



首創置業股份有限公司
BEIJING CAPITAL LAND LTD.

股份代號 Stock Code: 2868

2006



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Corporate Information

Directors

Executive Directors

Mr. Liu Xiaoguang (*Chairman*)

Mr. Tang Jun (*President*)

Mr. He Guang (*Vice-President*)

Non-Executive Directors

Mr. Feng Chunqin

Mr. Wang Zhengbin

Ms. Zhu Min

Mr. Muk Kin Yau

Independent Non-Executive Directors

Mr. Kwong Kai Sing, Benny *

Mr. Ke Jianmin

Mr. Yu Xingbao *

Mr. Li Zhaojie *

* *Members of the Audit Committee*

Supervisors

Mr. Wang Qi

Mr. Yu Changjian

Mr. Wei Jianping

Independent Supervisor

Mr. Xu Jianhong

Company Secretary

Mr. Ng Wai Hung, Thomas

Qualified Accountant

Mr. Luo Jun

Authorised Representatives

Mr. He Guang

Mr. Ng Wai Hung, Thomas

Registered Office

Room 501, No.1,
Yingbinzhong Road,
Huairou District,
Beijing, PRC

Beijing Headquarters

F17, Red Goldage,
No. 2, Guang Ning Bo Street,
Beijing, PRC

Hong Kong Office

Room 4207, Two Exchange Square,
Central, Hong Kong

Website

<http://www.bjcapitalland.com>

Auditors

PricewaterhouseCoopers

Legal Advisers

As to Hong Kong law:
Lu, Lai & Li

As to PRC law:
Jingtian & Gongcheng

Principal Bankers

China Development Bank

China Construction Bank

DBS Bank

China Merchants Bank

China Minsheng Bank

Listing Information

Stock Code for H Share

Hong Kong Stock Exchange	2868
Reuters	2868.HK
Bloomberg	2868HK

Board Lot Size

H Share	2,000
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H Share Registrar

Computershare Hong Kong Investor Services Limited
Room 1712-1716,
17th Floor, Hopewell Centre,
183 Queen's Road East,
Hong Kong
Telephone : (852) 2862 8628
Fax : (852) 2529 6087

Investor Relations Contact

Email address: pr@bjcapitalland.com.cn

H Share Information

	Year 2006			Year 2005		
	Price High (HK\$)	Price Low (HK\$)	Total Trading Volume (No. of Shares)	Price High (HK\$)	Price Low (HK\$)	Total Trading Volume (No. of Shares)
First Quarter	3.950	2.225	406,706,000	2.700	1.950	299,352,799
Second Quarter	4.225	1.960	374,653,171	2.350	1.590	202,010,100
Third Quarter	3.210	2.500	212,209,706	2.250	1.590	221,035,405
Fourth Quarter	4.040	2.810	681,717,135	2.350	1.750	235,191,773

Listed on the Hong Kong Stock Exchange on 19th June 2003.
Closing share price as at 31st December 2004: HK\$2.275.
Closing share price as at 30th December 2005: HK\$2.275.
Closing share price as at 29th December 2006: HK\$3.980.

Financial Highlights

Financial Summary *

(in RMB '000 unless otherwise stated)

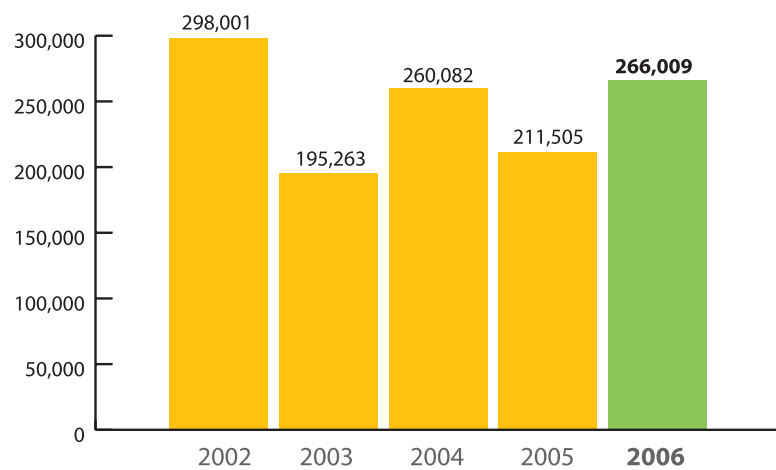
Year ended 31st December	2006	2005	2004	2003	2002
Revenue	2,039,352	1,134,769	1,629,332	1,874,169	2,887,032
Profit before income tax	246,799	230,559	391,776	404,029	524,546
Income tax expenses	(10,440)	(38,242)	(97,500)	(139,948)	(184,848)
Profit for the year	236,359	192,317	294,276	264,081	339,698
Attributable to:					
Equity holders of the Company	266,009	211,505	260,082	195,263	298,001
Minority interests	(29,650)	(19,188)	34,194	68,818	41,697
	236,359	192,317	294,276	264,081	339,698
As at 31st December	2006	2005	2004	2003	2002
Total assets	15,386,861	10,058,779	8,772,438	8,013,951	5,591,244
Total liabilities	10,720,930	6,873,312	5,969,496	5,264,127	4,161,809

* Note:

The above table summarises the results, assets and liabilities of the Group. The figures for the financial year of 2002 are presented on a combined basis as if the current group structure had been in existence before the listing of the Company.

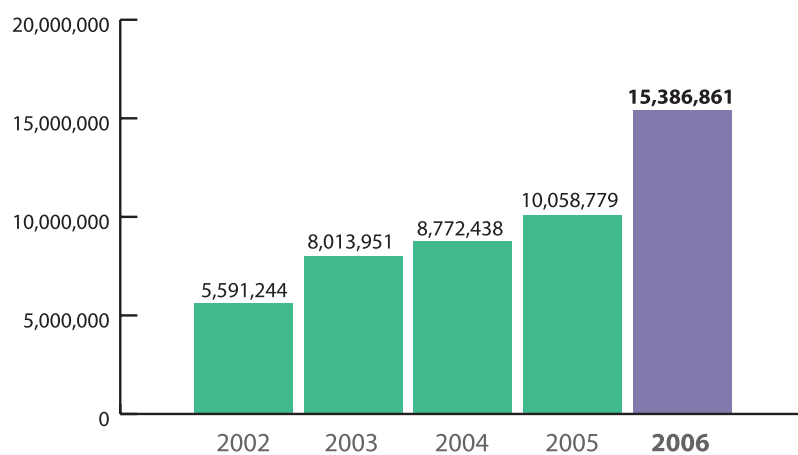
Profit Attributable to Equity Holders of the Company

(RMB '000)

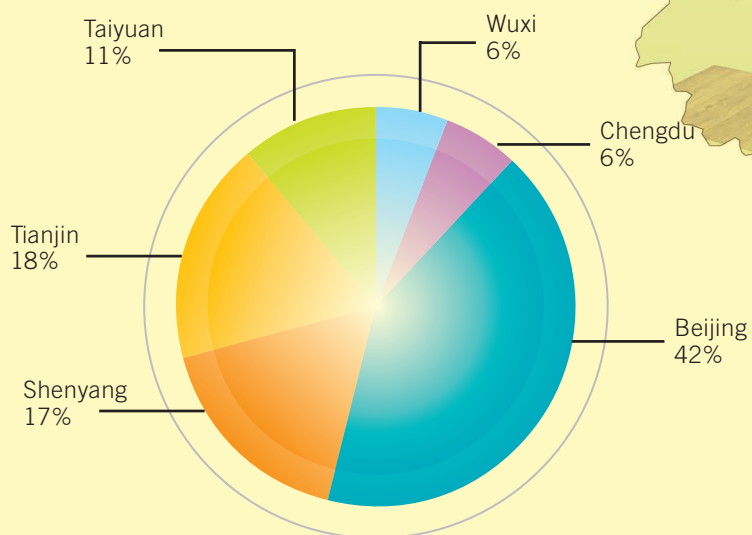


Total assets

(RMB '000)



Property Portfolio



Location Map of Our Projects in Beijing



- | No. | Project |
|-----|--|
| 1 | Holiday Inn Central Plaza Beijing |
| 2 | Inter Continental Financial Street Beijing |
| 3 | Sunshine Building |
| 4 | Vancouver Forest |

- | No. | Project |
|-----|-----------------|
| 5 | The Reflections |
| 6 | Upper East Side |
| 7 | Urban Town |
| 8 | A-Z Town |

- | No. | Project |
|-----|--|
| 9 | Beijing World Center |
| 10 | The Interwest |
| 11 | North Ring Center |
| 12 | The Financial Street No.1 (The Center) |

Hotel Property — Completed

No.	Project	Location	Type	Approximate Attributable Interest	Approximate Site Area (sq.m)	Approximate GFA (sq.m)
1	Holiday Inn Central Plaza	No. 92 Zaolingqian Avenue, Xuanwu District, Beijing	Hotel	100%	20,100	50,700
2	Inter Continental Financial Street Beijing	No. 6, Zone A, Finance Street, Xicheng District, Beijing	Hotel	34%	12,900	42,900

Investment Property — Completed

No.	Project	Location	Type	Attributable Interest	Approximate Site Area (sq.m)	Approximate GFA (sq.m)	Lease Term
3	Sunshine Building	Block A, TieLuXiang, Xizhimenwai Avenue, Xicheng District, Beijing	Office/Commercial	35%	9,400	51,700	Medium

Development Property — Under Development

No.	Project	Location	Type	Attributable Interest	Approximate Site Area (sq.m)	Approximate GFA to be carried forward or under development (sq.m)	Completion/Expected Completion (Year)
4	Vancouver Forest	Dongshagezhuang, Beiqijia Town, Changping District, Beijing	Villa/Commercial	70%	549,100	29,800	2006
5	The Reflections	Yuyuantan, Haidian District, Beijing	Residential/Commercial	55%	17,900	150,200	2007
6	Upper East Side	Daqing Temple, Jiangtaixiang, Chaoyang District, Beijing	Residential/Commercial/Hotel	25%	190,500	410,000	
	6.1 Phase I					54,000	2005
	6.2 Phase II					61,400	2006
	6.3 Phase III					112,000	2007
	6.4 Phase IV					105,000	2007
	6.5 Hotel					77,600	2008
7	Urban Town	Heping Lane, Chaoyang District, Beijing	Residential/Commercial	50%	100,000	317,000	
	7.1 Phase I					109,900	2007
	7.2 Phase II					132,200	2008
	7.3 Phase III					74,900	2009
8	A-Z Town	Shi Li Pu Residential Project, Beijing	Residential/Commercial	55%	126,200	407,400	
	8.1 Phase I					3,200	2006
	8.2 Phase II					183,700	2007
	8.3 Phase III					220,500	2008
9	Beijing World Center	West Lane, Hujialou, Chaoyang District, Beijing	Office/Residential/Commercial	80%	86,300	295,800	
	9.1 Phase I					108,900	2007
	9.2 Phase II					142,400	2009
	9.3 Phase III					44,500	2010
10	The Interwest	No. 9, Shouti Road South, Haidian District, Beijing	Residential/Commercial/Office/Service Apartment	50%	98,500	306,100	2007
11	North Ring Center	No. 29 Central Road, the North Third Ring Road, Xicheng District, Beijing	Residential/Commercial	100%	28,000	141,500	
	11.1 Phase I					15,300	2006
	11.2 Phase II					126,200	2009
12	The Financial Street No.1 (The Center)	No. 3, Zone A, Finance Street, Zicheng District, Beijing	Office/Commercial	45%	12,400	96,500	2008

No.	Project	Location	Type	Attributable Interest	Approximate Site Area (sq.m)	Approximate GFA to be carried forward or under development (sq.m)	Completion/ Expected Completion (Year)
13	Tianjin Butchart Garden (Tiangin Ruijing Residential Project)	Beichen District, Tianjin	Residential/Commercial	55%	331,000	450,900	
13.1	Phase I					6,500	2006
13.2	Phase II					142,000	2007
13.3	Phase III					302,400	2008
14	Taiyuan Changfeng Residential Project	Wanbailin District, Taiyuan, Shangxi Province	Residential/Commercial	55%	200,000	644,300	
14.1	Phase I					44,900	2008
14.2	Phase II					255,800	2009
14.3	Phase III					183,700	2010
14.4	Phase IV					159,900	2011
15	Wuxi Gentle House (Wuxi Tianyi Residential Project)	Xishan District, Wuxi, Jiangsu Province	Residential/Commercial	60%	163,000	334,300	
15.1	Phase I					91,100	2007
15.2	Phase II					55,700	2008
15.3	Phase III					187,500	2009
16	Chengdu A-Z Town (Chengdu Chenghua Residential Project)	Chenghua District, Chengdu, Sichuan Province	Residential/Commercial	55%	68,300	356,800	
16.1	Phase I					338,600	2008
16.2	Phase II					18,200	2009
17	Shenyang Yinhe Wan Project	Qi Pan Shan District, Shenyang, Liaoning Province	Residential/Commercial	50%	471,400	931,300	
17.1	Phase I					59,600	2007
17.2	Phase II					67,800	2008
17.3	Phase III					150,000	2009
17.4	Phase IV					110,500	2010
17.5	Phase V					283,500	2011
17.6	Phase VI					259,900	2012
18	Tianjin Binhai New District Residential Project	Tanggu District, Tianjin	Residential/Commercial	55%	233,300	528,400	
18.1	Phase I					138,300	2008
18.2	Phase II					125,600	2009
18.3	Phase III					134,400	2010
18.4	Phase IV					130,100	2011
	Sub-total					5,545,600	

Note:

- Information stated in table updated as at 28th February 2007.
- Approximate site area according to the newly obtained land use right certificates or land transfer agreements for all projects.
- Approximate GFA according to the actual measurement upon completion of construction for completed properties.
- Approximate GFA to be carried forward according to the actual measurement upon completion of construction for properties under development.
- Approximate GFA under development according to the newly obtained planning documents and the latest corporate planning for properties under development.



