折舊以直線法按資產的估計使用年期撇銷成本減去累積減值虧損計算。估計使用年期概述如下：

中長期租賃土地	租約未屆滿期內
樓宇	34-40年
酒店	40年
傢俬、裝置及設備	5-10年
汽車	5-9年

將物業及設備修復至正常工作狀況所發生的主要成本自損益表中扣除。本集團的裝修成本將資本化並按其估計使用年期計提折舊。

除出售建築中物業之收益或虧損外，出售固定資產之收益或虧損將列算於損益表內出售固定資產之收益或虧損乃出售所得收入淨額與資產賬面值之差額。

1 PRINCIPAL ACCOUNTING POLICIES

(continued)

(f) Properties and equipment (continued)

(ii) Other properties and equipment (continued)

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that properties and equipment are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account.

(g) Properties under development

Properties under development are stated at the lower of cost and net realisable value. Cost comprises land cost, development expenditure, professional fees, interest capitalised, profit taken to date, less sale installments received. Net realisable value is determined by reference to management estimates based on prevailing market conditions less costs to be included in selling the property. On completion, the properties are transferred to completed properties held for sale.

1 主要會計政策 (續)

(f) 物業及設備 (續)

(ii) 其他固定資產及設備 (續)

在每年結算日，物業及設備之資產皆透過集團內部及外界所獲得的資訊，評核該等資產有否耗蝕。如有跡象顯示該等資產出現耗蝕，則估算其可收回價值，及在合適情況下將減值虧損入賬以將資產減至其可收回價值。此等減值虧損在損益表入賬。

(g) 開發中物業

開發中物業按成本或可變現淨值兩者的較低者列帳。成本包括土地成本、開發費用、專業費用、資本化利息、迄今為止的溢利，減去已收取的銷售分期付款。可變現淨值是參照管理層根據當前市況作出的估算，減去銷售物業所包括的成本後厘定。完工後，物業結轉為已落成的待售物業。

1 PRINCIPAL ACCOUNTING POLICIES

(continued)

(g) Properties under development (continued)

When a development property or developed land is sold in advance of completion of construction and legally binding contracts of sale have been executed and when the actual construction costs reach 50% of the estimated total construction costs of the properties under development, profit is recognised over the course of the development and is computed each year as a proportion of the total estimated profit to completion; the proportion used being the lower of actual construction costs incurred at the end of the year to the estimated total construction costs on completion (with due allowances for contingencies) and the proportion of sales proceeds received to total estimated sales proceeds received. Where purchasers fail to pay the balance of the purchase price on completion and the Group exercises its entitlement to resell the property, sales deposits received in advance of completion which are forfeited are credited to operating profit; any profit recognised up to the date of completion is written back.

(h) Inventory

Completed properties held for sale is stated at the lower of cost and net realisable value. Net realisable value is determined by reference to management estimates based on prevailing market conditions less estimated costs to be incurred in selling the property.

Goods are valued at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises invoiced price, delivery and other direct costs relating to purchases. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

1 主要會計政策 (續)

(g) 開發中物業 (續)

當建設工程完工前售出開發物業或已開發土地，並已簽署具法律約束力的銷售合同，以及當實際建設成本達至開發中物業的估計建設成本總值的50%時，則溢利會於開發過程中確認，每年按完工時估算溢利總額的比例計算，所使用的比例是年終產生的實際建設成本佔估計落成時總建設成本的比例(就或然事項作出適當準備)或已收取銷售收益佔估計收取總銷售收益的比例(以較低者為準)。倘買家未能於完成時支付購買價餘額，而本集團行使權力重售物業，則於完成前預先收取的銷售定金將會被沒收，並計入經營溢利內，而在完成日期前已確認的溢利則會撥回。

(h) 存貨

已落成的待售物業按成本及可變現淨值兩者的較低者列帳。可變現淨值參照管理層根據當前市況作出的估算減去出售物業所產生的估計成本後厘定。

商品按成本值與可變現淨值二者之較低者入賬。成本值以加權平均法計算，並包括購買價格、運輸費用及其他與採購直接相關的成本。可變現淨值乃按預計銷售所得款項扣除估計營銷費用計算。

1 PRINCIPAL ACCOUNTING POLICIES

(continued)

(i) Investment in securities

(i) Investment Securities

Investment securities are equity investments held for a continuing basis and are stated at cost less any provision for impairment losses. The carrying amounts of individual investments are reviewed by the directors at each balance sheet date to assess whether the fair values have declined below the carrying amounts. For declines other than of a temporary nature, the carrying amount of such securities are reduced to its fair value. The impairment loss is recognised as an expense in the profit and loss account. This impairment loss is written back to profit and loss account when the circumstances and events that led to the write-down cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

(ii) Other Investments

Other investments are investments held for trading purposes and are carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair values of other investments are recognised in the profit and loss account. The gain or loss on disposal of such investments, representing the difference between the net sales proceeds and the carrying amounts, are recognised in the profit and loss account as they arise.

(j) Trade receivable

Provision is made against trade receivable to the extent that they are considered to be doubtful. Trade receivable in the balance sheet are stated net of such provision.

1 主要會計政策 (續)

(i) 證券投資

(i) 投資證券

投資證券是持有作持續性用途的股本投資，按成本減任何減值虧損撥備列帳。董事於各結算日檢討各項投資的帳面值，以評估其公平價值是否低於帳面值。倘帳面值下降非屬臨時性質，該等證券的帳面值將減低至其公平價值。減值虧損於損益表內確認為支出。該筆減值虧損會在導致須作出撇減的情況及事件不再存在，且有充份證據證明新情況及事件會在可見未來持續後，撥回損益表內。

(ii) 其他投資

其他投資是持有作買賣用途的投資，並以公平價值列帳。於各結算日，因其他投資公平價值變動而產生的未變現收益或虧損淨值在損益表中確認。出售該等投資的盈虧，即銷售所得款項淨值與帳面金額的差額，於發生時在損益表中予以確認。

(j) 應收貿易賬款

凡被視為呆賬之應收貿易賬款，均提取準備。在資產負債表內列賬之應收貿易賬款已扣除有關之準備金。

1 PRINCIPAL ACCOUNTING POLICIES

(continued)

(k) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(m) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

1 主要會計政策 (續)

(k) 現金及現金等價物

現金及現金等價物按成本在資產負債表內列賬。在現金流量表中，現金及現金等價物包括庫存現金、銀行通知存款。

(l) 撥備

由於過往事件導致本集團現時負有法律或推定債務責任，可能需要資源流出以償付該債務責任，並可對款項作出可靠估計時，則須就此作出撥備。倘本集團預期撥備可予償付，則僅於該等補償已基本確定時將補償確認為獨立資產。

(m) 或然負債

或然負債指因過往事件而產生的可能債務責任，其出現與否只能就一項或多項本集團全權控制範圍以外的未確定未來事件會否發生才能確認。同時亦指因過往事件而產生的現有債務責任，但因或不會導致經濟資源流出或負債金額無法可靠量度而未有確認。

或然負債雖未確認，但會在帳目附註中披露。倘資源流出的機會有變更而致使可能出現資源流出，則會確認為撥備。

1 PRINCIPAL ACCOUNTING POLICIES

(continued)

(n) Deferred taxation

Deferred taxation is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, jointly controlled entities and associated companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(o) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessors are accounted for as operating leases. Payments made under operating leases net of any incentives received are charged to the profit and loss account on a straight line basis over the lease period.

(p) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the profit and loss account in the period in which they are incurred.

1 主要會計政策 (續)

(n) 遞延稅項

遞延所得稅採用負債法就資產負債之稅基與它們在財務報表之帳面值兩者之短暫時差作全數撥備。遞延所得稅採用在結算日前已頒佈或實質頒佈之稅率釐定。

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

遞延所得稅乃就附屬公司、聯營公司及合營企業之短暫時差而撥備，但假若以控制時差之撥回，並有可能在可預見未來不會撥回則除外。

(o) 經營租賃

凡資產擁有權的絕大部分回報及風險仍屬出租方享有及承擔的租賃列為經營租賃。根據該等經營租賃項下的應付租金扣減任何收受的優惠以直線法按租賃年期從損益表中扣除。

(p) 借貸成本

直接因收購、組建或生產須長時間方可使用或銷售的資產而產生的借貸成本予以撥充資本，作為該項資產成本的一部分。

所有其他借貸成本則於其產生期間自損益表中扣除。

1 PRINCIPAL ACCOUNTING POLICIES

(continued)

(q) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Bonus entitlements

The expected cost of bonus payments are recognised as a liability when the Group has a present constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iii) Retirement benefit costs

The Group contributes on a monthly basis to various defined contribution retirement benefit plans organised by relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired employees payable under these plans. Contributions to these plans are expensed as incurred. The assets of these plans are held separately from those of the Group in independently administered funds managed by the PRC government.

1 主要會計政策 (續)

(q) 僱員福利

(i) 僱員應享假期

僱員在年假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假之估計負債作撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。

(ii) 獎金計劃

當本集團因為僱員已提供之服務而產生現有指定性責任，而責任金額能可靠估算時，則將獎金計劃之預計成本確認為負債入賬。

(iii) 退休福利成本

本集團參與北京市政府主辦的多個定額供款退休福利計劃，並按月供款。北京市政府承諾，根據該等計劃向所有現有及未來退休僱員承擔退休福利債務責任。該等計劃的供款在產生時列作支出。該等計劃的資產是由北京市政府管理的獨立管理基金持有，與本集團的資產分開。

1 PRINCIPAL ACCOUNTING POLICIES

(continued)

(r) Foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at rates of exchange ruling at that date. Exchange differences arising in these cases are dealt with in the profit and loss account.

(s) Revenue recognition

Revenue is recognised when it is probable that future economic benefits will flow to the Group and these benefits can be measured reliably on the following bases:

(i) Sales of properties and developed land

Revenue from the sales of properties under development and the sales of land under development are recognised as set out in note 1(g).

Revenue in respect of sale of completed properties is recognised upon completion of sale agreements.

(ii) Service income

Revenue from hotel operation is recognised upon the provision of services.

(iii) Project development consulting income

Project development consulting income is recognised when services are rendered.

(iv) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

1 主要會計政策 (續)

(r) 外幣

以外幣結算的交易按交易日的匯率換算。於結算日以外幣列帳的貨幣資產及負債按該日的匯率換算，就此產生的匯兌差額於損益表中處理。

(s) 收益確認

收益在本集團可取得未來經濟利益及該等利益可按下列基準可靠地計算時確認：

(i) 銷售物業及已開發土地

銷售開發中物業及銷售開發中土地所得收益按附註1(g)所載的方式予以確認。

銷售落成物業所得收益於銷售協定完成後予以確認。

(ii) 服務收入

酒店業務之收入在提供服務後確認。

(iii) 房地產策劃諮詢服務收入

房地產策劃諮詢服務收入于提供服務後確認。

(iv) 利息收入

利息收入依據未償還本金及適用利率以時間比例基準確認。

1 PRINCIPAL ACCOUNTING POLICIES

(continued)

(s) Revenue recognition (continued)

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

(t) Government grants

Government grants are assistance by local municipal government in the form of transfer of resources to an enterprise to encourage business development in the local municipal. Such grants are discretionary in nature. Government grants related to income is recognised in the profit and loss account on a systematic basis to match with the related costs which they are intended to compensate.

(u) Segment reporting

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format.

Unallocated costs represent corporate expenses. Segment assets consist primarily of properties, plant and equipment, properties under development, receivables and operating cash, and mainly exclude certain corporate current account. Segment liabilities comprised operating liabilities and excluded items such as taxation and certain corporate borrowings. Capital expenditure comprised additions to properties, plant and equipment, including additions resulting from acquisitions through purchases of subsidiaries.