The opening ceremony for the “Gate of Olympic” at North Ring Center

Corporate Milestones of the Year

-  In January 2006, the Group made its first foray into the Yangtze River Delta region through acquisition of Wuxi Gentle House through open bidder with a total consideration of approximately RMB 440 million, increasing the Group’s land bank by approximately 330,000 sq. m..
-  In March 2006, Mr. Juan Antonio Samaranch, President of the International Olympic Committee officiated the opening ceremony for the “Gate of Olympic” at North Ring Center and attended the international forum of “Olympic Economy and Urban Development” organized by BCL.
-  In March 2006, the Group tapped into the southwest China through acquisition of the Chengdu A-Z Town residential project through public auction with a total consideration of approximately RMB 390 million, increasing the Group’s land bank by approximately 360,000 sq. m..
-  In May 2006, the Group signed a memorandum of cooperation with China Construction Bank for the provision of financial services in support of the Group’s nationwide expansion plan.
-  In June 2006, the Group acquired The Interwest in Beijing, increasing its land bank by approximately 310,000 sq. m..
-  In July 2006, the Group kick-started the project of “Optimization of management control and workflow system” through setting up of a special work team and appointment of Deloitte Consulting as its management consultant, with an aim of improving and promoting the management model, corporate structure and workflow.
-  In October 2006, the Group successfully placed approximately 312 million new H shares to raise a net proceeds of approximately HK\$850 million for acquisition of land bank and development of existing projects.
-  In November 2006, the Group made its first foray into the northeast China through acquisition of the Shenyang Yinhe Wan residential project, increasing the Group’s land bank by approximately 930,000 sq. m..
-  In December 2006, first batch of owners was in occupation at Tianjin Butchart Garden, demonstrating achievements of the Group’s nationwide expansion strategy in early stage.

Major Awards of the Year at a Glance



Triumph with Beijing

Award-winning Unit	Award	Judge and Organizer	Date
Beijing Capital Land	Top 10 Commercial Property Enterprises in the PRC	Global Real Estate Research Institute Science and Technology Committee, Ministry of Construction Development Committee, China Real Estate Industry Association	January 2006
Beijing Capital Land	Top 10 Real Estate Brands in the PRC	"An Jia" Magazine, Sohu.com.cn, Focus.cn Industrial Association of Industrial, Commercial and Residential Real Estate Industry in Beijing	January 2006
Beijing Capital Land	2006 Blue-chip Property Developers in the PRC	The Economic Observer	September 2006
Beijing Capital Land	Top 10 Real Estate Enterprises for Brand Equity in the PRC	Corporate Research Institute, the Development Research Institute of the State Council Real Estate Research Institute, Tsing Hua University China Index Research Institute	September 2006
Beijing Capital Land	2006 Model Enterprises in the Real Estate Industry of the PRC	Corporate Research Institute, the Development Research Institute of the State Council Real Estate Research Institute, Tsing Hua University China Index Research Institute	September 2006

Chairman's Statement



Mr. Liu Xiaoguang *Chairman*

The Group has been adjusting its business strategy in a timely manner since 2005. By speeding up the construction of properties and accelerating its nationwide expansion, the Group successfully laid a solid foundation for its remarkable 2006 results. Under the concerted effort of the management and all staff members, the Group not only returned to its growth track but also reached new heights in its corporate development.

Dear Shareholders,

On behalf of the Board of Directors of Beijing Capital Land Ltd. (“BCL” or the “Company”, together with its subsidiaries, the “Group”), I am pleased to present the Group’s annual report for the year ended 31 December 2006.

In 2006, the Group achieved significant breakthrough with record high contracted sales revenue and contracted sales area. During the year, total contracted sales revenue exceeded RMB8.58 billion, representing a year-on-year growth of 265%. Total contracted area reached 678,000 sq. m, an increase of 152% when compared with that of the previous year. In view of the adoption of new Hong Kong accounting standards and the implementation of a series of macroeconomic austerity measures, the Group has been adjusting its business strategy in a timely manner since 2005. By speeding up the construction of properties and accelerating its nationwide expansion, the Group successfully laid a solid foundation for its remarkable 2006 results. Under the concerted effort of the management and all staff members, the Group not only returned to its growth track but also reached new heights in its corporate development.

Benefited from rapid urbanization and increasing income per capita, the Chinese economy continued to experience robust development in 2006, which was demonstrated by a GDP growth of 10.7%. During the year under review, the State Council announced a series of measures promoting the healthy development of the property market, including suspending the approval of land for the construction of villas and low-density residential properties,



Board Meeting

encouraging the development of mid-to-low end and small-sized residential projects and regulating foreign investment in the real estate market of China. These initiatives aim to curb the overheating property market and over investment by adjusting currency supply through monetary measures to increase investment cost with an ultimate goal of promoting the healthy development of the real estate market in mainland China.

Nonetheless, these austerity measures inevitably affect the domestic property market. As such, BCL adjusted its strategy to be in line with the national policy by developing mass residential projects so as to cater to market demands. The Group achieved impressive sales performance with increases in both sales volume and selling price bolstered by the robust housing demand.

During the year under review, the Group's turnover amounted to RMB2,039,352,000, posting a growth of 80% over that of the previous year. Profit attributable to equity holders was RMB266,009,000, a year-on-year increase of 26%.

To reward for shareholders' support, the Board recommended the payment of RMB6 cents per share as the final dividend for the year ended 31st December 2006, increasing the dividend payout ratio to 46%.

To achieve long term and sustainable development, the Group implements the strategy of "strengthening presence in three focus developments areas, namely Bohai Rim, southwest China and Yangtze River Delta region". By securing five new development projects, which are mainly residential projects, in Beijing, Wuxi, Chengdu, Shenyang and Tianjin, the Group increased its GFA for development by 2.46 million sq. m.. BCL endeavors to establish a strong foothold in other major cities in China, so as to expedite continued and stable business growth. As the Group rolls out its residential projects in Beijing and areas outside the capital city, we expect 2007 will be a year of fruitful rewards for the Group.

In order to strengthen the Group's competitive edges in land, products, brandname and assets, the Group has devised a series of development strategies to capture the opportunities arising from the rapid development of the China property market. The Group will reinforce its management reform to enhance systematic management, accelerate product standardization and adopt strategic cost control. While implementing innovative business model and utilizing its competitive advantages of integrated operations, the Group will recruit high-calibre candidates and enhance training to talented staff. By focusing on the development of residential properties and expansion in key cities, the Group will swiftly expand its operation scale and reduce development cost through replicating its standardized products in a highly efficient manner.

Looking ahead, the upcoming Beijing Olympics will further promote the image of China in the global market. In addition, the rapid economic growth resulting in higher wealth effect will further drive the enormous housing demand in the domestic market. On the other hand, as the Group adopts various strategic initiatives, including the upgrading of management system, replication of standardized products, strategic cost control and expansion in key areas, BCL will be well-poised to ride on favorable market opportunities and create value in terms of land, product, brandname and asset for each project.

On behalf of the Board, I would like to express my sincere gratitude to clients, business partners and shareholders. Furthermore, I would like to take this opportunity to thank all our staff members for their exertions and valuable contribution. The Group will also strive to maintain high level of corporate governance and transparency. By leveraging on its unrivalled edges, BCL is committed to expediting the growth of property market and joining hands with our clients for robust business development and a prosperous future.

Liu Xiaoguang

Chairman

Beijing, the PRC, 16th March 2007

Management Discussion and Analysis



Mr. Tang Jun *President*

With the imminent 2008 Beijing Olympics, continuous development of Olympic economy and its promotion for the development of various industries will gradually realise, in particularly favourable for the development of the property industry.

As one of the leading integrated property operators in China, BCL is confident of becoming a major internationalized integrated property operator, propelling the development of China's property industry.

Business Environment

Overview of the PRC Property Market

China's economy maintained strong growth momentum in 2006

In 2006, Gross Domestic Product (“GDP”) of the PRC reached RMB20.94 trillion, up 10.7% as compared with that of the previous year. Per capita disposable income of residents in cities and towns was RMB11,759, representing an actual growth of 10.4% upon excluding the impact of inflation. This indicated a significant increase in residents’ consumption. The rapid increase in residents’ income and affordability contributed to the stable growth in the demand for residential properties. (Source: National Bureau of Statistics of China, State Information Center)

Chinese property market achieved stable and rapid development in 2006

In 2006, the PRC Government strengthened the implementation of macroeconomic measures. By increasing the base rate for the second time, modifying tax collection and credit policies, adjusting the supply of residential properties and controlling foreign investment, the PRC Government aimed at further regulating the development of the property market. Government policies changed from control in supply to structural adjustment, which was favorable for the long-term and healthy development of the property market. Investment in property development



Tianjin Butchart Garden (Artist impression)

amounted to RMB1,938.2 billion in 2006, posting a year-on-year increase of 21.8%, of which commodity housing accounted for RMB1,361.2 billion, up 25.3%. Sales of commodity housing reached RMB2,051 billion, of which sales of pre-sold properties accounted for to RMB1,436.6 billion, or 70.0% of the total sales of commodity housing. The PRC property market maintained stable and healthy development.

Domestic demand for residential property continued to be strong in 2006 while there might be tight supply in future

For the first eleven months of 2006, gross floor area (“GFA”) and sales revenue of commodity housing sold in China totaled 416 million sq. m. and RMB1,349.3 billion, representing year-on-year growth of 6.3% and 11.1% respectively. Economic growth, rapid increase in income coupled with accelerating urbanization led to the simultaneous growth of the demand for residential properties. Growth in property prices in 70 top cities increased by 5.5%, a reduction of 2.1 percentage points when compared with the growth for last year. Increase in property prices has been slowing down in recent three years, indicating that the austerity measures implemented since 2004 were effective. As the income growth outpaced the increase in property price, it is expected that the housing demand will further increase. Meanwhile, land supply continued to drop. For the first ten months of 2006, area of land being acquired was 268.27 million sq. m., a decrease of 2.6% when compared with the corresponding period of last year. In 2006, completed GFA of commodity housing amounted to 530.19 million sq. m., down 0.6%, which implies that future supply will remain tight. Currently, all land transfers are conducted through open transaction while credit has been tightening. In view of the prevailing strong market demand, it will be favourable for large-scale property operators to facilitate rapid expansion and increase its market share leveraging on their reputation and economy of scale. (Source: National Bureau of Statistics of China, State Information Center)

Overview of the Beijing Property Market

Beijing economy continued to experience robust economic growth in 2006

The GDP of Beijing reached RMB772 billion in 2006, representing a year-on-year growth of 12% and marking the eighth consecutive year for achieving double-digit growth in its economy. In terms of permanent population, GDP per capita in Beijing reached RMB49,505 (approximately US\$6,210), posting a rise of 8.8% as compared with that of the previous year. This is also the first time for Beijing’s GDP per capita exceeds US\$6,000. Per capita disposable income of residents in cities and towns was RMB 19,978, representing a year-on-year growth of 12.2% excluding the impact of inflation. As the residents’ affordability significantly increased, housing demand continued to surge. (Source: Beijing Municipal Bureau of Statistics).



Apartments of A-Z Town



Apartments of A-Z Town (Artist impression)

In 2006, demand of residential properties in Beijing exceeded supply, resulting in continuous decrease in vacancy rate

In 2006, total transaction area of Beijing residential properties amounted to 22.05 million sq. m., of which transaction area of pre-sold residential properties accounted for 15.84 million sq. m., or 72%, and that of completed residential properties accounted for 6,210,000 sq. m, or 28%. Affected by the structural adjustment of residential property supply, regulation on foreign investment and the credit tightening of property loan, residential property supply in Beijing reduced substantially in 2006, with completed construction area of residential properties dropped by 22.8% to 21.93 million sq. m. in GFA. Sales of residential properties amounted to RMB162.6 billion, an increase of 8.2% over that of the previous year, of which pre-sold residential properties and completed residential properties accounted for 76% and 24% respectively. Residential housing index of Beijing was 109.6 in 2006, increased by 9.6 percentage points over that of the previous year. Vacancy rate further reduced as a result of over demand of residential properties in Beijing. In 2006, vacant residential area was 4.94 million sq. m., a decline of 3.06 million sq. m. as compared to that of the previous year. (Source: Beijing Municipal Bureau of Statistics, State Information Center)

Future residential supply in Beijing will remain tight

In 2006, new construction area of residential properties amounted to 63.11 million sq. m., representing a decrease of 13.3%. Land supply increased when compared with the previous year. Land area sold for residential property development in Beijing for the year amounted to 9.19 million sq. m., an impressive rise of 57% over that of 2005. However, supply is still insufficient to cater to market demand when compared with the total transaction area of 22.05 million sq. m. for pre-sold and completed residential properties. Based on the above leading indicators of residential property development, the future supply of residential property in Beijing will remain tight and selling price will maintain stable growth. (Source: Beijing Municipal Bureau of Statistics)

Overview of Tianjin Property Market

As one of the key cities in the Bohai Economic Rim, Tianjin's economy sustained stable and rapid growth in 2006 capitalizing on the opportunities brought forth by the development of the New Binhai District. In 2006, Tianjin's GDP totaled RMB433.8 billion, an increase of 14.4% in terms of comparable price. Per capita disposable income in Tianjin increased by 13% to RMB14,283 (approximately US\$5,177). It was the third city following Shanghai and Beijing, with per capita GDP exceeding US\$5,000.

The new Binhai District of Tianjin further strengthened its leading position in the region and achieved a GDP of RMB196 billion in 2006, surged by 20.2%, accounting for 45% of the total GDP of Tianjin, representing a growth of 1.1 percentage points when compared with the growth in last year. With the commencement of several infrastructure projects, including Beijing-Tianjin Express Railway, the second Beijing-Tianjin-Tang Highway and the extension of Tianjin Binhai International Airport, transportation and infrastructural facilities in Tianjin will become more comprehensive. During the year, urban infrastructure development attained new progress, of which the Tianjin section of Beijing-Shanghai Expressway completed construction and was put into operation; Route 1 of Tianjin Metro Transit Railway commenced trial operation; expressway in urban area expanded by 40 km to a total of 160 km; Route 2 of Tianjin Metro Transit Railway commenced construction; sea-river development and old roads upgrading work were also kick-started. The completion and operation of these infrastructural facilities will further expedite the development of Tianjin's economy and property market.

Amid rapid economic development, the Tianjing property market also experienced robust growth. In 2006, investment in property development totaled RMB40.2 billion, representing a year-on-year growth of 22.8%. New construction area of commodity housing grew by 18% to 61.65 million sq. m. and completed construction area of residential properties reached 21.55 million sq. m., posting a growth of 5.5%. Furthermore, area of commodity housing sold reached 14.59 million sq. m., up 4%, while sales revenue amounted to RMB69.6 billion, a surge of 21.2%. Average selling price of commodity housing was RMB4,774 per sq. m, an increase of 21.8%. For the first eleven months of 2006, sales area of commodity residential housing amounted to 10.12 million sq.m. up 2.7% while sales revenue amounted to RMB 47 billion, up 26.3%. (Source: Tianjin Municipal Government, Tianjin Municipal Bureau of Statistics, Management Committee of Tianjin Binhai New District)

Overview of Taiyuan Property Market

Taiyuan, located in northern China, is the capital city of Shanxi Province. In 2006, Taiyuan's economic development reached new heights with a GDP of RMB101.3 billion, posting a growth of 11.5%. Disposable income per capita in Taiyuan reached RMB11,740 in 2006, a growth of 12.1%. The surge in residents' income level boosted the demand for residential properties. For the first three quarters of 2006, property prices in Taiyuan recorded a growth of 8.7% over that of the previous year, of which the selling price of residential property grew by 6.4%. (Source: National Bureau of Statistics of China, Shanxi Provincial Statistics Bureau, Taiyuan Municipal Bureau of Statistics)

Overview of Chengdu Property Market

Chengdu, located in southwest China, is the capital city of Sichuan Province. In 2006, GDP of Chengdu amounted to RMB275 billion, representing a year-on-year growth of 13.8% and the 13th consecutive year of achieving double-digit growth. Per capita disposable income of residents in cities and towns was RMB12,789, posting a growth of 12.6%. Significant increase in residents' purchasing power led to the prosperous development of the property market. In 2006, investment in property development increased by 36.4% to RMB53.4 billion, of which investment in residential properties surged by 45.2% to RMB36.6 billion. The prosperous demand for commodity residential properties fuelled the impressive growth in the transaction volume of commodity housing. Total transaction area of commodity residential properties in Chengdu was 17.84 million sq. m. in 2006, representing a year-on-year increase of 35.7%. In 2006, completed construction area of commodity residential properties grew by 35.1% to 19.42 million sq. m.. It is expected that the development potential of Chengdu property market remains strong. In 2006, the average transaction price of residential properties in Chengdu was RMB3,511 per sq. m. (Source: Chengdu Municipal Government, State Information Center, Chengdu Municipal Bureau of Statistics, Chengdu Municipal Bureau of Land Resources and Housing Management)

Overview of Wuxi Property Market

Wuxi is key economic hub of Jiangsu Province in the Yangtze River Delta Region. In 2006, the GDP of Wuxi amounted to RMB330 billion, which represented a growth of 15.3% in terms of comparable price. Per capita disposable income of residents in cities and towns reached RMB18,189, a year-on-year increase of 13.6%. Investment in property development in Wuxi surged in 2006, with investment amounted to RMB27.7 billion, a growth of 21.5% over that of the previous year. Sales revenue of commodity housing in Wuxi totaled RMB17.8



Chengdu A-Z Town (Artist impression)



North Ring Centre

billion in 2006, representing a year-on-year growth of 4.23%. (Source: Wuxi Municipal Government, Wuxi Municipal Bureau of Statistics, Wuxi Real Estate Index)

Overview of Shenyang Property Market

Shenyang, located in northeast China, is the capital city of Liaoning Province. In October 2006, Shenbei New District was identified as the fourth key development region of the nation by the State Council, following Shanghai Pudong New District, Tianjin Binhai New District and Zhengzhou Zhengdong New District. In addition, RMB7 billion will be invested in Shenbei New District in 2007, for the construction of urban infrastructural facilities, such as the redevelopment of road network. As the nation implemented its development strategy in Shenbei New District, Shenyang's economy and property market will enter into a stage of rapid and long-term growth.

In 2006, GDP of Shenyang amounted to RMB246.8 billion, representing a growth of 16.2%, which was 0.2 percentage point higher than the growth of the previous year. Fixed assets investment was RMB177.2 billion, up 30%. Per capita disposable income of residents in cities and towns rose by 14.7% to reach RMB11,580 and ranked high among other Chinese cities. This demonstrated the remarkable growth of the residents' affordability in Shenyang, which in turn bolstered the significant increase in the demand for residential properties. In 2006, the pre-sale price of commodity residential properties in Shenyang was RMB3,222 per sq. m., which posted a year-on-year increase of 3.6%. Property price maintained a stable rising trend. (Source: State Information Center, Seminar on Economic and Social Development by Shenyang Municipal Committee, Shenyang Real Estate Research Institute)

Business Review

During the year under review, the Government further strengthened its macroeconomic control and announced a series of policies and regulations, including the adjustment of residential property supply structure, increase in interest rate hikes, regulating foreign investment in real estate market, regulating foreign exchange management of real estate market, tightening control of land supply as well as the stringent imposition of individual income tax on housing transfer. In February 2007, the government promulgated the strict collection of land appreciation tax. As provision for the relevant taxation has been made, this measure will not significantly affect the Group. The Group proactively adjusted its operation strategy to mitigate the impact of macroeconomic control while strengthening the execution of the Group's projects in the nation, capturing favorable market opportunities and fully utilising its competitive advantages to achieve growth in its annual results performance.



The Financial Street No. 1 (Artist impression)

The Group's revenue for the year amounted to RMB2,039,352,000, representing a year-on-year increase of 80%. Operating profit was RMB362,203,000 and profit attributable to shareholders was RMB266,009,000, which posted a year-on-year increase of 31% and 26% respectively. Basic earnings per share totaled to RMB15.05 cents, which was RMB12.39 cents in 2005. The Board of Directors recommended the payment of RMB6 cents per share as the final dividend for the year ended 31st December 2006 (2005: RMB5 cents per share).

During the year under review, the Group achieved the following breakthroughs in different aspects of its operations and management.

- Established a strong foothold in Beijing and gradually expedited regional expansion strategy. — The Group is pursuing its nationwide expansion strategy with a focus on the development of three strategic regions, namely Bohai Rim, southwest China and Yangtze River Delta Region. With Beijing, Chengdu and Nanjing as the core city for each region, the Group extended its business reach to other cities in the regions. During the year, the Group successfully increased its land bank by approximately 1.93 million sq. m..
- Recorded impressive sales performance. — The Group's contracted sales revenue reached RMB8.58 billion in 2006, representing a year-on-year growth of 265%. Meanwhile, Beijing World Center and The Interwest Project ranked among the top ten Beijing property projects in terms of sales revenue in 2006, which demonstrated that its growing brand awareness.
- Enhanced financial position leveraging on its access to the capital markets. — In October 2006, the Group successfully issued an additional 310 million H shares, raising a net proceeds of approximately HK\$850 million.
- Strengthened international collaboration. — The Group further strengthened its collaboration with GIC by jointly investing in Chengdu and Shenyang projects, increasing the number of its joint venture projects with GIC from four in 2005 to a total of six in 2006. As for the Wuxi project jointly developed with AG, a US fund, the Group achieved new breakthrough in terms of cooperation partners and cooperation model.
- Optimised management control and workflow re-engineering. — The Group outlined clear goals for the operational management control during the transitional period and the strategic management control in the long run. The Group re-established its organisational structure, which clearly divided the scope of management and duties between the headquarters and project companies. In addition, the communications and coordination of different professions were enhanced. The Group carried out workflow re-engineering based on the new management model, so as to strengthen management control and improve management efficiency.

Property Development

During the year under review, the Group together with its jointly controlled entities and associates completed five development projects with a total GFA of 332,400 sq. m..

Development Projects Completed in FY2006

Property	Type	Approximate GFA Completed (sq. m.)	Interests Attributable to the Group
North Ring Center Phase I	Residential	54,800	100%
A-Z Town Phase I	Residential	27,000	55%
Vancouver Forest District E	Villa	52,700	70%
Tianjin Butchart Garden Phase I	Residential	61,900	55%
Upper East Side Districts C6 and C7	Residential	136,000	25%
Total		332,400	

Property Sales Performance

In 2006, contracted sales area of the Group was approximately 678,000 sq. m., up by 152% from the previous year, in which residential, commercial and office properties accounted for approximately 480,000 sq. m., 9,000 sq. m. and 189,000 sq. m. respectively. Contracted sales revenue in 2006 increased by 265% to approximately RMB8.58 billion, in which residential, commercial and office properties accounted for approximately RMB5.26 billion, RMB250 million and RMB3.07 billion respectively.



Tianjin Butchart Garden



Urban Town (Artist impression)



Launch of Urban Town

During the year, the Group devised its development and sales strategies in a prudent manner in accordance with the changing landscape of the property market. By leveraging on its excellent project quality, effectively sales strategy and quality customer services, the Group recorded impressive sales growth and achieved historical highs in total contracted sales revenue and total contracted sales area, marking its rewarding stage for its corporate development. For the year under review, the Group and the Bank of China (“BOC”) jointly organised a one-week promotional roadshow exhibition of BCL’s famous projects, namely “Construction an Ideal Home” at BOC’s headquarters and received overwhelming response. The Group launched a number of projects, including The Reflections, Urban Town, A-Z Town, Tianjin Butchart Garden, Beijing World Center, The Interwest Project and North Ring Center. Capitalising on their prime locations, outstanding community planning and environment, excellent product quality and effective sales strategies, these projects became best selling properties in town. The Group also enhanced the competitive edges of the existing projects, such as Upper East Side and Vancouver Forest, with encouraging sales performance. Meanwhile, the occupation dates of North Ring Center, A-Z Town and Tianjing Butchart Garden were ahead of schedule, receiving extensive recognition from property owners.

As the representative projects of the Group’s “Urban Internationalised High-end Community” series, the outstanding quality and unique living philosophy of The Reflections and Upper East Side obtained recognition from the industry and property owners, becoming the model high-end residential projects in Beijing. Located next to the largest aquatic park, Yu Yuan Tan, The Reflections is a luxury residential project designed by Mr. Bofill, a maestro of the Spanish architectural industry. With royal living culture as the design theme, the project comprises three high-rise buildings in ladder-shaped order from west to east, realising the modern living concept of “urban lifestyle in a greenery environment”. The project is well-received by the market and recorded a contracted sales revenue of approximately RMB730 million during the year. With its differentiated positioning, Upper East Side continued to consolidate its leading market position as a high-end residential property in eastern Beijing and achieved contracted sales revenue of approximately RMB1,140 million.

In addition, the Group’s “Urban High-density Integrated Community” series also posted impressive performance. A-Z Town attracted a number of property owners and potential clients of high tastes, high social class and high income with its full-fledged services, unrivalled brand strategy and the concept of integrated community development. The Group established the leading position of A-Z Town in the high-end community of sub-CBD and achieved a contracted sales revenue of approximately RMB840 million in 2006. Meanwhile, the Group replicated the successful model of A-Z Town project in Chengdu, which marked the implementation of product standardization strategy. The Urban Town commenced sale in May 2006 and 90% of units were sold within a week of its launch, recording a contracted sales revenue of approximately RMB840 million.

Tianjin Butchart Garden is the Group's first project developed and completed in regions outside Beijing, signifying its regional expansion strategy and the roll-out of "Urban Low-density Community" product series. Located at Beichen District in Tianjing with extraordinary community environment, the project is adjacent to the largest botanical garden in Tianjin, which has a site area of over two million sq. m.. Tianjin Butchart Garden attained the development objective of "commencing construction, completing construction and delivery in the same year" and recorded a contracted sales revenue of approximately RMB430 million.

Beijing World Center and The Interwest Project are the two landmark integrated developments of the Group, located at the CBD and central government district ("CGD") respectively. Phase I of Beijing World Center will be developed into a Grade A office with a unique arc-shaped outlook. This project combines advanced technology and user-friendly architecture and places a strong emphasis on environmental protection by pioneering the industry to adopt the "Closed-end and ecologically ventilated garbage treatment system". Beijing Interwest Project is positioned as a new urban integrated project with office, commercial, residential, hotel and club house properties at one location. The Group implemented the sales model of "order by anchor tenants" for the two projects and successfully entered into agreement with large-scale enterprises, such as Taikang Life, China State Shipbuilding Corporation, China Architecture Design and Research Group and China Information Technology Designing and Consulting Institute. During the year, Beijing World Center and The Interwest Project recorded contracted sales revenue of approximately RMB 1.44 billion and RMB 2.37 billion respectively.