1 主要會計政策 (續)

(s) 收益確認 (續)

(v) 股息收入

股息收入於股東收受股息的權利已確立時確認。

(t) 政府補助金

政府補助金是地方市政府以轉讓資源的形式為企業提供的資助，藉以鼓勵地方省市的商業發展。該等補助金由地方市政府酌情發放。與收入有關的政府補助金會在收到時有系統地在損益表中確認，以配對計劃補償的有關費用。

(u) 分部資料

根據本集團內部財務申報制度，本集團確定以業務分部為首要申報形式。

未分配成本主要指公司支出。分部資產主要包括固定資產、開發中物業、應收款項及經營現金，但主要不包括若干公司往來。分部負債包括經營負債，但不包括稅項及若干公司借貸等項目。資本開支由固定資產添置構成，包括透過購買附屬公司的收購行動產生的添置。

2 TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in property development and investment, hotel operation and project development consulting services. Turnover recognised during the year is as follows:

2 營業額及分部資料

本集團主要從事物業開發及投資，酒店營運以及房地產策劃諮詢服務。於本年度確認的營業額如下：

		2004	2003
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Property and land sales	銷售物業及已開發土地	1,518,567	1,894,702
Hotel operation	酒店營運	40,765	—
Project development consulting service	房地產策劃諮詢服務	70,000	—
Property management	物業管理費	—	25,820
		<u>1,629,332</u>	<u>1,920,522</u>

2 TURNOVER AND SEGMENT INFORMATION

(continued)

Primary reportable segments — business segment

2 營業額及分部資料 (續)

主要呈報分部 — 業務分部

		Property and land sales 銷售物業及 已開發土地 2004 RMB'000 人民幣千元	Project development consulting operation 房地產策劃 諮詢服務 2004 RMB'000 人民幣千元	Hotel operation 酒店 2004 RMB'000 人民幣千元	Group 本集團 2004 RMB'000 人民幣千元
Turnover	營業額	1,518,567	70,000	40,765	1,629,332
Segment results	分部業績	378,714	61,493	(15,690)	424,517
Net unallocated corporate expense	未分配的公司 收支淨額				(49,495)
Interest income	利息收入	—	—	—	375,022
Finance costs	融資成本	—	—	—	64,234
Share of results of	分佔業績				(74,195)
Jointly controlled entities	共同控制實體	19,222	—	—	19,222
Associated companies	聯營公司	70,819	—	—	70,819
Taxation	稅項				(135,093)
Minority interests	少數股東權益				(36,812)
Profit attributable to shareholders	股東應佔溢利				283,197
Segment assets	分部資產	6,028,576	—	1,690,784*	7,719,360
Jointly controlled entities	共同控制實體	691,161	—	—	691,161
Associated companies	聯營公司	317,255	—	—	317,255
Unallocated corporate assets	未分配的公司資產				85,540
Total assets	資產總值				8,813,316
Segment liabilities and minority interests	分部負債及 少數股東權益	4,795,427	—	1,094,815	5,890,242
Unallocated corporate liabilities	未分配的公司負債				608,822
Total liabilities and minority interests	負債總額及 少數股東權益				6,499,064
Capital expenditure	資本支出	2,951	—	270,383	273,334
Depreciation	折舊	1,549	—	13,443	14,992
Provision for doubtful debts	呆帳撥備	17,937	—	—	17,937

* Including RMB921,776,000 in construction in progress.

* 其中包括列示於在建工程中的金額人民幣921,776,000元。

2 TURNOVER AND SEGMENT INFORMATION

(continued)

Primary reportable segments — business segment
(continued)

2 營業額及分部資料 (續)

主要呈報分部 — 業務分部 (續)

		Property and land sales 銷售物業及 已開發土地 2003 RMB'000 人民幣千元	Sales agency and property management services 銷售代理及 物業管理服務 2003 RMB'000 人民幣千元	Group 本集團 2003 RMB'000 人民幣千元
Turnover	營業額	<u>1,894,702</u>	<u>25,820</u>	<u>1,920,522</u>
Segment results	分部業績	<u>461,468</u>	<u>(2,152)</u>	459,316
Net unallocated corporate income	未分配的公司 收支淨額			135
				459,451
Interest income	利息收入			13,932
Finance costs	融資成本			(11,146)
Share of results of	分佔業績			
Jointly controlled entities	共同控制實體	(3,369)	—	(3,369)
Associated companies	聯營公司	(850)	2,189	1,339
Taxation	稅項			(158,487)
Minority interests	少數股東權益			(46,369)
Profit attributable to shareholders	股東應佔溢利			<u>255,351</u>
Segment assets	分部資產	7,349,779	15,934	7,365,713
Jointly controlled entities	共同控制實體	362,448	—	362,448
Associated companies	聯營公司	50,507	3,318	53,825
Unallocated corporate assets	未分配的公司資產			51,426
Total assets	資產總值			<u>7,833,412</u>
Segment liabilities and minority interests	分部負債及 少數股東權益	4,811,252	13,216	4,824,468
Unallocated corporate liabilities	未分配 的公司負債			827,836
Total liabilities and minority interests	負債總額及 少數股東權益			<u>5,652,304</u>
Capital expenditure	資本支出	106,445	1,659	108,104
Depreciation	折舊	2,704	406	3,110
Provision for doubtful debts	呆帳撥備	153	—	153

2 TURNOVER AND SEGMENT INFORMATION

(continued)

Secondary reporting format - geographical segments

2 營業額及分部資料 (續)

次要報告形式－地區分部

	Turnover 營業額		Segment results 經營盈利		Segment assets 分部資產總值		Capital expenditure 資本性支出	
	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
China 中國	1,629,332	1,920,522	378,113	459,316	8,741,161	7,833,412	273,334	108,104
Other countries 其他國家	—	—	46,404	—	72,155	—	—	—
	1,629,332	1,920,522	424,517	459,316	8,813,316	7,833,412	273,334	108,104
Net unallocated corporate (expenses)/income 未分配公司收支淨額			(49,495)	135				
			375,022	459,451				

3 OTHER INCOMES

3 其他收入

		2004	2003
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest income	利息收入	64,234	13,932
Gain on disposal of subsidiaries	出售附屬公司收益	55,751	2,182
Gain on disposal of associated companies	出售聯營公司收益	49,315	—
Gain on disposal of a jointly controlled entity	出售合營公司收益	—	41
Realised gain on disposal of other investments	出售其他投資的變現收益	—	32,413
Unrealised gain on other investments	其他投資的未變現收益	—	5,579
Grants from government authorities	來自政府機關的補助金	6,396	1,756
Others	其他	862	86
		<u>176,558</u>	<u>55,989</u>

4 OPERATING PROFIT

Operating profit is stated after charging the following:

		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Wages and salaries	工資及薪金	41,468	40,786
Retirement scheme contributions	退休計劃供款	3,162	2,989
Welfare and other expenses	福利及其他支出	5,474	4,226
Less: capitalised in properties under development	減：開發中物業的資本化金額	<u>(15,062)</u>	<u>(11,337)</u>
Net staff costs	員工成本淨額	35,042	36,664
Cost of inventories sold	存貨成本	1,096,274	1,307,661
Auditors' remuneration	核數師酬金	3,742	2,548
Cancellation of sales and reverse of profit recognised in a property development project (a)	沖回一項發展物業的銷售及相關已確認溢利(a)	70,854	—
Depreciation	折舊	14,992	3,110
Less: capitalised in properties under development	減：開發中物業的資本化金額	<u>(1,582)</u>	<u>(1,885)</u>
		13,410	1,225
Loss on disposal of properties, plant and equipment	出售固定資產虧損	64	209
Loss on disposal of long-term investments	出售長期投資虧損	—	1,280
Operating lease rentals in respect of land and buildings	土地及樓宇經營租賃租金	12,007	9,887
Less: capitalised in properties under development	減：開發中物業的資本化金額	<u>(6,060)</u>	<u>(2,935)</u>
		5,947	6,952
Provision for doubtful debts	呆帳撥備	<u>17,937</u>	<u>153</u>

Note (a): Sales of a property development project amounting to RMB272,250,000 for the year ended 31st December 2003 was reversed in 2004 upon the cancellation of the sales agreement. The relevant development project was then substantially sold to another independent third party in 2004 at RMB274,000,000. The gross profit from the original contract of RMB70,854,000 that recognised in 2003 was reversed in 2004 while gross profit from the new contract amounting to RMB80,853,000 was recognised in the current year.

4 經營溢利

經營溢利已扣除下列各項：

	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
工資及薪金	41,468	40,786
退休計劃供款	3,162	2,989
福利及其他支出	5,474	4,226
減：開發中物業的資本化金額	<u>(15,062)</u>	<u>(11,337)</u>
員工成本淨額	35,042	36,664
存貨成本	1,096,274	1,307,661
核數師酬金	3,742	2,548
沖回一項發展物業的銷售及相關已確認溢利(a)	70,854	—
折舊	14,992	3,110
減：開發中物業的資本化金額	<u>(1,582)</u>	<u>(1,885)</u>
	13,410	1,225
出售固定資產虧損	64	209
出售長期投資虧損	—	1,280
土地及樓宇經營租賃租金	12,007	9,887
減：開發中物業的資本化金額	<u>(6,060)</u>	<u>(2,935)</u>
	5,947	6,952
呆帳撥備	<u>17,937</u>	<u>153</u>

附註(a)：一宗已經在二零零三年予以確認銷售額為人民幣272,250,000元的開發物業項目合同被撤銷，故在本年度予以沖銷已確認的銷售額。該開發物業項目之大部份權益已經於本年度再賣給另一獨立第三方，金額為人民幣274,000,000元。原銷售合同下的毛利為人民幣70,854,000元，此毛利已經在二零零三年予以確認，並在本年度予以沖銷。新銷售合同下的毛利為人民幣80,853,000元，此毛利已經在本年度予以確認。

5 FINANCE COSTS

5 融資成本

		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Interest on bank loans, wholly repayable within five years	須於五年內全部償還 銀行貸款利息	150,708	108,514
Interest on bank loans, not wholly repayable within five years	毋須於五年內全部 償還銀行貸款利息	11,275	—
Interest on other loans wholly repayable within five years	須於五年內全部償 還的其他貸款利息	15,076	16,150
		<u>177,059</u>	<u>124,664</u>
Amount capitalised in properties under development and construction in progress	持有作開發／開發 中物業及在建工程 的資本化金額	<u>(102,864)</u>	<u>(113,518)</u>
		<u>74,195</u>	<u>11,146</u>

The capitalisation rate applied to funds borrowed generally and used for the development of properties under development and completed properties is between 3.11% and 6.03% per annum (2003: between 5.49% and 6.03% per annum).

開發中物業及已落成的待售物業之利息資本化年利率介乎3.11%與6.03%之間(二零零三年：5.49%與6.03%之間)。

6 TAXATION

6 稅項

		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
PRC income tax:	中國所得稅：		
Company and subsidiaries	本公司及附屬公司		
— Current taxation	— 當期所得稅	126,556	154,312
— Deferred taxation (note 31)	— 遞延稅項	(22,023)	5,627
Share of taxation attributable to jointly controlled entities	應佔共同控制實體之稅項	7,524	(1,452)
Share of taxation attributable to associated companies	應佔聯營公司之稅項	23,036	—
		<u>135,093</u>	<u>158,487</u>

No Hong Kong profits tax has been provided as the Group has no assessable profit arising from Hong Kong for the year (2003: Nil). The Group is subject to PRC income tax rate at 33% (2003: 33%) on its assessable profit.

本集團於本年度並無任何香港應課稅溢利，故並無提撥任何香港利得稅準備（二零零三年：無）。本集團須按其應課稅溢利繳納33%（二零零三年：33%）中國利得稅。

The taxation on the Group's profit before taxation differs from the statutory rate of 33% principally due to the following factors:

本集團有關除稅前溢利之稅項與假若採用本公司本土國家之稅率而計算之理論稅額之差額如下：

		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	<u>455,102</u>	<u>460,207</u>
Calculated at a taxation rate of 33%	按稅率33%計算之稅項	150,184	151,868
Expenses not deductible for taxation purposes	不可扣稅之支出	—	6,361
Income not subject to taxation	無須課稅之收入	(15,850)	—
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	(679)	(810)
Tax losses in certain entities not recognised	未確認之若干企業虧損	1,438	1,068
		<u>135,093</u>	<u>158,487</u>

6 TAXATION (continued)

No provision for land appreciation tax ("LAT") had been made as the directors consider that the Group is unlikely to receive demands from the tax authorities for payment of LAT up to the years ended 31st December 2004, which would otherwise have accumulated to approximately RMB156,184,000 (2003: RMB149,300,000) attributed to the Group after netting off potential income tax saving.