During the year under review, the Group further integrated the resources of "BCL Customers Club". By collecting clients' comments and suggestion on the Group's products, maintaining long-term client relationships and carrying out project promotion among existing clients, BCL has become clients' choice for multiple housing purchases.



The Interwest (Artist impression)

The following table shows the sales of major development projects of the Group, together with its jointly controlled entities and associated companies, during the year under review:

Project	Approximate contracted sales area (sq. m.)	Approximate contracted sales revenue (RMB'000)	Approximate average contracted selling price (RMB/sq. m.)
Residential	480,300	5,264,700	11,000
Sydney Coast	4,200	42,800	10,200
Vancouver Forest	46,900	392,600	8,400
Upper East Side	75,900	1,144,700	15,100
A-Z Town	83,800	835,100	10,000
The Reflections	35,700	733,600	20,600
The Urban Town	81,400	841,200	10,300
Tianjin Butchart Garden	89,500	431,400	4,800
Residential Properties of North Ring Center	18,000	212,100	11,800
Residential Properties of The Interwest Project	44,900	631,200	14,100
Commercial	8,700	245,000	28,200
Commercial Properties of North Ring Center	900	22,700	25,200
Commercial Properties of Beijing World Center	1,700	48,900	28,800
Commercial Properties of The Interwest Project	6,100	173,400	28,400
Office	188,700	3,067,500	16,300
Office Properties of Beijing World Center	65,100	1,388,100	21,300
Office Properties of Capital Development Tower	14,400	113,000	7,800
Office Properties of The Interwest Project	109,200	1,566,400	14,300
Total	677,700	8,577,200	



Inter Continental Financial Street Beijing

Hotel Operation

During the year under review, Central Holiday Inn continued to focus on its positioning as a “conference and business hotel”. By launching various client-retention measures including “Prestige Club” membership scheme, introducing “Your Customer Services Manager” and “Guest Recognition Program”, the Group increased the number of long-term clients and attained remarkable performance in expanding its client base for conferences and business travelers. In 2006, the average occupancy rate of Central Holiday Inn was approximately 76%, representing a growth of nearly four percentage points when compared with that of 2005. Capitalising on its professional services, high standard facilities, outstanding staff and customer satisfaction as well as proven track record, BCL achieved extensive client recognition and market reputation.

As the first top-grade hotel on the Finance Street, Inter Continental Financial Street Beijing fully developed its unique edges and its influence in the industry and endeavored to become an internationalized high-end finance and business hotel. The president attending the “Forum on Sino-Africa Co-operation” in November 2006 stayed at Inter Continental Financial Street Beijing during his visit. This proved that the hotel has superb capability and quality services attaining international standards.

Land Bank

As at 28th February 2007, the Group’s land bank, when fully developed, will amount to a total GFA of approximately 5.55 million sq. m.. By geographical breakdown, land bank in Beijing, Tianjin, Taiyuan, Wuxi, Chengdu and Shengyang accounted for 42%, 18%, 11%, 6%, 6% and 17% respectively. In terms of land use, residential, commercial, office properties and hotel accounted for approximately 84%, 6%, 7% and 3% of the Group’s land bank respectively.

During the year under review, the Group acquired a land site in Beijing, which further strengthened its land bank in Beijing. In June 2006, the Group successfully acquired The Interwest in Beijing, increasing its land bank by approximately 310,000 sq. m. (excluding the contracted sales area of approximately 120,000 sq. m. before acquisition). The project is located between the West Second Ring Road and West Third Ring Road in Beijing, with a site area of approximately 98,000 sq. m. and planned GFA of approximately 430,000 sq. m.. The project commenced sales in 2005 and is expected to complete construction by 2007.



Gentle House (Artist impression)

From 1st January 2006 to 28th February 2007, the Group acquired four residential development projects in Wuxi, Chengdu, Shenyang and Tianjin respectively, signifying the implementation of its development strategy of “tapping into markets outside Beijing and extending business reach across the nation”.

Wuxi Gentle House is the first project developed by the Group in the Yangtze River Delta Region. The Group acquired this residential land site through public auction in January 2006, at a total consideration of RMB440 million. The project has a planned GFA of approximately 330,000 sq. m.. Located at a mid-to-high end residential district, it is adjacent to the downtown with convenient transportation access with close proximity to “Tianyi Secondary School”, the key secondary school in Wuxi. The project is expected to commence sales in the second quarter of 2007.

In March 2006, the Group acquired A-Z Town Project in Chengdu at a consideration of RMB390 million. The project has a planned GFA of approximately 360,000 sq. m.. Located at a prime location at the junction of East Second Ring Road and Construction Road in Chengdu, with the west facing the Sha River of pleasant view, the project is situated at the commercial district of Construction Road, which is the traditional commercial area. The project is expected to be launched in the second quarter of 2007.

In November 2006, the Group acquired the Yinhe Wan Project in Shenyang, with planned GFA of approximately 930,000 sq. m.. The project is located at the eastern part of Shenyang in the scenic area of Qi Pan Shan, with the south and the north facing Huhe River and Xikai River respectively. With Niao Tao at its southeast and neighboring Dongling Park, Shenyang Shengjing International Golf Club and Shenyang Expo, the project has an excellent surroundings and convenient transportation network, which is suitable for developing high-end residential properties.

Tianjin Binhai New District Residential Project, being the Group’s second property development project in Tianjing, has a planned GFA of approximately 530,000 sq. m.. This project was acquired by the Group in February 2007. It is only about 2 km from the Tanggu Exit of Beijing-Tianjin-Tanggu Expressway and is located at the northwest corner of Lijiao Bridge at Hebei Road, with Beijing-Tianjin-Tanggu Expressway at the south. Facing Hebei Road at its east and Chezhanbeilu of its west, the project is situated in prime location with high accessibility, which will be developed into mainly multi-storey and mid-to-high-rise buildings. The project is suitable for the development of high-end community as its peripheral communities are well-developed. It is expected to be launched in 2007.



Staff Activities



Staff Activities

The Group's existing land bank is sufficient for the development in the coming three years. With mid-to-high end residential properties as the development focus of its core business, the Group increased its land bank for residential use during the year. The Group will continue to optimize and adjust its existing non-residential projects taking into consideration the possibility of creating synergies with residential properties business and the development potential of the project, so as to further increase the proportion of residential land.

At the same time, the Group will continue to embrace its strategy of “tapping into markets outside Beijing and extending business across the nation” with a focus in the three strategic development areas namely Bohai Rim, south-west China and the Yangtze River Delta region, and increase its land bank nationwide in a prudent manner. In particular, the Group will focus on enhancing its market share in established markets and replicating its proven development model in markets outside Beijing. By accelerating project development and reducing operation risk, the Group is committed to securing stable revenue while becoming the most premium integrated property operator in China.

Human Resources

As at 31st December 2006, the Group has a team of 428 international professionals, with an average age of 33.5. Among them, 16.4% and 60.7% have received master degree or above and undergraduate education respectively. In addition, mid-level staff and senior staff members accounted for 37.4% and 7.5% of the total number of staff respectively.

During the year, the Group initiated the “Management Trainee Program” and selected 23 undergraduates, master degree holders and MBA students from renowned high schools domestic and overseas as management trainees to participate in a one-year all-rounded training program. As a result, the Group was accredited “The Most Satisfactory and Trustworthy Employer Elected by University Students in 2006” by the Beijing Association of Promoting Employment for University Graduates.

During the year, the Group further enhanced its performance management, established a comprehensive management system and related policies for international staff, implemented stringent performance appraisal and set up a performance-based and comprehensive management assessment system, so as to provide effective guidance to management staff member of different levels for the improvement and development of their integrated capability.

For the year under review, the Group organized 18 training programs according to the career development planning and capability of the employees. Total training attendance reached 585 and the number of training hours totaled 9,764 hours with an average of 34.8 hours per staff member. Furthermore, the Group launched a “Mentoring and Training Program” and provided training for 14 middle to senior management as the lecturers of internal training program. In addition, a series of induction trainings for new staff and exchange training of operations were conducted.



Panoramic view of Upper East Side (Artist impression)

Social Responsibility

The Group embraces the philosophy of “contributing to society with the wealth gained therein” and encourages contribution to social community at corporate and employee levels. In April 2006, the Group sponsored the “BCL Table Tennis Club” and organized a series of community events under the theme of “Triumph with Beijing”. In the same month, the Group also held a charitable auction by celebrities known as “Starry Night at The Reflections” which was accredited the “Grand Prix of Social Community” award. On 8th September 2006, which was 700 days prior to the opening of Beijing Olympics, a charitable auction known as “Olympic Sunshine Celebrity Golf Tournament”, was held at Vancouver Forest. All proceeds were donated to the Special Education School in Dongcheng District in Beijing for the installation of sports facilities and equipment.

Prospects

In view of the development trend of China’s macro-economy and property industry, it is believed that the property industry will maintain robust growth in the coming years. The property industry in China will evolve from the traditional operational mode and embark on a new era of development. Firstly, rapid economic growth in China implies the continued increase in disposable income per capita of residents in cities and towns, which significantly propelled the demand for properties. Moreover, the acceleration of urbanisation will further expedite the growth of the property industry in China. The series of austerity measures policies promulgated by the PRC Government aim to better control the overheating property industry. These initiatives will contribute to the healthy and long-term development of the industry, further enhance the enforcement of laws and regulations, and enable the stable landing of macro-economic control. Meanwhile, the new policies launched and industry consolidation over the past two years provided a favorable environment for enterprises to carry out large-scale expansion as well as mergers and acquisitions. With the imminent 2008 Beijing Olympics, continuous development of Olympic economy and its promotion for the development of various industries will gradually realise, in particularly favourable for the development of the property industry.

As one of the leading integrated property operators in China, BCL is confident of becoming a major internationalized integrated property operator, propelling the development of China’s property industry.

The Group will continue to proactively implement the following strategies in 2007:

- Further implement management reform to reinforce management control and strengthen systematic management
 - Implement strategic management model, so as to develop the Group's headquarters into an investment center, regional/business headquarters as profit centers and project companies as cost centers. This will further enhance the integration of responsibility, accountability and interests
 - Promote the formation of Strategic Committee, Investment Committee and Product Committee to ensure systematic and effective execution of policies
 - Establish strategic, planning, budgeting and performance management systems to strengthen the consistency and effectiveness of the management systems
 - Continue to improve operational and management flow to promote the construction of information system
 - Improve the comprehensive incentive scheme to encourage innovation and create shareholders' value
- Introduce product standardisation to reduce development cost and enhance product quality
 - Strengthen the research on product standardization, optimize the three main production series, namely "Urban Low-density Community", "Urban High-density Integrated Community" and "Urban International High-end Community"
 - Reinforce efficient replication of product series to lower operation cost, enhance overall quality, accelerate development and improve project management efficiency
- Strengthen project execution and speed up nationwide expansion
 - Pursue expansion strategy in key regions through the standardized replication of the three product series
 - Optimise land bank by adjusting proportion of long-term and short-term investment
 - Enhance efforts in mergers and acquisitions and strengthen first class land development

FINANCIAL ANALYSIS

1. Revenue and Operating Results

During the year 2006, the revenue of the Group was RMB2,039,352,000 (2005: RMB1,134,769,000), representing an increase of 80% comparing with the year 2005. Such significant increase in revenue comparing with that of last year was attributable to high sales and tenancy rate of Vancouver Forest project, North Ring Center project, A-Z Town project in Beijing, Tianjin Butchart Garden project developed by the Group during the year.

During the year 2006, the revenue of the Group's hotel business was RMB211,347,000 (2005: RMB98,709,000), representing an increase of 114% comparing with the year 2005. It was mainly due to the fact that it was the first complete year of operation for Inter Continental Financial Street Beijing held by the Group, leading to a substantial increase in hotel turnover comparing with last year's.

During the year 2006, gross margin realised by the Group dropped as compared with that of last year. It was mainly due to the fact that income-deriving projects of the Group during the year were mostly residential properties launched earlier, with relatively low initial sales price, leading to a fall in gross margin.

During the year 2006, operating profit of the Group was approximately RMB362,203,000 (2005: RMB276,627,000).

2. Financial Resources, Liquidity and Liability Position

As at 31st December 2006, the Group's total assets were RMB15,386,861,000 (2005: RMB10,058,779,000) (of which current assets were RMB9,947,394,000 (2005: RMB5,216,135,000) and non-current assets were RMB5,439,467,000 (2005: RMB4,842,644,000)) and the total liabilities were RMB10,720,930,000 (2005: RMB6,873,312,000) (of which current liabilities were RMB5,225,006,000 (2005: RMB2,655,176,000) and non-current liabilities were RMB5,495,924,000 (2005: RMB4,218,136,000)), and the equity reached RMB4,665,931,000 (2005: RMB3,185,467,000).

The Group is of sound liquidity and solvency. Current ratio as at 31st December 2006 was 1.90 (2005: 1.96).

As at 31st December 2006, the Group's cash and short-term bank deposits amounted to RMB3,768,107,000 (2005: RMB1,889,534,000), which represented sufficient cash flow for operations.

Bank loans of the Group as at 31st December 2006 amounted to RMB5,651,261,000 (2005: RMB5,168,136,000), of which the long-term loans amounted to RMB5,134,261,000 (2005: RMB4,218,136,000), which were mainly used to fulfill the capital requirements of the Group's property development projects.

The Group now makes investment in the PRC only. Except for loan facility obtained by its two subsidiaries from DBS Bank, and the loan facility in actual use of US\$30,000,000 as at 31st December 2006, all of the Group's bank loans come from banks in the PRC and are borrowed and repaid in RMB, and there exists no significant currency risk. All of the Group's long-term bank loans are granted on a floating rate basis.

As at 31st December 2006, our gearing ratio was 30.13% (2005: 51.82%). Our gearing ratio is calculated by first adding up (i) the Group's short-term and long-term bank loans and (ii) net amounts due from/to parent company, net of (iii) net cash and bank balances (the balance of (i), (ii) and (iii) being referred to as "(A)"), and then have (A) divided by the aggregate of (A) and net assets of the Group.

3. Establishment and acquisition of substantial subsidiaries

During the year 2006, the Company and Reco Ziyang Pte. Ltd. jointly contributed in the establishment of Chengdu Capital Ziyang Real Estate Company Limited, and joined hands with AG Wuxi Residential SRL to establish Jiang Su Capital Land Ltd.

During the year 2006, the Company and Super Sunshine Company Ltd. (廣西陽光股份有限公司) jointly contributed in the establishment of Beijing Capital Hui Huang Real Estate Ltd. (北京首創輝煌置業有限公司); and obtained the land use rights of Beijing Chaoyang District Da Tun Bei Din Cun project (北京市朝陽區大屯北頂村項目) through setting up a tender coalition. Later on, due to changes to the project, the Company and Super Sunshine Company Ltd., together with Beijing Municipal Bureau of State Land and Resources, discharged the "Contract on the Grant of the State-owned Land" and retrieved the land grant deposit. The Company and Super Sunshine have decided to clear the accounts of Beijing Capital Hui Huang Real Estate Ltd.

During the year 2006, two subsidiaries of the Company, namely Beijing Shang Bo Ya Investment Consultant Limited (北京尚博雅投資顧問有限公司) and Beijing Shang Bo Di Investment Consultant Limited (北京尚博地投資顧問有限公司), acquired all equity interests in Beijing Dong Hai Joint Investment Co. Ltd..

During the year 2006, the Company acquired an additional 20% equity interest and rights to revenue of the foreign shareholders in Beijing Maple Real Estate Co. Ltd., a then joint venture of the Company and was in turn entitled to all its equity interest and 70% of rights to revenue of Beijing Maple Real Estate Co. Ltd.(北京楓樹置業有限公司).

4. Other Gains — Net

During the year 2006, the Company acquired a subsidiary named Beijing Dong Hai Joint Investment Co. Ltd.(北京東海聯合投資發展有限公司), leading to an excess of acquirer's interest in fair value of identifiable net assets over cost amounting to RMB127,480,000.

During the year 2006, the Company disposed its 30% equity interest in a subsidiary named Beijing Jinyaguang Real Estate Development Co., Ltd.(北京金亞光房地產開發有限公司), realising a revenue of RMB72,694,000. As at 31st December 2006, the Company held 45% of the equity interest of Beijing Jinyaguang Real Estate Development Co., Ltd., accounted for by the Company as an associate.

5. Income Tax Expenses

After tax auditing for the year 2006, one of the Company's subsidiaries finalised its income tax payable and reversed an overprovided income tax charge of RMB65,309,000.

6. Entrusted Deposits and Overdue Time Deposits

As at 31st December 2006, the Group had not held any deposits under trusts or any time deposits in financial institutions in the PRC. All of the Group's cash were held in commercial banks in the PRC in accordance with applicable laws and regulations. The Company had no bank deposits which is not recoverable upon maturity.

7. Pledge of Assets

The land use rights of certain properties were pledged by the Group as security for long-term bank loan of US\$30,000,000 (2005: US\$58,000,000).

The right to yield of certain properties (yields from transfer of such land or by other means of utilization of the same) was pledged by the Group as security for long-term bank loan of RMB4,500,000,000 (2005: RMB4,000,000,000).

8. Financial Guarantees

The Group had arranged bank facilities for certain purchasers of its properties and provided guarantees to secure the repayment obligations of such purchasers. The outstanding guarantees amounted to RMB1,243,183,000 as at 31st December 2006 (2005: RMB677,632,000).

As at 31st December 2006, other than guarantees provided for a long-term bank loan of RMB400,000,000 (2005: RMB450,000,000) granted to a subsidiary of the Company, the Group had no material external guarantee. As at 31st December 2005, the Group also had a guarantee provided to a jointly controlled entity for its short-term bank loan of RMB50,000,000.

Biographical Details of Directors, Supervisors and Senior Management

Directors of this session took effect on 5th December 2005 for a term of three years.

Chairman

Liu Xiaoguang (劉曉光), aged 52, was appointed as the chairman of the Company in December 2002. Mr. Liu has served as the vice-chairman and the general manager of the Capital Group since 1995. Prior to his appointment with the Capital Group, Mr. Liu had approximately 13 years of working experience in various departments of the Beijing Municipal Government including serving as vice-chairman of the Development and Planning Commission of the Beijing Municipality and deputy secretary general of the Capital Planning and Construction Committee of the Beijing Municipal Government. Since 1994, Mr. Liu has been serving as chairman of the board of directors of ING Beijing Investments Company Limited. Presently, Mr. Liu is the visiting lecturer of Beijing's Commerce Council, the chief editor and head of "Capital Magazine". Mr. Liu obtained his Bachelor of Economics degree from the Beijing Institute of Commerce in 1982.

Executive Directors

Tang Jun (唐軍), aged 47, was appointed as an executive director and president of the Company in December 2002. Mr. Tang had been working for the Beijing Municipal Planning and Development Commission and the Beijing Economics and Technology Development Zone. Since 1994, Mr. Tang was the legal representative and general manager of Beijing Sunshine Real Estate Comprehensive Development Company. Mr. Tang obtained his Bachelor of Construction Engineering degree from Hefei University of Technology in 1982.

He Guang (何光), aged 48, was appointed as an executive director and vice-president of the Company in December 2002. Prior to his appointment with us, Mr. He served as a senior management member in TCL Construction Development Ltd., Canada, C.M. Wong Associates Ltd., Hong Kong and New Rank City Development Ltd. Since 2000, he served as the general manager of Beijing Rongjin Real Estate Development Co., Ltd. Mr. He obtained his Doctorate in Civil Engineering from the University of Montreal, Canada in 1996.

Non-executive Directors

Feng Chunqin (馮春勤), aged 54, served as deputy general manager of the Capital Group since June 2001. Prior to his appointment with the Capital Group, Mr. Feng served as general manager of Beijing Jinghua Trust and Investment Corporation and Beijing Jianxin Enterprise Holdings Limited, the trust and investment company of the headquarters of China Construction Bank. Mr. Feng had also been working for the Organisation Department of the Beijing Municipal Communist Party of China Committee and MOFTEC Department of Beijing Municipal Communist Party of China Committee. Mr. Feng obtained his Bachelor of Economics degree from the Beijing Institute of Commerce in 1982.

Wang Zhengbin (王正斌), aged 43, was appointed as an executive director and vice-president of the Company in December 2002 and changed as a non-executive director in December 2005. Prior to his appointment with the Company, Mr. Wang served as the real estate department manager, deputy general manager and general manager of Beijing Capital Hangyu Economic Development Co., Ltd. Mr. Wang is the general manager of the division one of operation department of the Capital Group. Mr. Wang obtained his economic management degree from the People's University of China in 1992.

Zhu Min (朱敏), aged 44, was appointed as a non-executive director of the Company in December 2002. Ms. Zhu had been working for the Beijing Municipal Bureau of Statistics and Beijing Municipal Development and Planning Commission. Since 2001, Ms. Zhu served as director and general manager of Beijing Capital Technology Investment Ltd. Ms. Zhu obtained her Master of Enterprise Management from the Institute of Economic and Trade University in 1999.

Muk Kin Yau (麥建裕), aged 44, was appointed as a non-executive director of the Company in November 2003. Mr. Muk is the Executive Vice President and Head of Investments (Asia Pacific) of GIC Real Estate Pte. Ltd., the real estate investment arm of the Government of Singapore Investment Corporation Pte. Ltd. Headquartered in Singapore, its global real estate investment activities are managed through an international network of offices including New York, San Francisco, London and Tokyo. GIC Real Estate Pte. Ltd.'s investments cover a diverse range, including direct property, private and public companies, real estate funds and debt instruments.

Independent Non-executive Directors

Kwong Kai Sing, Benny (鄺啓成), aged 48, was appointed as an independent non-executive director of the Company in December 2002. Mr. Kwong held various positions in the credit department and China department of various international banks. Over the past years, Mr. Kwong served as executive directors for some publicly listed companies in Hong Kong and is now the Chairman of Heritage International Holdings Limited, a company listed on the Stock Exchange of Hong Kong. Mr. Kwong graduated from Simon Fraser University in British Columbia, Canada in 1982 with a Bachelor degree in Arts.

Ke Jianmin (柯建民), aged 53, was appointed as an independent non-executive director of the Company in June 2003. Mr. Ke served as the vice president of SNC-Lavaline. Mr. Ke graduated with a Bachelor degree and a Master degree in urban planning from Shanghai Tongji University in 1979 and 1982 respectively. He also obtained a Doctorate degree at Sheffield University, United Kingdom in 1994.

Mr. Yu Xing Bao (俞興保), aged 41, is a certified public accountant in the PRC. Mr. Yu was appointed as an independent non-executive director of the Company in May 2004. Mr. Yu obtained his bachelor degree from the Shanghai University of Finance & Economics in 1987. Mr. Yu has worked with SheKou ZhongHua certified public accountants, and the Shenzhen office and Beijing office of Americal Appraisal Hong Kong Limited previously. From 1996, Mr. Yu served as the legal representative and the chief accountant of Beijing ZhongRuiJia certified public accountants. Since 2000, Mr. Yu has served as the legal representative and the chief accountant of Huazhen certified accountants.

Li Zhaojie (李兆杰), aged 52, is a professor of School of Law, Tsinghua Univesrity. Mr. Li was appointed as an independent non-executive director of the Company in December 2005. Mr. Li is the vice-president of the Chinese Society of International Law, the chief editor of the Chinese Yearbook of International Law, and an independent board member of the Board of Education. Mr. Li was a visiting professor at Duke University Law School in 2002 and University of Tokyo in 2003. Mr. Li obtained his Bachelor of Laws degree from Peking University in 1983, Master of Laws degree from the University of California in 1985, Master of Information and Library Studies degree from the University of California in 1986 and Doctor of Juridical Sciences degree from the University of Toronto in 1996.

Supervisors

Wang Qi (王琪), aged 53, was appointed as a supervisor of the Company in May 2004. Prior to his appointment, Mr. Wang served as commissioner of the Beijing Municipality's Financial Budget Department and Education Department of the Beijing Financial Bureau and also served as deputy general manager and general manager at Beijing Municipal Economic Development and Investment Company, and the deputy general manager of the Capital Group. Mr. Wang currently serves as chairman of Beijing Infrastructure Investment Co., Ltd., and is also a director of Beijing Capital Co., Ltd. Mr. Wang obtained his Bachelor of Economics degree from the Beijing Institute of Finance and Trade in 1982.

Yu Changjian (俞昌建), aged 51, was appointed as a supervisor of the Company in December 2002. Mr. Yu has been served for Beijing Chemical Group and Beijing Capital Hangyu Economic Development Co., Ltd. Since 1995, Mr. Yu served as manager and chief financial officer of Capital Group's Finance Department. Mr. Yu graduated from the Beijing Broadcasting Television University in 1986.

Wei Jianping (魏建平), aged 40, was appointed as a supervisor of the Company in December 2002. Mr. Wei had been working for Beijing Sunshine Real Estate Comprehensive Development Company and its subsidiaries since 1994 as an engineer and a manager. In April 2000, he became the project manager of Beijing Rongjin Real Estate Development Co., Ltd. He currently serves as the chairman of the board of directors of Central Plaza Real Estate Development Company Limited and as a director of Beijing Rongjin Real Estate Development Co., Ltd. Mr. Wei graduated with a Master degree in Economics from the People's University of China in 2000.

Independent Supervisor

Xu Jianhong (徐建泓), aged 48, was appointed as an independent supervisor of the Company in December 2002. Mr. Xu has served as a general manager of Beijing Haifengyuan Real Estate Development Co., Ltd. since 1998 and a director of Beijing Yuetang Building Real Estate Co., Ltd. since 1999. Mr. Xu graduated with a diploma in Industrial and Civil Construction from the Beijing Construction Engineering Academy in 1982.

Company Secretary and Qualified Accountant

Ng Wai Hung, Thomas (吳偉雄), aged 43, was appointed as the company secretary of the Company in March 2007. Mr. Ng is a practicing solicitor and a partner in Lu, Lai & Li, a Hong Kong firm of solicitors and notaries. Mr. Ng has extensive experience in the area of securities law, corporate law and commercial law in Hong Kong and has been involved in initial public offerings of securities in Hong Kong as well as corporate restructuring, mergers and acquisitions and takeovers of listed companies.

Senior Management

Zhang Juxing (張巨興), aged 53, was appointed as a vice president of the Company in December 2002. Since 1993, Mr. Zhang served as department manager and deputy general manager of Beijing Sunshine Real Estate Comprehensive Development Company's development department. Mr. Zhang is also a supervisor of Super Shine. Mr. Zhang graduated with a basic economic infrastructure degree from the People's University of China in 1989.

Zhang Fuxiang (張馥香), aged 45, was appointed as a vice president of the Company in March 2006. Ms. Zhang served as financial manager and financial controller of Super Shine and Beijing Sunshine Real Estate Comprehensive Development Company respectively and supervisor of Super Shine since 2000 and appointed as the chief financial officer of the Company in December 2002. Ms. Zhang obtained her Bachelor of Economics degree from the financial accounting department of the People's University of China in 1985.