In 2003, upon the Reorganisation and the listing of the Company, a deed of tax indemnity has been entered into between the Promoters and the Group whereby the Promoters undertake to indemnify the Group in respect of, inter alia, all LAT payable in consequence of the disposal of the Group's existing properties as at 30th April 2003.

7 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of RMB202,775,000 (2003: RMB183,596,000) (Note 30).

8 DIVIDEND

Proposed dividend for the period from 1st January to 18th June 2003 to the shareholders of the Company

Proposed final dividend of RMB0.070
(2003: final dividend of RMB0.025 and final special dividend of RMB0.025) per share

擬派予發起人由二零零三年一月一日至二零零三年六月十八日期間之股息

擬派末期股息
每股人民幣7仙
(二零零三年：末期股息
每股人民幣2.5仙及
末期特別股息每股
人民幣2.5仙)。

6 稅項 (續)

董事認為本集團就至二零零四年十二月三十一日止年度接獲稅務機構發出要求繳納土地增值稅通知的可能性不大，故並無作出土地增值稅撥備。而於扣除所節省的潛在所得稅後，本集團潛在的應付有關金額共計人民幣156,184,000元（截至二零零三年十二月三十一日：人民幣149,300,000元）。

於二零零三年，在本公司重組及上市過程中發起人與本集團訂立稅項賠償保證契約，據此，發起人承諾，就（其中包括）出售本集團截至二零零三年四月三十日已存在的物業導致的所有應繳納土地增值稅賠償本集團。

7 股東應佔溢利

本公司帳目內之股東應佔溢利為人民幣202,775,000元（二零零三年：人民幣183,596,000元）（附註30）。

8 股息

2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
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—	69,477
120,117	80,576
120,117	150,053

8 DIVIDEND (continued)

At a meeting held on 22nd March 2005, the directors proposed a final dividend of RMB0.070 per share based on the Company's 1,715,960,000 shares in issue as at that date. This proposed final dividend is not represented as a dividend payable in these accounts, but will be reflected as an appropriation of retained earnings for the year ending 31st December 2005.

9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit of RMB283,197,000 for the year ended 31st December 2004 (2003: RMB255,351,000) and the weighted average number of 1,613,300,000 shares (2003: 1,377,041,000 shares) in issue during the year.

Diluted earnings per share is not presented as the Company has no dilutive potential shares in both years 2004 and 2003.

10 DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION

(a) Directors' remuneration

Fees	袍金
Salaries and allowances	薪金及津貼
Retirement benefits	退休福利

No directors of the Company waived or agreed to waive any remuneration during the year. Directors' fees disclosed above include RMB800,000 (2003: RMB600,000) paid to independent non-executive directors during the year.

8 股息 (續)

於二零零五年三月二十二日舉行之會議上，董事會建議本公司的股息分配以董事會通過該議案之日本公司總股本1,715,960,000股為基數，每股派現金末期股息人民幣7仙。此項擬派股息並無於本賬目中列作應付股息，惟將於截至二零零五年十二月三十一日止年度列作保留盈餘分派。

9 每股盈利

每股基本盈利是根據本年度股東應佔溢利人民幣283,197,000元(二零零三年：人民幣255,351,000元)和本年內已發行股份之加權平均股數1,613,300,000股(二零零三年：1,377,041,000股)計算。

由於本公司並無潛在攤薄股份，因此於二零零四年及二零零三年並未呈列每股全面攤薄盈利。

10 董事、監事及高級管理人員酬金

(a) 董事酬金

2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
800	600
9,500	10,000
34	34
10,334	10,634

本公司董事於本年度概無放棄或同意放棄任何酬金。上述披露之董事袍金包括向獨立非執行董事支付之款項元人民幣800,000元(二零零三年：人民幣600,000元)。

10 DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (continued)

(a) Directors' remuneration (continued)

The remuneration of the directors of the Company fell within the following bands:

Nil to RMB500,000	人民幣0元至 人民幣500,000元
RMB1,000,001 to RMB1,500,000	人民幣1,000,001至 人民幣1,500,000元
RMB1,500,001 to RMB2,000,000	人民幣1,500,001至 人民幣2,000,000元
RMB2,500,001 to RMB3,000,000	人民幣2,500,001至 人民幣3,000,000元

(b) Supervisors' remuneration

Salaries and allowances	薪金及津貼
-------------------------	-------

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for both 2003 and 2004 were also directors of the Company and their emoluments are reflected in the analysis presented in (a) above.

During the year, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

10 董事、監事及高級管理人員酬金 (續)

(a) 董事酬金 (續)

本公司董事的酬金介乎以下範圍：

	Number of directors	
	2004	2003
Nil to RMB500,000	6	6
RMB1,000,001 to RMB1,500,000	2	2
RMB1,500,001 to RMB2,000,000	2	2
RMB2,500,001 to RMB3,000,000	1	1
	<u>11</u>	<u>11</u>

(b) 監事酬金

	2004	2003
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Salaries and allowances	950	950

(c) 五位最高薪酬人士

於本年度及二零零三年度的五名最高薪人士包括五名董事，其薪酬已於上文附註(a)中披露。

於本年度，本集團概無向任何董事或五名最高薪人士支付任何薪酬，作為其加盟本集團或於加盟本集團時的獎勵或離職賠償。

11 RETIREMENT BENEFIT SCHEMES

The employees of the subsidiaries of the Group participate in various retirement benefit plans established by the Beijing Municipal Labor and Social Insurance Bureau under which the Group was required to make monthly defined contributions to these plans at 20% (2003: 20%) of the employees' basic salary for the year ended 31st December 2004.

The Group has no other obligations for the payment of retirement and other post-retirement benefits of employees or retirees other than the required payments mentioned above.

11 退休福利計劃

本集團的僱員參與北京市勞動和社會保障局設立的多項退休福利計劃。根據該等計劃，於二零零四年十二月三十一日，本集團須按僱員基本薪金的20% (二零零三年十二月三十一日：20%) 且在不超過規定上限的基礎上每月向該等計劃支付定額供款。

除上文所披露的付款外，本集團概無其他義務承擔僱員或退休員工的退休金及其他退休後福利。

12 PROPERTIES AND EQUIPMENT

12 物業及設備

		Group 本集團					
		Land and buildings 土地及 樓宇(i)	Hotel properties 酒店 (i)	Motor vehicles 汽車	Furniture, fixtures and equipment 傢俬、 裝置及設備	Construction in progress 在建工程 (ii), (iii)	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cost	成本值						
At 1st January 2004	二零零四年一月一日	2,241	—	19,265	6,361	1,342,961	1,370,828
Additions	添置	—	1,914	4,737	12,020	253,347	272,018
Transfer from contraction in progress	在建工程轉入	1,162	673,299	—	71	(674,532)	—
Acquisition of subsidiaries	收購附屬公司	—	—	692	624	—	1,316
Disposal of subsidiaries	出售附屬公司	(464)	—	(7,798)	(2,967)	—	(11,229)
Disposals	出售	—	—	(592)	—	—	(592)
		<u>2,939</u>	<u>675,213</u>	<u>16,304</u>	<u>16,109</u>	<u>921,776</u>	<u>1,632,341</u>
At 31st December 2004	二零零四年十二月三十一日	<u>2,939</u>	<u>675,213</u>	<u>16,304</u>	<u>16,109</u>	<u>921,776</u>	<u>1,632,341</u>
Accumulated depreciation	累計折舊						
At 1st January 2004	二零零四年一月一日	92	—	6,493	3,452	—	10,037
Charge for the year	本年度扣除	60	10,773	1,444	2,715	—	14,992
Acquisition of subsidiaries	收購附屬公司	—	—	214	142	—	356
Disposals of subsidiaries	出售附屬公司	(75)	—	(2,492)	(1,737)	—	(4,304)
Disposals	出售	—	—	(161)	—	—	(161)
		<u>77</u>	<u>10,773</u>	<u>5,498</u>	<u>4,572</u>	<u>—</u>	<u>20,920</u>
At 31st December 2004	二零零四年十二月三十一日	<u>77</u>	<u>10,773</u>	<u>5,498</u>	<u>4,572</u>	<u>—</u>	<u>20,920</u>
Net book value:	帳面淨值:						
At 31st December 2004	二零零四年十二月三十一日	<u>2,862</u>	<u>664,440</u>	<u>10,806</u>	<u>11,537</u>	<u>921,776</u>	<u>1,611,421</u>
At 31st December 2003	二零零三年十二月三十一日	<u>2,149</u>	<u>—</u>	<u>12,772</u>	<u>2,909</u>	<u>1,342,961</u>	<u>1,360,791</u>

12 PROPERTIES AND EQUIPMENT (continued)

12 物業及設備 (續)

		Company 本公司		
		Furniture, fixtures and equipment 傢俬、 裝置及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	成本值			
At 1st January 2004	二零零四年一月一日	1,198	1,710	2,908
Additions	添置	32	34	66
		<hr/>	<hr/>	<hr/>
At 31st December 2004	二零零四年十二月三十一日	1,230	1,744	2,974
		<hr/>	<hr/>	<hr/>
Accumulated depreciation	累計折舊			
At 1st January 2004	二零零四年一月一日	192	114	306
Charge for the year	本年度扣除	241	230	471
		<hr/>	<hr/>	<hr/>
At 31st December 2004	二零零四年十二月三十一日	433	344	777
		<hr/>	<hr/>	<hr/>
Net book value:	帳面淨值：			
At 31st December 2004	二零零四年十二月三十一日	797	1,400	2,197
		<hr/>	<hr/>	<hr/>
At 31st December 2003	二零零三年十二月三十一日	1,006	1,596	2,602
		<hr/>	<hr/>	<hr/>

Notes:

- (i) Hotel properties are stated at cost and held in the PRC under medium term leases (10 to 50 years).

The net book value of hotel properties pledged as security for short term bank loans amounted to RMB664,440,000 at 31st December 2004.

- (ii) Construction in progress are held in the PRC under medium term leases (10 to 50 years). Construction in progress pledged as security for short term bank loans are amounted to RMB535,607,000 at 31st December 2003.

- (iii) Interest capitalised in construction in progress amounted to RMB112,941,000 at 31st December 2004 (2003: RMB164,162,000).

附註：

- (i) 酒店物業按成本列值，在中國按中期租約(十年至五十年)持有。

於二零零四年十二月三十一日，作為短期貸款擔保抵押的酒店物業淨值為人民幣664,440,000元。

- (ii) 在建工程按成本列值，在中國按中期租約(十年至五十年)持有。於二零零三年十二月三十一日，作為長期銀行貸款擔保抵押的在建工程為人民幣535,607,000元。

- (iii) 於二零零四年十二月三十一日，在建工程的資本化利息為人民幣112,941,000元(二零零三年十二月三十一日：人民幣164,162,000元)。

13 SUBSIDIARIES

13 附屬公司

		Company 本公司	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Investments at cost:	投資，按成本值		
— Shares listed in the PRC	— 於中國上市股份	—	138,087
— Unlisted	— 非上市股份	1,677,467	1,090,524
		1,677,467	1,228,611
Due from/to subsidiaries	應收／(應付) 附屬公司		
— Due from (note (i))	— 應收款項(附註(i))	1,705,229	1,796,274
— Due to (note (ii))	— 應付款項(附註(ii))	(267,306)	(758,285)
		1,437,923	1,037,989
Total	合計	3,115,390	2,266,600
Market value of listed shares (note (iii))	上市股份市值 (iii)	—	288,557

Notes:

- (i) The amounts due from subsidiaries are unsecured and have no fixed terms of repayment. Except for an amount of RMB577,341,000 (2003: RMB745,858,000) which is interest free, the remaining receivable amount carry interest at prevailing market rate.
- (ii) The amounts due to subsidiaries are unsecured, have no fixed terms of repayment and carry interest at prevailing market rate.
- (iii) The Group's interest in listed investments in the PRC at 31st December 2003 represented domestic legal person shares which were not freely transferable on the stock market.

附註：

- (i) 應收款項為無抵押及無固定償還期款項，除人民幣577,341,000元(二零零三年：人民幣745,858,000元)外其餘應收款項按市場利率計息。
- (ii) 應付款項為無抵押、無固定還款期及按市場利率計息之款項。
- (iii) 本集團在二零零三年十二月三十一日之於中國上市股份的權益指不可於股票市場自由交易的內資法人股份。

13 SUBSIDIARIES (continued)

The Directors are of the opinion that the following is a list of the significant subsidiaries at 31st December 2004 (all of which operate in the PRC) which materially affect the results or assets of the Group:

13 附屬公司 (續)

董事會認為於二零零四年十二月三十一日對本集團之業績或資產有重要影響之附屬公司(全部於中國營運)如下：

Name of company 公司名稱	Legal status 法定地位	Principal activities 主要業務	Particulars of registered capital 股本詳情	Attributable interest held 持有權益	
				2004	2003
Beijing Jinyaguang Real Estate Development Company Limited 北京金亞光房地產開發有限公司	Equity joint venture 合資經營企業	Property development 物業開發	US\$12,000,000 12,000,000美元	75%	100%
Beijing Rongjin Real Estate Development Company Limited*(a) 北京融金房地產開發有限公司*(a)	Sino-foreign cooperative joint venture 中外合作經營企業	Property development and investment 物業開發及投資	US\$12,000,000 12,000,000美元	76.6%	76.6%
Central Plaza Real Estate Development Company Limited** 北京中環廣場置業有限公司**	Sino-foreign equity joint venture 中外合資經營企業	Property development and investment 物業開發及投資	US\$17,320,000 17,320,000美元	100%	100%
Beijing Ark garden Real Estate Development Company Limited 首創置業方舟房地產發展有限公司	Sino-foreign equity joint venture 中外合資經營企業	Property development 物業開發	US\$9,200,000 9,200,000美元	75%	75%
S.C. Real Estate Development Company Limited 首創朝陽房地產發展有限公司	Limited liability company 有限責任公司	Property development 物業開發	RMB300,000,000 人民幣300,000,000元	80%	80%

13 SUBSIDIARIES (continued)

13 附屬公司 (續)

Name of company 公司名稱	Legal status 法定地位	Principal activities 主要業務	Particulars of registered capital 股本詳情	Attributable interest held 持有權益	
				2004	2003
Beijing Sunshine Jingdu Properties Company Limited 北京陽光金都置業有限公司	Limited liability company 有限責任公司	Property development 物業開發	RMB100,000,000 人民幣100,000,000元	98%	80%
Central Plaza Development Limited 中環廣場有限公司	Limited liability company 有限責任公司	Investment holding 投資控股	US\$1 1美元	100%	100%
International Finance Centre Property Limited 國際金融中心物業有限公司	Limited liability company 有限責任公司	Investment holding 投資控股	US\$1 1美元	100%	100%
Beijing Anhua Shiji Real Estate Development Company Limited 北京安華世紀房地產開發有限公司	Sino-foreign limited liability company 中外合資有限責任公司	Property development 物業開發	US\$30,000,000 30,000,000美元	55%	55%
Beijing HYHL Real Estate Company Limited *** (b) 北京恒陽華隆房地產有限公司*** (b)	Sino-foreign Corporate joint venture 中外合作經營企業	Property development 物業開發	US\$10,000,000 10,000,000美元	75%	52.5%
Beijing Capital Xinzi Real Estate Ltd. 北京首創新資置業有限公司	Sino-foreign limited liability company 中外合資有限責任公司	Property development 物業開發	US\$60,000,000 60,000,000美元	55%	—

13 SUBSIDIARIES (continued)

Notes:

- * 48% directly held by the Company and 28.6% indirectly held
- ** 75% directly held by the Company and 25% indirectly held
- *** 63.75% directly held by the Company and 11.25% indirectly held
- (a) According to the Cooperation Agreement, the Group contributed 59.5% of the registered capital and entitled to share 100% of the profit from this company's office building and 34% of the profit from the hotel operation.
- (b) The Group is required to contribute 100% of the registered capital and entitled to share 75% of its results on the portion of properties not exceeding 60,000 square meter and 85% on the remaining portion of the properties. The investment agreement will expire in July 2022. Upon expiry the Group is entitled to the remaining net assets according to the profit sharing ratio.

13 附屬公司 (續)

附註：

- * 本公司直接持有48%，間接持有28.6%。
- ** 本公司直接持有75%，間接持有25%。
- *** 本公司直接持有69.4%，間接持有12.3%。
- (a) 根據合作章程，本公司出資59.5%享有該公司寫字樓收益之100%，酒店營運收益之34%
- (b) 本集團須出資註冊資本中的100%，而有權攤分其面積於6萬平方米內物業業績的75%及剩餘物業業績的85%。合資協定將於二零二二年七月屆滿，其後本集團有權按照溢利攤分比例擁有其餘資產淨值。

14 JOINTLY CONTROLLED ENTITIES

14 共同控制實體

		Group 本集團		Company 本公司	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Equity jointly controlled entities	合資經營企業				
Unlisted investment, at cost	非上市股份， 按成本值	—	—	121,175	38,411
Group's share of net assets	應佔淨資產	132,838	42,606	—	—
Due from (note(i))	應收款項	249,269	—	249,269	—
		<u>382,107</u>	<u>42,606</u>	<u>370,444</u>	<u>38,411</u>
Cooperative jointly controlled entities	合作經營企業				
Unlisted investment, at cost	非上市股份， 按成本值	—	—	61,315	117,963
Group's share of net assets	應佔淨資產	64,138	111,851	—	—
Due from (note (i))	應收款項 (附註(i))	244,916	242,680	244,916	242,680
Due to (note (ii))	應付款項 (附註(ii))	—	(34,689)	—	(34,689)
		<u>309,054</u>	<u>319,842</u>	<u>306,231</u>	<u>325,954</u>
		<u>691,161</u>	<u>362,448</u>	<u>676,675</u>	<u>364,365</u>

Notes:

- (i) The amounts due from jointly controlled entities are unsecured, carry interest at prevailing market rate and have no fixed terms of repayment.
- (ii) The amounts due to jointly controlled entities are unsecured, interest-free and have no fixed terms of repayment.

附註：

- (i) 應收款項並無抵押、無固定償還期，按市場利率計息。
- (ii) 應付款項並無抵押、不計息及無固定償還期。

14 JOINTLY CONTROLLED ENTITIES (continued)

The following is a list of the principal jointly controlled entities at 31st December 2004, all of which are established and operate in the PRC:

Name 名稱	Principal activities 主要業務	Particulars of registered capital 註冊資本詳情	Attributable interest held 持有權益	
			2004	2003
Equity jointly controlled entities 合資經營企業				
Beijing Home Valley Company Limited 北京歸谷園有限責任公司	Property development 物業開發	RMB100,000,000 人民幣100,000,000元	40%	40%
Beijing Sun Shine City Real Estate Development Company Limited 北京陽光城房地產有限公司	Property development 物業開發	US\$20,000,000 20,000,000美元	50%	100%
Cooperative jointly controlled entity 合作經營企業				
Beijing Maple Real Estate Company Limited (a) 北京楓樹置業有限公司 (a)	Property development 物業開發	US\$10,000,000 10,000,000美元	50%	50%

(a) The Group is required to contribute 75% of the registered capital and entitled to share 50% of its results. The joint venture agreement will expire in July 2022. Upon expiry the Group is entitled to the remaining net assets according to the profit sharing ratio.

14 共同控制實體 (續)

於二零零四年十二月三十一日之主要共同控制實體(全部於中國成立及營運)如下：

(a) 本集團須出資註冊資本中的75%，而有權攤分其業績的50%。合營協定將於二零二二年七月屆滿，其後本集團有權按照溢利攤分比例擁有其餘資產淨值。

15 ASSOCIATED COMPANIES

15 聯營公司

		Group 本集團		Company 本公司	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Unlisted investments, at cost	非上市股份， 按成本值	—	—	93,219	19,941
Group's share of net assets	應佔資產淨值	110,201	21,280	—	—
Due from (note (i))	應收款項 (附註(i))	207,054	32,545	207,054	32,545
		317,255	53,825	300,273	52,486

Notes:

- (i) The amounts due from associated companies as at 31st December 2004 are unsecured, carry interest at prevailing market rate and have no fixed terms of repayment, except for an amount of RMB37,000,000 which carries interest at 10% per annum and repayable within three months (2003: RMB32,545,000 carries interest at prevailing market rate and have no fixed terms of repayment).

附註：

- (i) 於二零零四年十二月三十一日，應收款項無抵押，除人民幣37,000,000元按年利率10%計息且須於三個月內償還(二零零三年十二月三十一日：人民幣32,545,000元按市場利率計息，無固定還款期)，其餘款項按現行市場利率計息無固定償還期限。

The following is a list of the significant associated companies at 31st December 2004, all of which were established and operate in the PRC:

於二零零四年十二月三十一日之主要聯營公司(全部於中國成立及營運)如下：

Name 名稱	Legal status 法定地位	Principal activities 主要業務	Particulars of registered capital 注冊資本詳情	Attributable interest held 持有權益	
				2004	2003
Beijing Golden Net Property Investment Consultant Company Limited (a)	Limited liability company	Property sales agency	RMB5,000,000	14%	14%
北京金網絡置業投資顧問有限公司(a)	有限責任公司	物業銷售代理	人民幣5,000,000元	14%	14%
Beijing Xing Tai Real Estate Development Company Limited * (b)	Limited liability company	Property development	RMB55,180,000	35%	25.9%
北京星泰房地產開發有限公司* (b)	有限責任公司	物業開發	人民幣55,180,000	35%	25.9%

15 ASSOCIATED COMPANIES (continued)

15 聯營公司 (續)

Name 名稱	Legal status 法定地位	Principal activities 主要業務	Particulars of registered capital 股本詳情	Attributable interest held 持有權益	
				2004	2003
Beijing Yang Guang Yuan Real Estate Development Company Limited ** (b) 北京陽光苑房地產開發有限公司** (b)	Limited liability company 有限責任公司	Property development 物業開發	RMB72,190,000 人民幣72,190,000元	42.2%	52.2%
Beijing SCJF Real Estate Agency Company Limited 北京首創金豐易居房地產經紀有限公司	Limited liability company 有限責任公司	Property sales agency 物業銷售代理	RMB50,000,000 人民幣50,000,000元	33%	33%

Notes:

* 25% directly held by the Company and 10% indirectly held at 31st December 2004 and 2003.

** 35% directly held and 7.2% indirectly held at 31st December 2004, while 35% directly held and 17.2% indirectly held at 31st December 2003. Accordingly, it was a subsidiary in 2003 and an associated company in 2004.

(a) The Company has significant influence over the board of directors and such board is responsible for determining the financial and operating policies in the ordinary course of business and accordingly this company is classified as associated company.

(b) These companies are subsidiaries of Super Shine and are accounted for as subsidiaries of the Company as at 31 December 2003. As at 31st December 2004, the Group has significant influence over the board of directors and such board is responsible for determining the financial policies in the ordinary course of business, these companies are classified as associated companies.

附註：

* 於二零零三及二零零四年十二月三十一日，本公司直接持有25%，間接持有10%。

** 於二零零四年十二月三十一日，本公司直接持有35%，間接持有7.2%而作為聯營公司，於二零零三年十二月三十一日，本公司直接持有35%，間接持有17.2%而作為附屬公司。

(a) 本公司對董事會有重大影響力，而董事會負責決定該公司日常業務過程中的財政政策，故此公司被分類為聯營公司。

(b) 此等公司為廣西陽光股份的附屬公司，故於二零零三年十二月三十一日亦相應成為本公司之附屬公司。於二零零四年十二月三十一日，本公司對其董事會有重大影響力，而董事會負責決定此公司日常業務過程中的財政政策，故此等公司被分類為聯營公司。

16 INVESTMENTS SECURITIES

16 投資證券

		Group 本集團		Company 本公司	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Investment, at cost	投資，按成本值				
— Shares listed in the PRC	— 於中國上市股份	69,799	—	26,435	—
— Unlisted	— 非上市	56,456	49,841	52,339	29,841
Less: provision	減：減值撥備	(9,105)	(29,105)	(9,105)	(9,105)
Due from (note (i))	應收款項 (附註(i))	60,057	60,000	60,000	60,000
Due to (note (iii))	應付款項 (附註(iii))	(667)	—	(667)	—
		<u>176,540</u>	<u>80,736</u>	<u>129,002</u>	<u>80,736</u>
Market value of listed shares (iii)	上市股份市值 (附註(iii))	<u>216,518</u>	<u>—</u>	<u>216,518</u>	<u>—</u>

Notes:

- (i) The amounts receivable are unsecured, interest free and have no fixed terms of repayment.
- (ii) The amount payable is unsecured, interest free and has no fixed terms of repayment.
- (iii) The Group's interest in listed investment in the PRC represented domestic legal person shares which are not freely transferable in the stock market.