Sun Baojie (孫寶杰), aged 37, an assistant economist, was appointed as the vice president of the Company in March 2006. During the period from 1996 to December 2003, Ms. Sun served as the manager of the development department of Beijing Capital Sunshine Real Estate Development Co., Ltd. Since December 2003, she has been the general manager of An Hua Century/Sunshine City Real Estate Company Limited. Ms. Sun obtained his Bachelor of Economics from the Central Financial and Banking University in 1993.

Zhou Kun (周昆), aged 33, was appointed as the vice president of the Company in March 2006. During the period from January 2005 to March 2006, he has been the assistant to president of the Company. Prior to his appointment with the Company, Mr. Zhou had been working in various posts including the head of corporate planning development and sales director for a property developer in the PRC with experiences in investment banking, planning and sales of real estate development. Mr. Zhou obtained his Bachelor of Economics from the Peking University in 1997.

Luo Jun (羅俊), aged 35, qualified accountant, was appointed as the chief financial officer of the Company in March 2007. He acted as the general manager of the Finance Department in the Company from October 2003 to March 2007. Prior to his appointment, Mr. Luo was the senior manager of the auditing department in a domestic accounting firm. Mr. Luo is a member of Beijing Institute of Certified Public Accountants and is a certified public accountant. Mr. Luo graduated from Beijing Jiaotong University. He obtained his Bachelor of Economics in 1993 and Master of Economics in 1996.

Directors' Report

The Board of Directors is pleased to present to the shareholders their report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31st December 2006.

Principal Activities

The Group is principally engaged in property development and investment, hotel operation and project development consulting operation.

Results

The results of the Group for the year ended 31st December 2006, prepared in accordance with Hong Kong Financial Reporting Standards and its financial position as at the same date are set out on pages 69 to 77 of the annual report.

Dividends

At a Board meeting held on 16th March 2007, the directors proposed a final dividend of RMB6 cents per share based on the Company's total issued number of shares of 2,027,960,000 on the same day and the total amount payable will be RMB121,678,000. This proposed dividend is not represented as a dividend payable in the financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31st December 2007.

Financial Highlights

The Group's results and summary of assets and liabilities for the last five years are set out on page 4 of this annual report.

Major Customers and Suppliers

During the year, the Group purchased less than 10% of goods and services from its five largest suppliers and sold approximately 41% of its goods and services to its five largest customers. The Group's turnover from the largest customer accounted for approximately 29% of the total sales.

None of the directors, their associates or any shareholders (which to the knowledge of the directors own more than 5% of the Company's share capital) had an interest in the major suppliers or customers mentioned above.

Property, Plant and Equipment

Details of the movement of property, plant and equipment of the Group during the year are set out in note 6 to the consolidated financial statements.

Principal Properties

The summary of principal properties owned by the Group is set out on pages 8 to 9 of the annual report.

Reserve

Details of movements of reserve of the Group and the Company during the year are set out in note 19 to the consolidated financial statements.

Purchase, Sale, or Redemption of Shares

During the year, the Company had not redeemed any of its shares. Neither the Company nor any of its subsidiaries has purchased or sold any of its equity securities.

Directors and Supervisors

The directors and supervisors for the year are as follows:

Directors

Executive Directors

Mr. Liu Xiaoguang	<i>(Chairman)</i>
Mr. Tang Jun	<i>(President)</i>
Mr. He Guang	<i>(Vice-President)</i>

Non-executive Directors

Mr. Feng Chunqin
Mr. Wong Zhengbin
Ms. Zhu Min
Mr. Muk Kin Yau

Directors and Supervisors *(Continued)*

Directors *(Continued)*

Independent Non-executive Directors

Mr. Kwong Kai Sing, Benny

Mr. Ke Jianmin

Mr. Yu Xingbao

Mr. Li Zhaojie

Supervisors

Supervisors

Mr. Wang Qi

Mr. Yu Changjian

Mr. Wei Jianping

Independent Supervisor

Mr. Xu Jianhong

The biographical details of directors, supervisors and senior management are set out on pages 37 to 41 of the annual report.

Directors' and Supervisors' Emoluments

Details of directors' and supervisors' emoluments are set out in note 29 to the consolidated financial statements.

Highest Paid Individuals

During the year, the five individuals with the highest remuneration in the Group are all directors and senior management of the Company.

Management Contracts

Except for the connected transactions as stated in this report, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Interests of Directors and Supervisors

As at 31st December 2006, the interests and short positions of each Director, supervisor and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) which will have 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 interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors):

Director/Supervisor	Relevant entity	Type	No. of Shares held	Approximate percentage of registered capital of the relevant entity
Liu Xiaoguang	Beijing Capital Sunshine Real Estate Development Co., Ltd.	Individual	2,000,000	2.00%
Tang Jun	Beijing Capital Sunshine Real Estate Development Co., Ltd.	Individual	2,000,000	2.00%
Feng Chunqin	Beijing Capital Sunshine Real Estate Development Co., Ltd.	Individual	350,000	0.35%
Wang Qi	Beijing Capital Sunshine Real Estate Development Co., Ltd.	Individual	400,000	0.40%
Yu Changjian	Beijing Capital Sunshine Real Estate Development Co., Ltd.	Individual	600,000	0.60%
Kwong Kai Sing, Benny	Beijing Capital Land Ltd.	Individual	300,000	0.03% of H Shares

Save as disclosed above, as at 31st December 2006, none of the directors, supervisors and chief executive of the Company has any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of listed companies. None of the directors, supervisors and chief executive of the Company, their spouses or children under the age of 18 years had been granted any rights to subscribe for equity or debt securities of the Company, nor has any of them exercised such rights during the year.

Interests of Directors and Supervisors in Contracts

Apart from service contracts in relation to the Company's business, no contract of significance to which the Company, its holding company, any of its subsidiaries or its fellow subsidiaries was a party, and in which a director or supervisor had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Interests of Directors and Supervisors in Competing Business

During the year and up to the date of this report, none of the directors or supervisors or management shareholders has any interest in business which competes or may compete with the business of the Group under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Share Capital

As at 31st December 2006, there were a total issued share capital of 2,027,960,000 shares of the Company (the "Shares") which include:

	Number of Shares	Approximate percentages of share capital
Domestic Shares	649,205,700	32.01%
Non-H Foreign Shares	357,998,300	17.65%
H Shares	1,020,756,000	50.34%

Substantial Shareholders' Interests in Shares

As at 31st December 2006, the following persons (not being director or chief executive of the Company), so far as are known to any director, have interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of shareholders	Number of Shares directly and indirectly held	Class of Shares	Approximate percentages in relevant class of shares (%)			Approximate percentages in total issued share capital (%)		
			Direct interests	Indirect interests	Aggregate interests	Direct interests	Indirect interests	Aggregate interests
Capital Group	924,441,900 ⁽¹⁾	Non-listed Shares	2.46	89.32	91.78	1.22	44.36	45.58
Beijing Sunshine Real Estate Comprehensive Development Company	608,880,500 ⁽²⁾	Non-listed Shares	4.71	55.74	60.45	2.34	27.69	30.02
Beijing Capital Sunshine Real Estate Development Co., Ltd.	561,461,900 ⁽³⁾	Non-listed Shares	28.42	27.33	55.74	14.11	13.57	27.69
Beijing Capital Technology Investment Ltd.	172,006,700	Non-listed Shares	17.08	—	17.08	8.48	—	8.48
Beijing Capital Hangyu Economic Development Co., Ltd.	118,747,600	Non-listed Shares	11.79	—	11.79	5.86	—	5.86
China Resource Products Limited	275,236,200	Non-listed Shares	27.33	—	27.33	13.57	—	13.57
Yieldwell International Enterprise Limited	82,762,100	Non-listed Shares	8.22	—	8.22	4.08	—	4.08
Fixi Holdings Limited	82,762,100 ⁽⁴⁾	Non-listed Shares	—	8.22	8.22	—	4.08	4.08
Chung Pok Ying	82,762,100 ⁽⁵⁾	Non-listed Shares	—	8.22	8.22	—	4.08	4.08
Reco Pearl Private Limited	165,070,000	H Shares	16.17	—	16.17	8.14	—	8.14
Recosia China Pte Ltd.	165,070,000 ⁽⁶⁾	H Shares	—	16.17	16.17	—	8.14	8.14
Recosia Pte Ltd.	165,070,000 ⁽⁷⁾	H Shares	—	16.17	16.17	—	8.14	8.14
Government of Singapore Investment Corporation (Realty) Pte Ltd.	165,070,000 ⁽⁸⁾	H Shares	—	16.17	16.17	—	8.14	8.14
Baring Asset Management Limited	42,706,000	H Shares	6.30 (long position)	—	6.30	2.11 (long position)	—	2.11
Northern Trust Fiduciary Services (Ireland) Limited	42,218,000	H Shares	6.23 (long position)	—	6.23	2.08 (long position)	—	2.08
GZ Trust Corporation	61,396,000 ⁽⁹⁾	H Shares	—	6.01 (long position)	6.01	—	3.03 (long position)	3.03
Lau Luen Hung	61,396,000	H Shares	—	6.01 (long position)	6.01	—	3.03 (long position)	3.03
Modern Power Limited	61,396,000	H Shares	6.01 (long position)	—	6.01	3.03 (long position)	—	3.03
JPMorgan Chase & Co.	55,968,000 ⁽¹⁰⁾	H Shares	—	5.48 (long position)	5.48	—	2.76 (long position)	2.76
	46,254,000 ⁽¹⁰⁾	H Shares	—	4.53 (lending pool)	4.53	—	2.28 (lending pool)	2.28
Atlantis Investment Management Ltd	35,000,000	H Shares	5.17 (long position)	—	5.17	1.73 (long position)	—	1.73
Liberty Square Asset Management, L.P.	34,000,000	H Shares	5.02 (long position)	—	5.02	1.68 (long position)	—	1.68
The Hamon Investment Group Pte Limited	33,926,000 ⁽¹¹⁾	H Shares	—	5.01 (long position)	5.01	—	1.67 (long position)	1.67

Substantial Shareholders' Interests in Shares *(Continued)*

Notes:

1. Of these 924,441,900 Shares, 24,807,100 Shares are directly held by Capital Group, the remaining 899,634,800 Shares are deemed corporate interests under the SFO indirectly held through Beijing Sunshine Real Estate Comprehensive Development Company, Beijing Capital Sunshine Real Estate Development Co., Ltd., Beijing Capital Technology Investment Ltd., Beijing Capital Hangyu Economic Development Co., Ltd. and China Resource Products Limited.
2. Of these 608,880,500 Shares, 47,418,600 Shares are directly held by Beijing Sunshine Real Estate Comprehensive Development Company, the remaining 561,461,900 Shares are deemed corporate interests under the SFO indirectly held through Beijing Capital Sunshine Real Estate Development Co., Ltd. and China Resource Products Limited.
3. Of these 561,461,900 Shares, 286,225,700 Shares are directly held by Beijing Capital Sunshine Real Estate Development Co., Ltd., the remaining 275,236,200 Shares are deemed corporate interests under the SFO indirectly held through China Resource Products Limited.
4. 82,762,100 Shares are deemed corporate interests under the SFO indirectly held through Yieldwell International Enterprise Limited.
5. 82,762,100 Shares are deemed corporate interests under the SFO indirectly held through Yieldwell International Enterprise Limited and Fexi Holdings Limited.
6. 165,070,000 Shares are deemed corporate interests under the SFO indirectly held through Reco Pearl Private Limited.
7. 165,070,000 Shares are deemed corporate interests under the SFO indirectly held through Reco Pearl Private Limited and Recosia China Pte Ltd.
8. 165,070,000 Shares are deemed corporate interests under the SFO indirectly held through Reco Pearl Private Limited, Recosia China Pte Ltd. and Recosia Pte Ltd.
9. 61,396,000 Shares are deemed corporate interests under the SFO indirectly held through Modern Power Limited.
10. Of these 55,968,000 Shares, 46,254,000 Shares are indirectly held through JPMorgan Chase Bank, N.A., 9,714,000 Shares are indirectly held through JF Asset Management Limited, JPMorgan Asset Management (Asia) Inc. and JPMorgan Asset Management Holdings Inc.
11. Of these 33,926,000 Shares, 13,690,000 Shares are indirectly held through Hamon Asset Management Limited, 19,300,000 Shares are indirectly held through Hamon U.S. Investment Advisors Limited and 936,000 Shares are indirectly held through Hamon Investment Management Limited.

Save as disclosed above so far as is known to the Directors, there is no person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any of its subsidiaries or held any option in respect of such capital.

Designated Deposit and Due Fixed Deposit

As at 31st December 2006, the Group had no Designated Deposit and Due Fixed Deposit.

Employees

As at 31st December 2006, the Group had 428 staff. Remuneration is determined by reference to market terms and the performance, qualifications and experience of individual employee. Employee benefits provided by the Group include, provident fund schemes, medical insurance scheme, unemployment insurance scheme and housing provident fund. We have conditionally adopted the Share Appreciation Rights Incentive Scheme (the "Incentive Scheme"). The principal terms and conditions of the Incentive Scheme are summarised in the section headed "Summary of terms of the Share Appreciation Rights Incentive Scheme" in Appendix VIII to the Prospectus of the Company dated 10th June 2003. As at 31st December 2006, no share appreciation rights had been granted under the Incentive Scheme.

Staff Housing Quarters

During the year, the Group did not provide any housing quarters to its staff.