附註：

- (i) 應收款項無抵押，免息及無固定償還期。
- (ii) 應付款項無抵押，免息及無固定償還期。
- (iii) 本公司於中國上市股份的權益指不能於股票市場自由交易的內資法人股份。

16 INVESTMENTS SECURITIES (continued)

The following is a list of the significant investment securities at 31st December 2004, all of which operate in the PRC:

名稱 Name of company	註冊地點 Place of incorporation	主要業務 Principal activities	股本詳情 Particulars of issued/ registered capital	持有權益 Attributable interest held
Super Shine Company Limited (a)	PRC	Investment holding and property development	RMB292,040,000	11% (2003: 26.5%)
廣西陽光股份有限公司(a)	中華人民共和國	投資控股及物業開發	人民幣292,040,000元	11% (2003: 26.5%)
Beijing Capital Fengdu Real Estate Development Company Limited *	PRC	Investment holding and property development	RMB60,000,000	18.4% (2003: 24.3%)
北京首創風度房地產開發有限公司 *	中華人民共和國	投資控股及物業開發	人民幣60,000,000元	18.4% (2003: 24.3%)

* 8.3% directly held by the Company and 10.1% indirectly held

Note:

- (a) Super Shine Company Limited ("Super Shine") is a company listed on the Shenzhen Stock Exchange. The Company originally held 26.5% of its issued shares, being the single largest shareholder of Super Shine and it was consolidated as a subsidiary. The Company announced in March 2004 the disposal of 15.5% of the issued shares of Super Shine to an independent third party. After the announcement, equity method is adopted to account for Super Shine because there was a supplementary agreement that allowed the Company to continue to share 26.5% of Super Shine's 2004 profit. Accordingly, the Group's investment in Super Shine was reclassified from a subsidiary to an associated company at its carrying value pending approval of the share transfer agreement as set out in the interim report as at 30th June 2004.

On 22nd December 2004, the share transfer agreement has been approved by the related authorities of the PRC government and the transfer of the issued share was completed in Shenzhen Stock Exchange. Upon the completion of the share transfer, Super Shine was therefore accounted for as investments securities as at 31st December 2004. A profit arising from disposal of the aforesaid 15.5% interests approximating to RMB5.5 million will be recognised during 2005 when all the other necessary disposal procedures are completed and consideration is received in full.

16 投資證券 (續)

於二零零四年十二月三十一日之主要長期投資(全部於中國營運)如下:

股本詳情 Particulars of issued/ registered capital	持有權益 Attributable interest held
RMB292,040,000	11% (2003: 26.5%)
人民幣292,040,000元	11% (2003: 26.5%)
RMB60,000,000	18.4% (2003: 24.3%)
人民幣60,000,000元	18.4% (2003: 24.3%)

* 本公司直接持有8.3%，間接持有10.1%。

附註:

- (a) 廣西陽光股份有限公司(以下簡稱陽光股份)為深圳證券交易所上市公司，其股份最初由本集團持有26.5%，為第一大股東，並將陽光股份作為附屬公司予以合併，本集團於二零零四年三月公告，將所持有的陽光股份15.5%的法人股股份轉讓予一獨立第三方，並與對方簽署補充協議約定本公司仍然按照26.5%的比例享有陽光股份二零零四年全年溢利。因此，於二零零四年六月三十日的中期報告中由於有關股權轉讓協定仍未被批准，本集團按帳面值將陽光股份從附屬公司重分類至聯營公司。

於二零零四年十二月二十二日，上述股權轉讓協定已經獲得中國政府有關機構的審批且在深圳證券交易所完成了股權過戶手續。股權過戶完成後，於二零零四年十二月三十一日，陽光股份被列示為投資證券。上述出售15.5%股權的收益約人民幣5.5百萬元將於二零零五年在股權轉讓有關的出售手續全部完成及轉讓款項全部收到後確認。

17 PROPERTIES UNDER DEVELOPMENT

17 開發中物業

		本集團 Group		本公司 Company	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Leasehold land in the PRC, at cost	位於中國的租賃土地，按成本				
Long term leases	長期租約	286,277	439,809	—	47,342
Medium term leases	中期租約	385,408	331,327	25,691	3,199
Development costs	開發成本	1,724,311	2,159,022	150,780	254,295
Finance costs capitalised	資本化的融資成本	160,204	94,461	—	2,713
		2,556,200	3,024,619	176,471	307,549
Attributable profit less foreseeable loss	應佔溢利減可預見虧損	—	41,407	—	—
Less: progress payments received and receivable	減：已收的銷售房款	(22,048)	(241,130)	(22,048)	(41,122)
		2,534,152	2,824,896	154,423	266,427

Properties under development pledged as security for long term bank loans amounted to RMB412,859,000 at 31st December 2004 (2003: RMB151,298,000).

於二零零四年十二月三十一日，作為長期銀行貸款抵押物的開發中物業為人民幣412,859,000元（二零零三年：人民幣151,298,000元）。

Right to yields on certain land (Gains from the sale of land or other profit obtained from the relevant land) have been pledged as security for long term bank loan amounted to RMB1,300,000,000 and short term bank loans amounted to RMB1,000,000,000 at 31st December 2004 (2003: nil).

於二零零四年十二月三十一日，本集團以部分物業之土地收益權（本集團轉讓該等土地或者以其他方式利用該等土地取得的收益）作為質押，取得了銀行長期貸款人民幣1,300,000,000元和短期貸款人民幣1,000,000,000元（二零零三年：無）。

18 INVENTORIES, AT COST

		本集團 Group		本公司 Company	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Merchandise	商品	2,949	—	—	—
Low value consumable materials	低值易耗品	1,179	—	—	—
Completed properties held for sale	已落成的待售物業	298,125	495,090	171,813	233,798
Total	合計	302,253	495,090	171,813	233,798

18 存貨成本

19 TRADE RECEIVABLES

Receivables in respect of sale of properties and land are settled in accordance with the terms stipulated in the sale and purchase agreements. Generally, purchasers of properties are required to settle the balance within 60 days as specified in the sales and purchase agreements, otherwise the sales can be cancelled by the Group. The ageing analysis of trade receivables net off with corresponding provision at 31st December 2004 is as follows:

		本集團 Group		本公司 Company	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
0 to 90 days	0至90日	261,054	519,444	—	6
91 to 180 days	91至180日	51,295	223	50,981	223
181 to 365 days	181至365日	103,069	30,355	103,069	—
Over 1 year	1年以上	225,504	293,457	5,263	17,353
		640,922	843,479	159,313	17,582

19 應收貿易賬款

銷售物業及已開發土地的應收賬款是根據買賣協定規定條款結算。一般來說，置業人士須於買賣協定指明的60日內付清餘額，否則本集團有權取消該項交易。於二零零四年十二月三十一日，應收貿易賬的賬齡分析如下：

Amounts receivable outstanding for more than one year are mainly sales of office building units in bulk and large pieces of developed land.

對於賬齡大於一年的應收款項，主要是尚未到達合同約定的收款期限的大額寫字樓及已開發土地銷售款。

20 AMOUNT DUE FROM/(TO) MINORITY SHAREHOLDERS

20 應收／(應付)少數股東款項

		本集團 Group		本公司 Company	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Due from (note (i))	應收款項 (附註(i))	<u>140,701</u>	<u>13,410</u>	<u>140,701</u>	<u>—</u>
Due to (note (i))	應付款項 (附註(i))	<u>—</u>	<u>(26,071)</u>	<u>—</u>	<u>—</u>

Notes:

- (i) The amounts receivable are unsecured, carry interest at prevailing market rate and repayable within one year (2003: Both the amounts receivable and payable are unsecured, interest free and have no fixed terms of repayment).

附註：

- (i) 應收款項無抵押，按市場利率計息並於一年內償還(二零零三年：應收應付款項均無抵押，免息且無固定償還)。

21 AMOUNT DUE FROM/(TO) FELLOW SUBSIDIARIES

21 應收／(應付)同系附屬公司款項

		本集團 Group		本公司 Company	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Due from (note (i))	應收款項 (附註(i))	<u>61,581</u>	<u>54,693</u>	<u>61,581</u>	<u>45,270</u>
Due to (note (i))	應付款項 (附註(i))	<u>(3,104)</u>	<u>(31,990)</u>	<u>(3,104)</u>	<u>(12,186)</u>

Notes:

- (i) Fellow subsidiaries represent subsidiaries of the Capital Group. The amounts receivable and amounts payable are unsecured and interest free (2003: The amounts are unsecured and interest free except for a payable amount of RMB20,000,000 which carried interest at 6.534% per annum).

附註：

- (i) 同系附屬公司指首創集團的附屬公司，應收應付款項均無抵押，免息(二零零三年：應收應付款項均無抵押，除應付款項中人民幣20,000,000元按年利率6.534%計息，其餘部分免息)。

22 OTHER INVESTMENTS

Listed in the PRC, at fair value

於中國上市，按公平價值

本集團 Group	
2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
<u>—</u>	<u>16,193</u>

23 CASH AND BANK BALANCES

The pledged bank balances have been pledged as security for certain mortgage loans to customers (2003: short term bank loans and mortgage loans to customers).

The cash and bank balances were denominated in Renminbi and deposited with banks in the PRC. The conversion of these Renminbi denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

24 CONSTRUCTION PAYABLES

Construction costs and other project related expenses payable amounted to RMB484,238,000 at 31st December 2004 (2003: RMB637,572,000). They have been included in trade and other payables based on project progress reports issued by project supervisory consultants appointed by the Group. Therefore, no ageing analysis for trade payables is presented.

22 其他投資

23 現金及銀行結餘

已抵押銀行結餘已抵押作為若干置業人士銀行按揭貸款擔保(二零零三年：置業人士銀行按揭貸款擔保及短期銀行借款擔保)。

現金及銀行結餘均以人民幣計算，並存於中國境內的銀行。人民幣存款結餘換為外幣，須遵守中國政府頒存的外匯管制法規。

24 應付建設費

於二零零四年十二月三十一日應付建設成本及其他項目相關支出為人民幣484,238,000元(二零零三年：人民幣637,572,000元)。上述關支均已根據本集團委聘的項目監督顧問所發出的項目進度報告計入應付貿易款及其他應付款項。因此，並無呈列應付貿易賬款的賬齡分析。

25 TAXES PAYABLE

		本集團 Group		本公司 Company	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
PRC business tax payable	應付中國營業稅	89,205	111,423	13,272	8,149
PRC income tax payable	應付中國所得稅	348,493	267,312	57,289	19,480
Other PRC taxes payable/ (recoverable)	應付／(收)其他中國稅項	4,287	2,507	252	(260)
		441,985	381,242	70,813	27,369

25 應付稅款

26 NET AMOUNTS DUE TO ULTIMATE HOLDING COMPANY

		本集團 Group		本公司 Company	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Current portion (note (i))	即期部分 (附註(i))	199,945	356,361	193,559	231,672
Non-current portion (note (ii))	長期部分 (附註(ii))	139,475	539,475	139,475	539,475
		339,420	895,836	333,034	771,147

26 應付最終控股公司款項淨額

Notes:

- (i) The amount of current portion is unsecured and interest is free.
- (ii) The amount of non-current portion is unsecured, interest-free and represented portion of land premium paid by the ultimate holding company on behalf of the Group, repayable before 30th September 2006.

附註：

- (i) 應付款項無抵押及免息。
- (ii) 應付款項無抵押，免息，代表最終控股公司代表本集團預付的土地出讓金，將於二零零六年九月三十日前償還。

27 SPECIAL DIVIDEND PAYABLE

In accordance with “Provisional regulations concerning the management of state capital and certain accounting treatment of enterprises restructuring into companies” issued by the Ministry of Finance as Cai Qi [2002] No, 313 on 27th July 2002, profit recognised from the date of valuation of state assets to the date of incorporation of a reorganised state owned enterprise should be returned to the state-owned Promoters. Accordingly, a special dividend amounting to RMB204,839,000 will be payable to the Promoters as disclosed in the prospectus of the Company for its listing in June 2003. Based on the Reorganisation Agreement with the Promoters of the Company, the special dividend will not be paid prior to 31st December 2004 and was classified as non-current liabilities as at 31st December 2003, the Directors have the absolute discretion to determine the actual distribution date of such special dividend.