Connected Transactions

The connected transactions and the ongoing connected transactions have been approved by the Board of the Company. During the year, major connected transactions of the Group were as follows:

1. Formation of a PRC Joint Venture Company

The Company established a sino-foreign equity joint venture company, Chengdu Capital Ziyang Real Estate Ltd. ("Joint Venture Company") with Reco Ziyang Pte Ltd. ("Reco Ziyang"). The total amount of investment of the Joint Venture Company is US\$60,000,000, which includes a registered capital of US\$30,000,000. The Company and Reco Ziyang contribute 55% and 45% of the total amount of investment respectively. The Joint Venture Company, which was established on 23rd May 2006, was set up for the purpose of the development of the project situated in Chengdu, PRC. The land of the project has been obtained by the Company and Reco Ziyang jointly through public trading in Chengdu, PRC in accordance with the Tender Regulation. Reco Ziyang is a major shareholder of Beijing Capital Ziyang Real Estate Ltd. and Tianjin New Century Estate Development Ltd., which are the subsidiaries of the Company, it is also an associate of Reco Hibiscus Pte Ltd., which is a major shareholder of a subsidiary of the Company, Beijing Anhua Shiji Real Estate Development Company Limited. Accordingly, Reco Ziyang is a connected person of the Company pursuant to the Listing Rules.

2. Loan Agreement

As part of the process to obtain land use rights certificates for the properties of the Company under development and held for future developments, the Company entered into a loan agreement and a supplemental agreement with the Company's controlling shareholder, the Capital Group on 10th February 2003 and 31st May 2003 respectively (collectively the "Loan Agreements"). Under the Loan Agreements, the Capital Group paid RMB1,439,000,000 to the Land Bureau, being 100% of the land premium payable by the Company to the Land Bureau for the relevant properties. In return, the Land Bureau issued long-term land use rights certificates for the relevant properties in the names of the corresponding project companies. A loan in the amount of RMB300,000,000 has been set off against the amount due to the Company by the Capital Group. The balance of the loan shall be repaid by the Company over a period of three years. The first principal payment of RMB300,000,000 is payable within 3 months from the date of listing of the Company on the Stock Exchange. Interest is payable on this first principal portion only, at a rate equal to the base lending rate promulgated by the People's Bank of China from time to time. No interest is payable on the remaining balance of the loan. Further details of the loan arrangement has been disclosed in the Company's prospectus dated 10th June 2003. According to the supplemental agreement, the remaining amount will be repaid before 31st December 2007.

Bank Loans and Other Borrowings

Details of the bank loans of the Group are set out in note 24 to the consolidated financial statements. Other borrowings were mainly the amounts due to parent company and minority interests of subsidiaries, details of which are set out in note 20 and 23 to the consolidated financial statements.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Articles and related laws which oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Pre-emptive Rights *(Continued)*

According to the Strategic Investment Agreement entered into between, among others, the Company and Reco Pearl Private Limited ("Reco Pearl") on 11th March 2003 as amended by a supplemental agreement dated 15th May 2003 ("The Strategic Investment Agreement"), the Company has undertaken that, provided that the shareholding held by Reco Pearl in the Company is above the threshold percentage as set out in the Strategic Investment Agreement, if the Company issues or places any new H Shares or if other securities convertible, or exchangeable into or which represent such new H Shares (the "Additional Securities") are issued or placed by or on behalf of the Company within a period of five years after dealings of the H Shares commence on the Stock Exchange, Reco Pearl shall have the right to purchase or subscribe on identical terms as such Additional Securities are issued to or placed with other investors, such number of the Additional Securities in accordance with the percentage of shareholding held by Reco Pearl Private Limited or any of its affiliate(s) in the share capital of the Company immediately prior to such issuance or placement so as to maintain its relevant percentage shareholding.

In August 2006, our Board of Directors considered and approved the Resolution on entering termination contract with Reco Pearl Private Limited, thereby giving their consent to signing the termination contract with Reco Pearl Private Limited and allowing Reco Pearl to increase its holdings in our shares to more than 10% at its full discretion, subject to the requirements for minimum public float under the Rule 8.08(1)(a) of the listing rules and the reporting requirements issued by the Stock Exchange and the Securities and Futures Commission from time to time.

Subsidiaries

Details of the Company's major subsidiaries are set out in note 9 to the consolidated financial statements.

Results of Operations

Results of Operations of Financial Year 2006 are set out on page 33 of the annual report.

Policies on Income Tax

The Company and its subsidiaries paid PRC corporate income tax at a rate of 33% of its assessable profits according to the relevant laws and regulations in the PRC.

Financial Resources and Liquidity

Financial Resources and Liquidity are set out on pages 33 to 34 of the annual report.

Code of Best Practice

Throughout the year, the Company has complied with the Code of Best Practice as set out in Appendix 14 to the Listing Rules.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the directors, as at the date of this report, there is sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

Auditors

The financial statements have been audited by PricewaterhouseCoopers, who retire and being eligible, offer themselves for reappointment. A resolution reappointing PricewaterhouseCoopers as the Hong Kong auditors of the Company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

Liu Xiaoguang

Chairman

Beijing, the PRC, 16th March 2007

Corporate Governance Report

The Group has been committed to maintaining high standards of corporate governance and continued to uphold a good, solid and sensible framework of corporate governance. The Board considers such commitment is essential for the internal management, financial management, balance of business risk and protection of shareholders' interests.

It has been BCL's prime mission to carry out a sound, steady and reasonable corporate governance structure:

- Sound corporate governance bases itself upon accountability system, information disclosure and corporate transparency. BCL acknowledges the importance to provide Shareholders with an open and highly transparent management. Apart from enhancing shareholders' value and improving corporate earnings, sound corporate governance can also facilitate the steady development of the financial sector in Hong Kong.
- Besides, sound corporate governance may also promote our communication with external parties, such that investors can understand more about our development potential and future prospects, to realise our investment value.
- The procedures and systems under sound corporate governance can improve operational efficiency of the Group, such that all divisions or departments can enhance earnings of the Group through close and intimate communication.

The Group and the Board believe that sound corporate governance bases itself upon accountability system, timely information disclosure and effective mutual communication. As for internal management, systematic management and a comprehensive accountability system will enhance operational efficiency and strengthen profitability. Externally, sound corporate governance enables investors to fully capture the immense development potential and future development strategy for BCL for better understanding of the Group's investment value.

For the review year ended 31st December 2006, the Group has complied with the Code on Corporate Governance Practices (the "Corporate Governance Code") set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

The Group's Corporate Governance framework is beyond the Stock Exchange's requirements. In addition to the Audit Committee, the Group also established the Nomination Committee, Remuneration Committee and Strategic Committee. The Directors of the Company believe that the internal control system is comprehensive to ensure the Company and the Directors of the Company are in compliance with the responsibilities set out in the Listing Rules and the requirement of the relevant rules and regulations in Hong Kong. In addition, the Company also set up the Internal Audit Department which is responsible for reviewing, evaluating and strengthening the internal control system. The Internal Audit Department is accountable to the Board and reports its works to the Audit Committee.

The Board

The Board is responsible for directing and supervising the overall business development of the Group in a responsible and effective manner. The Board endeavors to maintain and promote successful business development and targets to enhance long-term shareholders' value. The Board is under the leadership of the Chairman and each director should take decisions objectively in the overall interests of the Company.

The Directors are aware of their collective and individual responsibilities to all shareholders for the manner in which the affairs of the Company are managed, controlled and operated. Agenda to be discussed in regular Board meetings include business operation, financial planning and future development. Each director will be informed prior to the meeting with sufficient time to prepare for the information related to the agenda. In general, the types of decisions which are to be taken by the Board include those relating to:

1. Power of managing the development strategy and plan of the Company:

- (1) those requiring approval from the shareholders' general meeting:
 1. formulation of the middle to long-term development objectives and strategy of the Company;
 2. formulation of proposals for asset acquisition, purchase by third parties or asset disposal;
 3. formulation of plans for the increase or reduction of registered capital of the Company or repurchase of shares;
 4. formulation of plans for the increase of share capital and issue of additional shares;
 5. formulation of proposals for the merger, separation and dismissal of the Company;
 6. tendering insolvency petition of the Company;
 7. formulation of amendment proposal to the Articles; and
 8. formulation of proposals for the change of use of proceeds from the issue of shares.

- (2) those that may be exercised by the Board at its discretion:
 - 1. resolution on proposals to improve the operation management and operating results of the Company;
 - 2. resolution on the operating plans, audit plans and investment plans of the Company;
 - 3. resolution on proposals to adjust the substantial internal functions of the Company and establishment of functions under the Board;
 - 4. resolution on the establishment of ad hoc committees and the appointment and removal of their members;
 - 5. resolution on investment plans falling within the scope of authority of the Board; and
 - 6. resolution on any other material operation issues not required to be resolved by shareholders' general meeting pursuant to the Articles or the rules set out herein.

2. Power of personnel management on senior officers of the Company:

- (1) those requiring approval from the shareholders' general meeting:
 - 1. formulation of director allowance and share option or warrant (or similar schemes) of the Company;
 - 2. assessment and consideration of the eligibility of candidates for election as directors or independent directors; and
 - 3. proposing for the removal of a director;
- (2) those that may be exercised by the Board at its discretion:
 - 1. resolution on the strategy and plan of human resources development and deployment;
 - 2. definition of the major duties and authorities of the general manger, responsible person for financial matters, secretary to the Board and the auditing department;

3. appointment or dismissal of the general manager, secretary to the Board, or the appointment or dismissal of the deputy general manager or responsible person for financial matters of the Company pursuant to recommendation of the general manager;
4. evaluation of the work performance of the general manager;
5. approval of the appointment of representatives of the shareholders to the subsidiaries or associates of the Company and nomination of directors, supervisors and responsible persons for financial matters to such companies pursuant to their articles of association or the relevant agreements; and
6. approval of the plan of staff provident fund and other staff benefit plans.

3. Power of supervision and inspection of the development and operation of the Company:

- (1) supervision of the implementation of the Company's development strategy;
- (2) supervision and inspection of the implementation of annual budgets and accounts of the Company; inspection of the progress of various plans;
- (3) assessment of the operating results of the Company to identify operating problems, propose recommendations accordingly and supervision of the implementation by the Company's senior officers;
- (4) assessment of the operation improvement plans and implementation status of the Company and identify significant problems reflected from the operating results;
- (5) identify difficulties faced by the Company in its development and changing trends of the Company and proposing remedial recommendations thereon;
- (6) deliberation of the development opportunities and risks faced by the Company and changes of external factors that have extensive effects on the Company;

- (7) ensuring the smooth communication of information within the Company and evaluation of such information to ensure its accuracy, completeness and timeliness; and
- (8) requesting the management to provide minutes of operation meetings to the Secretary to the Board after each such meeting.

The directors are responsible for the preparation of the financial statements for each financial period which gives a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing these financial statements for the year ended 31st December 2006, the Directors have selected suitable accounting policies and applied them consistently; made judgements that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

The Board comprises 11 Directors, including three Executive Directors, four Non-executive Directors and four Independent Non-executive Directors, of which the profile of each Director is stated on pages 37 to 41 under the section of Biographical Details of Directors, Supervisors and Senior Management. More than 50% of the Directors are non-executive and independent of management, thereby promoting critical review and control of the management process. The non-executive members of the Board also bring a wide range of business and financial experience to the Board, which contribute to the effective direction of the Group.

There is in place a directors and senior executive liabilities cover in respect of legal action against directors and senior executive due to discharge of duties.

For the year ended 31st December 2006, the Board at all times exceeded the minimum requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors, and complied with the requirement that these should include one such director with appropriate professional qualifications of accounting or related financial management expertise.

Board meetings are held at least 4 times a year and meeting notices should be issued at least 14 days before the convening of meeting. If special Board meetings had to be convened, the Board can select the notice method and time. During the year under review, the Board held a total of 4 meetings and the majority of directors participated in person with satisfactory attendance.

The Board has established the Policy on Obtaining Independent Professional Advice by Directors to enable the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Group's expense. The Board shall resolve to provide separate independent professional advice to Directors to assist the relevant Director or Directors to discharge his/their duties to the Group.

The appointment of new Directors will be considered by the Nomination Committee (Duties of the Nomination Committee is stated thereafter) and decided by all member of the Board. Candidates to be selected and recommended are those experienced, high caliber individuals. All candidates must be able to meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules. The term of office for the Directors is three years. The first term of the Board of Directors expired on 4th December 2005, while the second Board of Directors (including non-executive directors) was formed on 5th December 2005 with 3 years term of office and can be re-elected.

Attendance of individual Directors at Board meetings in 2006:

	Number of attendance/Number of meeting
<i>Executive Directors</i>	
Mr. Liu Xiaoguang (<i>Chairman</i>)	3/4
Mr. Tang Jun	4/4
Mr. He Guang	4/4
<i>Non-executive Directors</i>	
Mr. Feng Chunqin	2/4
Mr. Wang Zhengbin	2/4
Ms. Zhu Min	2/4
Mr. Muk Kin Yau	4/4
<i>Independent Non-executive Directors</i>	
Mr. Kwong Kai Sing, Benny	4/4
Mr. Ke Jianmin	3/4
Mr. Yu Xing Bao	4/4
Mr. Li Zhaojie	4/4

The interests in the Company's securities held by Directors as at 31st December 2006 are disclosed in the Directors' Report on page 45 of this annual report.

Chairman and President

The posts of Chairman and President are held separately by Mr. Liu Xiaoguang and Mr. Tang Jun respectively. This segregation ensures a clear distinction between the Chairman's responsibility to manage the Board and the President's responsibility to manage the Company's business.