27 應付特殊股息

按照財政部於二零零二年七月二十七日頒布的《企業公司改建有關國有資本管理與財務處理暫行規定》財企[2002]313號，由國有資產評估基準日至經重組國有企業成立日期確認的溢利，須退回國有發起人。因此，如本公司二零零三年六月上市時招股書所作之披露，本公司將須向發起人支付為數過人民幣204,839,000元的特別股息。根據重組協定，此特殊股息不會在二零零四年十二月三十一日前派發，故於二零零三年十二月三十一日之帳目中作為非流動負債，董事有權酌情厘定上述特別股息的實際派發日期。

28 LONG TERM BANK LOANS

28 長期銀行貸款

		Group 本集團		Company 本公司	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Bank loans, not wholly repayable within five years (note)	無需於五年內償還的銀行貸款，(附註)				
Secured	有抵押	600,000	—	600,000	—
Bank loans, wholly repayable within five years (note)	須於五年內悉數償還的銀行貸款(附註)				
Secured	有抵押	748,251	150,000	700,000	—
Unsecured	無抵押	860,000	1,130,000	—	—
		<u>1,608,251</u>	<u>1,280,000</u>	<u>700,000</u>	<u>—</u>
		<u>2,208,251</u>	<u>1,280,000</u>	<u>1,300,000</u>	<u>—</u>
The maturity of the bank loans is as follows:	於下列期間到期的銀行貸款：				
Within one year	一年內	360,000	70,000	—	—
In the second year	一至兩年	1,200,000	360,000	700,000	—
In the third to fifth year	兩至五年	48,251	850,000	—	—
After the fifth year	五年以上	600,000	—	600,000	—
		<u>2,208,251</u>	<u>1,280,000</u>	<u>1,300,000</u>	<u>—</u>
Less: current portion included in current liabilities	減：於流動負債內的即期部分	(360,000)	(70,000)	—	—
		<u>1,848,251</u>	<u>1,210,000</u>	<u>1,300,000</u>	<u>—</u>

Note: At 31st December 2004, the long term bank loans bore interest ranging from 3.11% to 6.03% per annum (2003: 5.49% to 6.03%) secured by certain properties under development and right to yields on land (note 17). Included in the unsecured bank loans were RMB500,000,000 (2003: RMB500,000,000) was guaranteed by the Capital Group.

附註：於二零零四年十二月三十一日，長期銀行貸款的年利率介乎3.11%至6.03%之間(二零零三年：5.49%至6.03%)，由若干開發中物業及土地收益權質押(附註17)，無抵押銀行貸款中包括由首創集團擔保的貸款人民幣500,000,000元(二零零三年：人民幣500,000,000元)。

29 SHARE CAPITAL

29 股本

	Number of domestic shares of RMB1 each 每股人民幣 1元的內資股 股數	Number of non-H foreign shares of RMB1 each 每股人民幣 1元的非H股 外資股股數	Number of H shares of RMB1 each 每股人民幣 1元的H股 股數	Total number of shares of RMB1 each 每股人民幣 1元的股數 合計	RMB'000 人民幣千元
Registered, issued and fully paid: 註冊已發行及繳足股本					
Upon the Reorganisation 於重組生效日	742,002	357,998	—	1,100,000	1,100,000
Domestic shares converted to H shares 內資股轉化為H股	(51,330)	—	51,330	—	—
Allotted and issued pursuant to global offering 股份於上市時發行	—	—	513,300	513,300	513,300
As at 31st December 2003 於二零零三年十二月三十一日	<u>690,672</u>	<u>357,998</u>	<u>564,630</u>	<u>1,613,300</u>	<u>1,613,300</u>
As at 31st December 2004 於二零零四年十二月三十一日	<u>690,672</u>	<u>357,998</u>	<u>564,630</u>	<u>1,613,300</u>	<u>1,613,300</u>

The Company was incorporated in Beijing, China on 5th December 2002 with the Reorganisation completed and effective on 1st January 2003 by the issue of 1,100,000,000 shares of RMB1 each to the Promoters, including 742,001,700 domestic shares and 357,998,300 non-H foreign shares. In June 2003, the issued and fully paid capital of the Company was increased to RMB1,613,300,000 by the issuance of an additional 513,300,000 H shares of RMB1.00 pursuant to the global offering. In addition, a total number of 51,330,000 domestic shares in issue owned by certain Promoters were converted into H shares and sold to the public.

本公司於二零零二年十二月五日成立，最初發行1,100,000,000股每股面值為人民幣1元的股份，由742,001,700股內資股和357,998,300非H股外資股組成，重組於二零零三年一月一日完成並生效。於二零零三年六月，本公司向全球發行每股面值人民幣1元的新H股513,300,000股，已發行及繳足股本增加至人民幣1,613,300,000元。另外，部分內資股股東同時將其持有的51,330,000股的內資股轉化為H股並出售給公眾。

30 RESERVES

30 儲備

	Group 本集團				
	Capital surplus 資本公積 RMB'000 人民幣千元	Statutory reserve fund 法定盈餘公積 RMB'000 人民幣千元	Statutory public benefit fund 法定公益金 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Issue of shares 股份發行	390,767	—	—	—	390,767
Share issue expenses 股份發行費用	(78,310)	—	—	—	(78,310)
Profit attributable to shareholders 股東應佔溢利	—	—	—	255,351	255,351
Transfer from retained profits 轉撥自保留溢利	—	44,346	20,977	(65,323)	—
As at 31st December 2003 二零零三年十二月三十一日	<u>312,457</u>	<u>44,346</u>	<u>20,977</u>	<u>190,028</u>	<u>567,808</u>
Company and subsidiaries 本公司及附屬公司	312,457	44,346	20,977	190,606	568,386
Jointly controlled entities 共同控制實體	—	—	—	(1,917)	(1,917)
Associated companies 聯營公司	—	—	—	1,339	1,339
At 31st December 2003 二零零三年十二月三十一日	<u>312,457</u>	<u>44,346</u>	<u>20,977</u>	<u>190,028</u>	<u>567,808</u>

30 RESERVES (continued)

30 儲備 (續)

	Group 本集團				
	Capital surplus	Statutory reserve fund	Statutory public benefit fund	Retained profits	Total
	資本公積	法定盈餘公積	法定公益金	保留溢利	總額
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 1st January 2004 二零零四年一月一日	312,457	44,346	20,977	190,028	567,808
2003 final dividend paid 已派二零零三年末期股息	—	—	—	(150,053)	(150,053)
Profit attributable to shareholders 股東應佔溢利	—	—	—	283,197	283,197
Transfer from retained profits 轉撥自保留溢利	—	39,968	19,984	(59,952)	—
As at 31st December 2004 二零零四年十二月三十一日	<u>312,457</u>	<u>84,314</u>	<u>40,961</u>	<u>263,220</u>	<u>700,952</u>
Representing: 相當於：					
Reserves excluding the proposed final dividend 不包括擬派末期股息之儲備	312,457	84,314	40,961	143,103	580,835
Proposed final dividend 擬派末期股息	—	—	—	120,117	120,117
Reserves including the proposed final dividend at 31st December 2004 二零零四年十二月三十一日 包括擬派末期股息之儲備	<u>312,457</u>	<u>84,314</u>	<u>40,961</u>	<u>263,220</u>	<u>700,952</u>
Profit retained by: 保留溢利					
Company and subsidiaries 本公司及附屬公司	312,457	84,314	40,961	231,752	669,484
Jointly controlled entities 共同控制實體	—	—	—	14,486	14,486
Associated companies 聯營公司	—	—	—	16,982	16,982
At 31st December 2004 二零零四年十二月三十一日	<u>312,457</u>	<u>84,314</u>	<u>40,961</u>	<u>263,220</u>	<u>700,952</u>

30 RESERVES (continued)

30 儲備 (續)

	Company 本公司				Total 總額 RMB'000 人民幣千元
	Capital surplus 資本公積 RMB'000 人民幣千元	Statutory reserve fund 法定盈餘公積 RMB'000 人民幣千元	Statutory public benefit fund 法定公益金 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	
Issue of shares 股份發行	390,767	—	—	—	390,767
Share issue expenses 股份發行費用	(78,310)	—	—	—	(78,310)
Profit attributable to shareholders 股東應佔溢利	—	—	—	183,596	183,596
Transfer from retained profit 轉撥自保留溢利	—	22,067	11,034	(33,101)	—
As at 31st December 2003 二零零三年十二月三十一日	<u>312,457</u>	<u>22,067</u>	<u>11,034</u>	<u>150,495</u>	<u>496,053</u>
As at 1st January 2004 二零零四年一月一日	312,457	22,067	11,034	150,495	496,053
2003 final dividend paid 二零零三年已派末期股息	—	—	—	(150,053)	(150,053)
Profit attributable to shareholders 股東應佔溢利	—	—	—	202,775	202,775
Transfer from retained profit 轉撥自保留溢利	—	24,268	12,134	(36,402)	—
As at 31st December 2004 二零零四年十二月三十一日	<u>312,457</u>	<u>46,335</u>	<u>23,168</u>	<u>166,815</u>	<u>548,775</u>
Representing: 相當於：					
Reserves excluding the proposed final dividend 不包括派末期股息之儲備	312,457	46,335	23,168	46,698	428,658
Proposed final dividend 擬派末期股息	—	—	—	120,117	120,117
Reserves including the proposed final dividend at 31st December 2004 二零零四年十二月三十一日 包括擬派末期股息之儲備	<u>312,457</u>	<u>46,335</u>	<u>23,168</u>	<u>166,815</u>	<u>548,775</u>

30 RESERVES (continued)

Notes:

- (a) According to the respective Articles of Association, the Company and subsidiaries are required to transfer 10% of their profit after taxation, as shown in the accounts prepared under the relevant accounting principles and financial regulations applicable to PRC enterprises ("PRC GAAP"), to their statutory reserve fund. The statutory reserve fund can be used to offset accumulated loss or convert as share capital of the Company.
- (b) According to the respective Articles of Association, the Company and subsidiaries are required to transfer 5% to 10% of their profit after taxation, as shown in the accounts prepared under PRC GAAP to their statutory public benefit fund. The statutory public benefit fund can only be used for the collective benefit and facilities of the employees of the respective companies. Employees are only entitled to use these facilities; the title and ownership of the facilities will remain with the respective companies.

30 儲備 (續)

附註：

- (a) 根據本公司及合併子公司各自之章程細則，各公司應按中國會計制度編制的帳目表所載之除稅後溢利的10%提取法定公積金。法定公積金可用彌補虧損或轉增資本。
- (b) 根據本公司及合併子公司各自之章程細則，各公司應按中國會計制度編制的帳目表所載之除稅後溢利的5%至10%計提法定公益金。法定公益金只可用於各公司之職工的集體福利設施。職工可享受設施但設施的產權及擁有仍屬各公司所有。

31 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 33%.

The movement on the deferred tax assets/liabilities account is as follows:

31 遞延稅項

遞延稅項採用負債法就短暫時差按主要稅率33%作全數撥備。

遞延稅項資產／負債之變動如下：

		Group 本集團		Company 本公司	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
At 1st January	於一月一日	(8,130)	(2,503)	1,650	(2,503)
Disposal of a subsidiary	出售附屬公司	11,608	—	—	—
Acquisition of a subsidiary	收購附屬公司	5,444	—	—	—
Credited/(charged) to profit and loss account (note 6)	在損益賬記賬/ (支銷) (附註6)	22,023	(5,627)	4,020	4,153
At 31st December	於十二月三十一日	<u>30,945</u>	<u>(8,130)</u>	<u>5,670</u>	<u>1,650</u>

31 DEFERRED TAXATION (continued)

Deferred income tax assets are recognised for tax loss carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. The group has unrecognised tax losses of RMB3,434,000 as at 31st December 2004 (2003: RMB3,708,000) to carry forward against future taxable income; these tax losses will expire in the period from 2005 to 2009.

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

Deferred tax liabilities

		Group 本集團		Company 本公司
		Different revenue recognition methods 收入確認 2004 RMB'000 人民幣千元	Total 合計 2004 RMB'000 人民幣千元	Total 合計 2004 RMB'000 人民幣千元
At 1st January 2004	於二零零四年一月一日	(11,608)	(11,608)	—
Disposal of a subsidiary	出售附屬公司	11,608	11,608	—
At 31st December 2004	於二零零四年 十二月三十一日	—	—	—

31 遞延稅項 (續)

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅損作確認。本集團於二零零四年十二月三十一日有未確認稅損人民幣3,434,000元(二零零三年：人民幣3,708,000元)。可結轉以抵銷未來應課收入；此等稅損將於二零零五年至二零零九年屆滿。

年內遞延稅項資產及負債之變動(與同一徵稅地區之結餘抵銷前)如下：

遞延稅項負債

31 DEFERRED TAXATION (continued)

Deferred tax liabilities (continued)

		Group 本集團		Company 本公司	
		Different revenue recognition methods 收入確認差異 2003 RMB'000 人民幣千元	Total 總計 2003 RMB'000 人民幣千元	Different revenue recognition methods 收入確認差異 2003 RMB'000 人民幣千元	Total 總計 2003 RMB'000 人民幣千元
Effective date of Reorganisation	於重組生效日	(2,503)	(2,503)	(2,503)	(2,503)
Changed/(credited) to profit and loss account	在損益帳(支銷)/ 記帳	(9,105)	(9,105)	2,503	2,503
At 31st December 2003	於二零零三年 十二月三十一日	<u>(11,608)</u>	<u>(11,608)</u>	<u>—</u>	<u>—</u>

31 遞延稅項(續)

遞延稅項負債(續)

Deferred tax assets

遞延稅項資產

	Group 本集團					Company 本公司			
	Others 其他 2004 RMB'000 人民幣千元	Difference in cost base of properties 物業成本之差異 2004 RMB'000 人民幣千元	Tax losses 稅務虧損 2004 RMB'000 人民幣千元	Unpaid accruals 未支付的費用 2004 RMB'000 人民幣千元	Provision for doubtful debts 呆賬撥備 2004 RMB'000 人民幣千元	Total 合計 2004 RMB'000 人民幣千元	Unpaid accruals 未支付的費用 2004 RMB'000 人民幣千元	Provision for doubtful debts 呆賬撥備 2004 RMB'000 人民幣千元	Total 合計 2004 RMB'000 人民幣千元
At 1st January 2004									
二零零四年一月一日	1,828	—		1,650	—	3,478	1,650	—	1,650
Acquisition of a subsidiary									
收購一子公司	—	—	5,444	—	—	5,444	—	—	—
Credited to profit and loss account									
在損益賬記賬	—	12,958	1,739	2,106	5,220	22,023	2,106	1,914	4,020
At 31st December 2004									
二零零四年十二月三十一日	<u>1,828</u>	<u>12,958</u>	<u>7,183</u>	<u>3,756</u>	<u>5,220</u>	<u>30,945</u>	<u>3,756</u>	<u>1,914</u>	<u>5,670</u>

31 DEFERRED TAXATION (continued)

Deferred tax assets (continued)

	Group 本集團			Company 本公司	
	Others	Unpaid accruals 未支付的 其他 費用	Total 總計	Unpaid accruals 未支付的 費用	Total 總計
	2003	2003	2003	2003	2003
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Effective date of Reorganisation	—	—	—	—	—
Credited to profit and loss account	1,828	1,650	3,478	1,650	1,650
At 31st December 2003	1,828	1,650	3,478	1,650	1,650

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

31 遞延稅項 (續)

遞延稅項資產 (續)

當有法定權利可將現有稅項資產與現有稅務負債抵銷，而遞延所得稅涉及同一財政機關，則可將遞延所得稅資產與遞延所得稅負債互相抵銷。在計入適當抵銷後，下列金額在資產負債表內列帳：

	Group 本集團		Company 本公司	
	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Deferred tax assets	30,945	3,478	5,670	1,650
Deferred tax liabilities	—	(11,608)	—	—
	30,945	(8,130)	5,670	1,650

31 DEFERRED TAXATION (continued)

Deferred tax assets (continued)

The amounts shown in the balance sheet include the following:

		Group		Company	
		本集團		本公司	
		2004	2003	2004	2003
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Deferred tax assets to be recovered after 12 months	超過12個月後收回之遞延稅項資產	12,958	1,828	—	—

31 遞延稅項 (續)

遞延稅項資產 (續)

在資產負債表列帳之金額包括：

32 COMMITMENTS

(a) Other commitments in respect of properties under development

		Group		Company	
		本集團		本公司	
		2004	2003	2004	2003
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Contracted but not provided for	已簽約但未撥備	1,290,438	2,377,034	43,776	183,811
Authorised but not contracted for	已批准但未簽約	1,544,895	4,322,971	57,242	143,113
		2,835,333	6,700,005	101,018	326,924

32 承擔

(a) 開發中物業的其他承擔

32 COMMITMENTS (continued)

(a) Other commitments in respect of properties under development (continued)

Amounts of capital commitments relating to the Group's interests in the jointly controlled entities included in the above are as follows:

		Group 本集團		Company 本公司	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Contracted but not provided for	已簽約但未撥備	224,403	885,306	—	—
Authorised but not contracted for	已批准但未簽約	292,469	377,212	—	—
		516,872	1,262,518	—	—

(b) Commitments under operating leases

At 31st December 2004, the Group and the Company had future aggregate minimum lease payments under non-cancelable operating leases as follows:

		Group 本集團		Company 本公司	
		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
First year	第一年	8,079	4,908	2,360	1,714
Second to fifth years	第二至第五年	1,371	2,833	—	—
		9,450	7,741	2,360	1,714

32 承擔 (續)

(a) 開發中物業的其他承擔 (續)

有關集團在合營業務權益之資本承擔並已包括在上述資本承擔之數額如下：

(b) 經營租約承擔

根據不可撤銷的經營租約就土地及樓宇須於以下期間支付的日後最低租金支出總額如下：

33 CONTINGENT LIABILITIES

- (a) The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. The outstanding guarantees amounted to RMB637,468,000 (2003: RMB885,280,000), including guarantees provided by the Company amounted to RMB310,385,000 (2003: RMB283,465,000) as at 31st December, 2004.

Such guarantees terminate upon (i) issuance of the real estate ownership certificate which will generally be available within six months to two years after the Group delivered possession of the relevant property to its purchasers; (ii) completion of mortgage registration and (iii) issuance of the real estate miscellaneous right certificate relating to the relevant property.

- (b) As at 31st December 2004, other than guarantees provided for a short term bank borrowing of RMB498,000,000 (2003: RMB40,000,000 for short term bank borrowing and RMB360,000,000 for long term bank borrowing) to subsidiaries of the Company and a short term bank borrowing of RMB120,000,000 (2003: RMB250,000,000) to a jointly controlled entity, the Group and the Company had no material external guarantee.

33 或然負債

- (a) 本集團已就若干物業單位購買方安排銀行融資，並對該等購買方的還款責任提供擔保。於二零零四年十二月三十一日，未清償的擔保金額人民幣637,468,000元(二零零三年：人民幣885,280,000元)。其中包括本公司尚未清償的擔保金額人民幣310,385,000元(二零零三年：人民幣283,465,000元)。

上述擔保將於下列情況下終止：
(i)發出房地產所有權證後，而房地產所有權證一般會在本集團將有關物業的擁有權移交買家後六個月至兩年內發出；(ii)完成按揭註冊後；及(iii)發出有關物業的房地產雜項權利證後。

- (b) 於二零零四年十二月三十一日，除本公司對本公司之子公司的人民幣498,000,000元短期貸款(二零零三年：人民幣40,000,000元短期貸款和人民幣360,000,000元長期貸款)及對本公司之共同控制實體的人民幣120,000,000元(二零零三年：人民幣250,000,000元)短期貸款提供擔保外，本公司和本集團均未對外提供擔保。

34 NOTES TO CONSOLIDATED CASH FLOW
STATEMENT

34 綜合現金流量表附註

(a) Net cash used in operations

(a) 經營業務動用的現金淨額

		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	455,102	460,207
Provision for doubtful debts	呆帳撥備	17,937	153
Share of (profit)/loss of jointly controlled entities	共同控制實體投資(收益)/虧損	(19,222)	3,369
Share of profit of associated companies	聯營公司投資收益	(70,819)	(1,339)
Investment income from other investment	其他投資收入	—	(37,992)
Loss on disposal of investments securities	出售投資證券虧損	—	1,280
Gain on disposal of subsidiaries	出售附屬公司收益	(55,751)	(2,182)
Gain on disposal of jointly controlled entities	出售共同控制實體收益	—	(41)
Gain on disposal of associated companies	出售聯營公司收益	(49,315)	—
Depreciation	折舊	14,992	1,225
Loss on disposal of properties and equipment	出售物業及設備虧損	64	209
Interest income	利息收入	(64,234)	(13,932)
Interest expenses	利息支出	74,195	11,146
Operating profit before changes in working capital	營運資金變動前的經營溢利	302,949	422,103
Changes in working capital:	營運資金變動：		
(Increase)/decrease in inventories	已落成之代售物業(增加)/減少	(797,324)	586,707
Decrease/(increase) in properties under development	開發中物業減少/(增加)	53,267	(878,277)
(Increase)/decrease in business tax prepayment	預付營業稅款(增加)/減少	(42)	9,469
(Decrease)/Increase in business tax payable	應付營業稅款(減少)/增加	(19,075)	23,069
Increase in receivables to jointly controlled entities	應收合營公司款項增加	(286,194)	—
Increase in receivables to associated companies	應收聯營公司款項增加	(174,509)	—
Decrease/(increase) in trade and other receivables, deposits and prepayment	貿易及其應收款減少/(增加)	111,060	(439,587)
Increase/(decrease) in trade and other payables	貿易及其他應付款增加/(減少)	567,081	(489,436)
Net cash used in operations	經營業務動用的現金淨額	<u>(242,787)</u>	<u>(765,952)</u>

34 NOTES TO CONSOLIDATED CASH FLOW STATEMENT (continued)

34 綜合現金流量表附註 (續)

(b) Acquisition of interests in subsidiaries

(b) 收購附屬公司

		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Net assets acquired	收購的資產淨值		
Properties and equipment	物業及設備	960	330
Trade and other receivables, deposits and prepayments	應收貿易賬款、其他應收款項、定金及預付款項	58,020	219
Deferred tax assets	遞延稅項資產	5,444	—
Properties under development	開發中物業	466,020	294,912
Cash and bank balances	現金及銀行結餘	159,724	110,188
Trade and other payables	應付賬款及其他應付款項	(284,479)	(6,331)
Bank loan	銀行貸款	(250,000)	(360,000)
Minority interests	少數股東權益	(17,787)	(13,193)
		137,902	26,125
Less: interests originally held by the Group as associated company and jointly controlled entity	減：本集團原本以聯營公司及共同控制實體形式持有的權益	(51,836)	(14,635)
Satisfied by cash	以現金支付	86,066	11,490

Analysis of net inflow of cash and cash equivalents in respect of acquisition of subsidiaries.

就收購附屬公司產生的現金及現金等價物流入淨額分析

		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Cash consideration	現金代價	(86,066)	(11,490)
Cash and bank balances acquired	收購的現金及銀行結餘	159,724	110,188
Net cash inflow of cash and cash equivalents in respect of acquisition of subsidiaries	收購附屬公司有關的現金及現金等價物流入淨額	73,658	98,698

The subsidiaries acquired in 2004 generated RMB132,307,000 (2003: used RMB21,011,000) of the Group's net operating cash flows, utilised RMB386,000 (2003: RMB229,000) in investing activities, paid RMB102,500,000 (2003: received RMB591,684,000) in financing activities.

於二零零四年收購的附屬公司本年度為本集團產生了人民幣132,307,000元的經營現金流量淨額(二零零三年：動用了人民幣21,011,000元)，在投資活動中動用了人民幣386,000元(二零零三年：人民幣229,000元)，支付了人民幣102,500,000元償還借款(二零零三年：融資活動收到貸款人民幣591,684,000元)。

34 NOTES TO CONSOLIDATED CASH FLOW STATEMENT (continued)

34 綜合現金流量表附註 (續)

(c) Disposal of subsidiaries

(c) 出售附屬公司

		2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
Net asset disposed of	出售的淨資產		
Properties and equipment	物業及設備	6,925	776
Properties under development	開發中物業	1,514,542	40,227
Properties held for sale	待售物業	243,726	—
Cash and bank balances	現金及銀行結餘	420,176	31,607
Other investment	其他投資	16,193	7,508
Trade and other receivables	應收貿易賬款及其他應收款項	34,069	64,097
Short term loan	短期貸款	—	(15,000)
Long term loan	長期貸款	(350,000)	—
Trade and other payables	應付賬款及其他應付款項	(1,229,097)	(61,070)
Deferred tax liabilities	遞延稅項負債	(11,608)	—
Minority interests	少數股東權益	(434,378)	(23,627)
		<u>210,548</u>	44,518
Gain on disposal of subsidiaries	出售附屬公司收益	55,751	2,182
		<u>266,299</u>	46,700
Increase of investment in jointly controlled entities	合營公司投資增加	(4,890)	—
Increase of investments securities	投資證券增加	(44,090)	—
Increase of investment in associated companies	聯營公司投資增加	(33,699)	—
Disposal proceeds receivable	尚未收取之轉讓款	(91,598)	—
Cash consideration	出售所得款項	<u>92,022</u>	<u>46,700</u>

34 NOTES TO CONSOLIDATED CASH FLOW STATEMENT (continued)

(c) Disposal of subsidiaries

Analysis of net (outflow)/inflow of cash and cash equivalents in respect of disposal of subsidiaries:

Cash consideration	出售所得款項
Less: cash and bank balances equivalents disposed of	減：售出附屬公司之 現金及現金等價物
Net (outflow)/inflow of cash and cash equivalents in respect of disposal of subsidiaries	出售附屬公司之 現金(流出)／流入淨額

34 綜合現金流量表附註 (續)

(c) 出售附屬公司

出售附屬公司之現金及現金等價物
流入淨額之分析：

	2004 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
	92,022	46,700
	<u>(420,176)</u>	<u>(31,607)</u>
	<u>(328,154)</u>	<u>15,093</u>

34 NOTES TO CONSOLIDATED CASH FLOW
STATEMENT (continued)

34 綜合現金流量表附註 (續)

(d) Analysis of changes in financing during the year

(d) 本年度融資變動分析

	Amounts due (from)/to related companies		Minority interests	Bank borrowings	Dividend payable	Pledged bank balances	Total
	Share issuance	and Promoters					
	(應收)/應付	關連公司及	少數股東	銀行貸款	應付股息	已抵押	總計
	發行股份	控股公司款項	權益	銀行貸款	應付股息	銀行結餘	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Effective date of Reorganisation 重組生效日	412,133	419,958	669,450	1,189,000	—	—	2,690,541
Minority share of profit 少數股東應佔溢利	—	—	46,369	—	—	—	46,369
Purchase of subsidiaries 收購附屬公司	—	—	13,193	360,000	—	—	373,193
Disposal of subsidiaries 出售附屬公司	—	—	(23,627)	(15,000)	—	—	(38,627)
Purchase of additional interest in a subsidiary 購買一子公司額外股權	—	—	(80,000)	—	—	—	(80,000)
Other movements 其他變動	—	—	(13,086)	—	—	—	(13,086)
Cash inflow/(outflow)from financing activities 融資產生的現金流入/(流出)	1,513,624	465,836	(910)	834,000	—	(19,036)	2,793,514
At 31st December 2003 二零零三年十二月三十一日	1,925,757	885,794	611,389	2,368,000	—	(19,036)	5,771,904

34 NOTES TO CONSOLIDATED CASH FLOW STATEMENTS (continued)

34 綜合現金流量表附註 (續)

(d) Analysis of changes in financing during the year (continued)

(d) 本年度融資變動分析 (續)

	Amounts due (from)/to related companies		Minority interests	Bank borrowings	Dividend payable	Pledged bank balance	Total
	Share Issuance	and Promoters					
	(應收) / 應付	關連公司及	少數股東	銀行貸款	應付股息	已抵押	總計
	發行股份	控股公司款項	權益	銀行貸款	應付股息	銀行結餘	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1st January 2004 二零零四年一月一日	1,925,757	885,794	611,389	2,368,000	—	(19,036)	5,771,904
Minority share of profit 少數股東應佔溢利	—	—	36,812	—	—	—	36,812
Dividend declared 宣派股息	—	—	—	—	150,053	—	150,053
Purchase of subsidiaries 收購附屬公司	—	—	17,787	250,000	—	—	267,787
Disposal of subsidiaries 出售附屬公司	—	—	(434,378)	(350,000)	—	—	(784,378)
Unpaid dividends to minority shareholders 分派股息予少數股未支付	—	—	(19,782)	—	—	—	(19,782)
Others 其他變動	—	10,042	18,000	—	—	—	28,042
Cash inflow/(outflow) from financing activities 融資產生的現金流入 / (流出)	—	(556,416)	321,793	1,958,251	(150,053)	(5,701)	1,567,874
At 31st December 2004 二零零四年十二月三十一日	<u>1,925,757</u>	<u>339,420</u>	<u>551,621</u>	<u>4,226,251</u>	<u>—</u>	<u>(24,737)</u>	<u>7,038,094</u>

35 RELATED PARTY TRANSACTIONS

During the year, the Directors are of the view that the following related party transactions were carried out in the normal course of business of the Group:

(a)				2004	2003
Related party	Nature of transaction	Note		RMB'000	RMB'000
關聯人士	交易性質	附註		人民幣千元	人民幣千元
Jointly controlled entities 共同控制實體	Interest income (note 14(i)) 利息收入 (註14(i))			31,842	5,935
An associated company 聯營公司	Interest income (note 15(i)) 利息收入 (註15(i))			—	1,100
A fellow subsidiary 同系附屬公司	Interest expense (note 21(ii)) 利息支出 (註21(ii))			—	(1,307)
Ultimate holding company 最終控股公司	Interest income/ (expense) (note 26(i)) 利息收入 / (支出) (註26(i))			13,191	(6,727)
An associated company 聯營公司	Commission fee 佣金	(i)		(11,876)	(9,565)
Beijing Ji Gao Decoration Co. 北京際高裝飾工程公司	Decoration cost 裝修工程款	(ii)		(2,449)	—
A minority shareholder of a subsidiary 附屬公司之少數股東	Interest income (note 20(ii)) 利息收入 (註20(ii))			5,256	—

Notes:

- (i) The commission fee payable to the associated company was charged ranging from 0.8% to 1.6% (2003: 1.5% to 1.9%) based on property sales price.
- (ii) The decoration cost has been paid and accrued based on the decoration services provided by Beijing Ji Gao Decoration Company, a subsidiary of the Company's ultimate holding company.

35 有關聯人士交易

董事認為年度內下列有關聯人士交易是在本集團的日常業務過程中進行：

附註：

- (i) 應付聯營公司的佣金是按物業售價的0.8%至1.6%計算(二零零三年：1.5%至1.9%)。
- (ii) 裝修工程款是根據本公司最終控股公司之附屬公司北京際高裝飾工程有限公司為本集團若干開發項目提供的裝修服務而支付及撥備的工程款。

35 RELATED PARTY TRANSACTIONS (continued)

- (b) As at 31st December 2004 the ultimate holding company has provided guarantees for a long term bank loan of RMB500,000,000 and a short term bank loan of RMB200,000,000 of the Group. Beijing Capital Sunshine Real Estate Development Company Limited, a Promoter Shareholder, has provided guarantee for short term bank loans of RMB500,000,000 of the Group as at 31st December 2004. (2003: various promoter shareholders have provided guarantees for certain short term and long term bank loans of the Group, which amounted to RMB1,430,000,000).
- (c) A fellow subsidiary of the Company has incurred certain development and construction costs of a project on behalf of the Company which amounted to RMB276,205,000 (2003: RMB66,690,000), and was fully reimbursed by the Company on a cost basis as at 31st December 2004. The fellow subsidiary agreed to act on behalf of the Company to obtain all necessary approval and certificates, etc. in relation to the project from the relevant PRC Government authorities while the Company has the right to enjoy the profits, returns and all assets of the project.
- (d) The Company entered into a contract to establish a sino-foreign equity joint venture company with Reco ZiYang Pte Ltd. ("Reco Ziyang", a subsidiary of Reco Hibiscus Pte Ltd., which is a minority shareholder of the Company's subsidiary). The total amount of investment is US\$90,000,000, which shall include the registered capital of US\$60,000,000. The Company and Reco Ziyang shall contribute 55% and 45% of the total amount of investment respectively and share the equity and profit according to the percentage of contribution.
- (e) The Company entered into a contract with a fellow subsidiary, in relation to the acquisition of interest in Beijing Fengdu Real Estate Company Ltd. ("Beijing Fengdu") by the Company with a consideration of RMB22,400,000 for 8.33% of the interest in Beijing Fengdu.

35 有關聯人士交易 (續)

- (b) 於二零零四年十二月三十一日，最終控股公司為本集團之長期貸款人民幣500,000,000元和短期貸款人民幣200,000,000元提供擔保。北京首創陽光房地產有限責任公司，本公司發起人之一，為本集團之短期貸款人民幣500,000,000元提供擔保。(二零零三年：若干發起人為本集團之短期及長期銀行貸款提供合共人民幣1,430,000,000元之擔保。)
- (c) 本公司的一家同系附屬公司於一個項目中代本公司產生若干發展及建築成本，於二零零四年十二月三十一日有關款項，按成本計價，為人民幣276,205,000元(二零零三年：人民幣66,690,000元)，該同系附屬公司同意代本公司向中國有關政府機構取得該項目的一切所需批文及證書等，而本公司有權享有該項目的溢利、回報及擁有所有資產。
- (d) 本公司與Reco Ziyang Pte Ltd. (「Reco Ziyang」，本公司附屬公司少數股東Reco Hibiscus Pte Ltd.之附屬公司)訂立合同成立一中外合資經營公司，該公司之總投資額為90,000,000美元，其中包括60,000,000美元之註冊資本。本公司與Reco Ziyang之出資比例分別為55%及45%並且按出資比例享有該公司權益和收益。
- (e) 本公司與一同系附屬公司訂立協議，以人民幣22,400,000元代價收購其於北京首創風度房地產開發有限公司(「北京風度」)8.33%之權益。

35 RELATED PARTY TRANSACTIONS *(continued)*

- (f) The Company entered into an agreement with Super Shine, Beijing Fengdu and Beijing Xingtai Real Estate Company Ltd. ("Beijing Xingtai"), the Company had made a new capital contribution of RMB43,000,000 to Beijing Xingtai, in which RMB13,800,000 was registered capital contribution, and the remaining RMB29,200,000 was contributed as premium. After the capital injection, Beijing Xingtai held as to 25% by the Company, 56.25% by Super Shine and 18.75% by Beijing Fengdu, and the registered capital of Beijing Xingtai increased to RMB55,180,000.

36 SUBSEQUENT EVENTS

On 27th January 2005, the Company increased its issued share capital through a placing of 102,660,000 H share at a price of HK\$2.16 per share.

37 ULTIMATE HOLDING COMPANY

The Company's directors regard Capital Group, a state-owned limited liability company incorporated in the PRC, as being the ultimate holding company of the Group.

38 APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 22nd March 2005.

35 有關聯人士交易 (續)

- (f) 本公司與陽光股份、北京風度及北京星泰房地產開發有限公司(「北京星泰」)訂立協議，本公司向北京星泰出資人民幣43,000,000元，其中人民幣13,800,000元作為註冊資本出資，餘下人民幣29,200,000元作為溢價出資，列入北京星泰之資本公積。註資後，本公司、陽光股份和北京風度將分別持有北京星泰25%、56.25%及18.75%之股權。而北京星泰之註冊資本增加至人民幣55,180,000元。

36 期後事項

於二零零五年一月二十七日，本公司按照每股2.16港元之價格配售102,660,000股H股以增加其已發行股本。

37 最終控股公司

本公司董事認為，於中國註冊成立的國有有限責任公司首創集團為本集團的最終控股公司。

38 賬目之批准

本賬目已於二零零五年三月二十二日獲董事會批准。