The Code for Securities Transactions by Directors

The Group has adopted a code (please refer to the Code on Corporate Governance for definition) which is on terms no less exacting than the required standard set out in the Code for Securities Transactions by Directors in Appendix 10 for the Listing Rules (the "Model Code").

All Directors have confirmed, following specific enquiry by the Group that they have complied with the required standard set out in the Model Code throughout the period.

Audit Committee

The Group has established an Audit Committee with the Terms of Reference included the duties set out in Code Provision C.3.3 (a) to (n) of the Code. The major duties include:

- reviewing the financial controls, internal control and risk management systems
- supervising the comprehensiveness of the Company's annual report and accounts, and interim report. The Committee will approval those important decisions related to financial disclosure set out therein prior to submitting to the Board, in which emphasis will be given to the following:
 - provide suggestion to the Board regarding the appointment, re-appointment and removal of external auditors, and approve the remuneration and terms of appointment of external auditors as well as handle any problems relating to the resignation or dismissal of that auditor;
 - review and supervise the independency and objectiveness of the external auditors and the effectiveness of the auditing procedures with appropriate standards;

- formulate and execute policy for the provision of non-audit services by external auditors, report to the Board those actions and improvement measures considered necessary by the Audit Committee and suggest practical measures.

The Group's Audit Committee comprises three Independent Non-executive Directors including Mr. Kwong Kai Sing, Benny (chairman of audit committee), Mr. Yu Xing Bao and Mr. Li Zhaojie. During the year under review, the Audit Committee held a total of two meetings, with information of members attendance listed below:

Attendance of individual members at Audit Committee meetings in 2006:

	Number of Attendance/Number of Meeting
Mr. Kwong Kai Sing, Benny	2/2
Mr. Yu Xing Bao	2/2
Mr. Li Zhaojie	2/2

At its meeting on 6th March 2007, the Audit Committee reviewed the Directors' Report and financial statements for the year ended 31st December 2006 and the annual results announcement, with a recommendation to the Board for approval.

Nomination Committee

The Group has established a nomination committee, which will be responsible for recommending the appointment of Directors, Supervisors and senior executives and reviewing the succeeding arrangement of Executive Directors and senior executives. The majority of members of the Nomination Committee are Non-executive Directors, which is chaired by Mr. Liu Xiaoguang. Other members include Mr. Kwong Kai Sing, Benny and Mr. Ke Jianmin.

Remuneration Committee

The Group established a Remuneration Committee with written terms of responsibilities. The Remuneration Committee is responsible for providing recommendation to the Board regarding the Group's remuneration policy, the formulation and reviewing of the specific remuneration for the Group's Executive Directors and senior executives. The majority of members of the Remuneration Committee are Independent Non-executive Directors. The committee is chaired by Mr. Liu Xiaoguang and other members include Mr. Kwong Kai Sing, Benny and Mr. Ke Jianmin. During the year under review, the Remuneration Committee held one meeting to review the annual remuneration for the Directors and Supervisors, with full attendance by all members.

Current Remuneration System of Board of Directors and Supervisory Committee

1. Policy

The Remuneration Policy for the Directors and Supervisors of the Company is based on the following principles:

- Nobody is allowed to determine his or her own remunerations.
- The remuneration levels should tally with the Company's competitors in the human resources market.
- The remuneration levels should be able to reflect the performances, complexity of work, and responsibilities of related staff; and to attract, motivate and retain outstanding staff, encouraging them to proactively excel and add values for the shareholders of the Company.

2. Non-executive Director and Supervisors — Principle for Determining Remuneration

The fees of the Non-Executive Directors of the Company should tally with market level, and be subject to formal independent review at least once every 3 years.

3. Executive Director — Components of Remuneration

The Company determines the remunerations of the executive directors by referring to the statistics of similar positions in the market (including local and regional companies with similar scope, business complexity and scale to the Company). Such policy conforms to the remuneration policy of the Company which tallies with our competitors in the human resources market. In addition, in order to attract, motivate and retain outstanding staff, the Company takes performance as the primary consideration for grant of individual rewards. The remuneration of executive directors comprises of two parts:

(a) Basic Remuneration

The basic remuneration of executive directors accounts for about 70% of their total remuneration. Yearly reviews will be conducted, taking into account the competitive situations in the market, customary practice and personal performance.

(b) *Yearly Gratuitous Payment*

The amount of yearly gratuitous payment is determined based on the performances of the Company, functional departments and individual performance. The main performance-assessing standards include whether financial and operational targets can be achieved, and whether the individual has demonstrated key leadership skills like creating mutual objectives and nurturing talents.

The Company set a target yearly gratuitous payment for each executive director, which account for 30% of his total remuneration. Yearly gratuitous payment will only be granted when their performance reach satisfactory levels. The actual amount to be granted depends on individual performance.

The Company does not adopt any share option scheme.

No executive director has entered into any service contract with the Company or its subsidiaries, which terms provide for a notice period of over one year, or which provide for compensation in the form of more than one-year's salary plus benefits-in-kind upon termination of employment.

Strategic Committee

The main function of the Strategic Committee is to study and advise on the Company's long-term development strategies and major investment decision. The Strategic Committee undertakes to review and adjust the strategies of the company at least once every year. It is comprised of Mr. Liu Xiaoguang, as Chairman of the Strategic Committee and Mr. Kwong Kai Sing Benny, and Mr. Ke Jianmin as the members.

Provisional Committee

In addition to the conventional Audit Committee, Nomination Committee, Remuneration Committee and Strategic Committee, the Board may establish a Provisional Committee whenever necessary to deal with corresponding matters, in event of substantial emergencies.

In June 2006, regarding the Company's Chairman, Mr. Liu Xiaoguang, requested by the relevant PRC authorities to assist in the investigations of the former deputy mayor of Beijing City, Liu Zhihua, the Board of the Company decided to suspend the trading of its H shares on the Stock Exchange. At the same time, an Independent Committee consisting of all independent non-executive Directors was formed to carry out investigations so that the shareholders are fully informed about the Company's operational and financial condition under such unexpected circumstances and their interests are best protected. In November 2006, the Independent Committee submitted a report of findings in conclusion that: (i) the Company's operations and financial condition remained normal notwithstanding the incident; (2) the Company's management team remained in their posts carrying out their day to day normal operations and functions; (3) the Company's operating activities, project construction and development processes were carried out smoothly and sales were satisfactory; (4) according to the PRC Lawyer, the Company has proper legal title to the various pieces of land acquired by it; (5) the Company's financial condition is normal and none of its banks have requested for early repayment of loans; and (6) the Company's internal control (including financial, operational and compliance controls) and risk management functions comply with the requirements of Appendix 14 of the Listing Rules in all respects.

Internal Controls

One of the duties of the Board is to ensure the Group's sound and effective internal control system to safeguard the shareholders' investment and the Group's assets. The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness through the Audit Committee. The Board requires management to establish and maintain sound and effective internal controls. Evaluation of the Group's internal controls is independently conducted by the Internal Audit Department on an on-going basis. Such evaluation covers all material controls, including financial, operational and compliance controls and risk management functions. Internal Audit Department will report to the Audit Committee twice each year on significant findings on internal controls. Copy of the minutes of the Audit Committee meeting will also be sent to the Board for information.

External Auditors

The Board agrees with the Audit Committee's proposal for the re-appointment of PricewaterhouseCoopers as the Group's external auditors for the audit of the financial statements prepared in accordance with Hong Kong Financial Reporting Standards for 2006. The recommendation will be put forward for the approval of shareholders at the Annual General Meeting to be held on 11th May 2007.

The Group has established the Policy on Appointment of External Auditor in Providing Non-Audit Services, setting out the principles by which an external auditor may be appointed to provide non-audit services, with a view to ensuring the independence of the external auditor. During 2006, the fees paid to external auditor for providing audit and audit related services amounted to HK\$5,480,000.

Shareholders' Right

According to the Articles of Association of the Company when shareholders individually or together holding 10 per cent. or more of the total number of shares of the Company carrying voting rights (hereinafter refer to as the "Proposing Shareholders") or the Supervisory Committee propose the Board to convene an extraordinary general meeting, an agenda and the complete details of the resolutions shall be submitted in writing to the Board. The Proposing Shareholders or the Supervisory Committee shall ensure that the proposed resolutions conform to the laws and regulations and the Articles of the Association.

The Group uses a number of formal channels to inform our shareholders the performance and operations of the Company, particularly our annual and interim reports. In addition, the AGM provides an opportunity for communication between the Board and the Company's shareholders. The Company regards the AGM as an important event in the corporate year and all Directors and senior management should make an effort to attend.

Investor Relations

The Group has always upheld its policy of open communication and fair disclosure. We believe that the completeness of timely information disclosure is essential for building market confidence. As such, the Group has established an Investor Relations Department, which will be responsible for maintaining close communications with investors and shareholders. By timely information disclosure and organizing regular meeting for the management to communicate with media, it further strengthens investors' understanding of the Group's business development while enables the management to fully realise the opinion and expectation of the investment community to the Group's future development.

In order to maintain good relationship with the investment community, the Group has placed much efforts in maintaining interactive communications with the investors. The Group also strives to maintain high transparency and open-minded attitude to the investment community. The Group disseminates relevant corporate information on a timely basis through various channels. The Group outlined its business activities in its annual and interim reports and through regular distribution of press releases. These information are also available for download from the Group's website at www.bjcapitalland.com.

Besides the press conferences and analysts' meetings held after results announcement, the Group's management has also held regular meetings with securities analysts and investors, and participated in a number of large-scale conferences, presentations and overseas roadshows. These allow the investors to gain better understanding of the Group's development potential and prospects, facilitating their understanding of the Group's investment value.

For the year ended 31st December 2006, the Group participated in the following activities:

- 347 one-on-one investor meetings
- 1 international roadshow, held in U.S. and Europe
- 13 corporate conferences
- 2 media conferences

Besides, the Group will upload the latest information of corporate development, corporate announcement, financial reports and press releases on its corporate website (www.bjcapitalland.com), so as to enable shareholders and the public to stay abreast with the Group's latest development progress.

Looking ahead, the Group will continue to enhance its corporate governance practice based on international trends and development and the views of our shareholders.

On Behalf of the Board

Liu Xiaoguang

Chairman

Beijing, the PRC, 16th March 2007

Report of the Supervisory Committee

Dear Shareholders,

During the year ended 31st December 2006, the Supervisory Committee of Beijing Capital Land Ltd. (the “Supervisory Committee”), have diligently performed their duties in ensuring that the Company has observed and complied with the Listing Rules, the Company Law of the PRC, the Articles of Association of the Company and other relevant legislations and regulations which protect the interests of the Company and its shareholders.

During the year, the Supervisory Committee attended the meetings of the Board of Directors and the General Meetings to strictly and effectively monitor the Company’s management in making significant policies and decisions to ensure that they were in compliance with the laws and regulations of the PRC and the Articles of Association of the Company, and in the interests of the Company and its shareholders. It also provided reasonable suggestions and opinions to the Board of Directors in respect of the operation and development plans of the Company.

The Supervisory Committee has reviewed and agreed to the report of the directors, audited financial statements and profit appropriation proposal to be proposed by the Board of Directors for presentation at the forthcoming Annual General Meeting. The Supervisory Committee is satisfied that the Directors, and other senior management of the Company are committed to act honestly and to perform their duties diligently, so as to protect the best interests of the Company and its shareholders.

The Supervisory Committee has carefully reviewed the audited financial statements prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and consider that the financial statements reflect a true and fair view of the financial position and results of operations of the Company and they comply with the regulations applicable to the Company.

The Supervisory Committee is satisfied with the achievement and cost-effectiveness of the Company in 2006 and has great confidence in the future of the Company.

By order of the Supervisory Committee

Yu Changjian

Chairman

Beijing, the PRC, 16th March 2007

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公司資料

董事

執行董事

劉曉光先生 (董事長)

唐軍先生 (總裁)

何光先生 (副總裁)

非執行董事

馮春勤先生

王正斌先生

朱敏女士

麥建裕先生

獨立非執行董事

鄭啓成先生*

柯建民先生

俞興保先生*

李兆杰先生*

* 審核委員會成員

監事

王琪先生

俞昌建先生

魏建平先生

獨立監事

徐建泓先生

公司秘書

吳偉雄先生

合資格會計師

羅俊先生

授權代表

何光先生

吳偉雄先生

註冊辦事處

中國北京

懷柔區迎賓中路1號

501室

北京總部

中國北京市

西城區廣寧伯街2號

金澤大廈17層

香港辦事處

香港中環交易廣場

第二座4207室

網址

<http://www.bjcapitalland.com>

核數師

羅兵咸永道會計師事務所

法律顧問

香港法律顧問：

姚黎李律師行

中國法律顧問：

北京市競天公誠律師事務所

主要往來銀行

國家開發銀行

中國建設銀行

新加坡星展銀行

招商銀行

中國民生銀行

上市資料

H股股份代號

香港聯合交易所	2868
路透社	2868.HK
彭博	2868HK

每手買賣單位

H股股份	2,000
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H股股份過戶登記處

香港中央證券登記有限公司
香港皇后大道東183號
合和中心17樓
1712-1716室
電話：(852) 2862 8628
傳真：(852) 2529 6087

投資者關係聯絡

電郵：pr@bjcapitaland.com.cn

H股股份之資料

	二零零六年			二零零五年		
	最高 股價 (港幣)	最低 股價 (港幣)	總成交量 (股份數目)	最高 股價 (港幣)	最低 股價 (港幣)	總成交量 (股份數目)
第一季	3.950	2.225	406,706,000	2.700	1.950	299,352,799
第二季	4.225	1.960	374,653,171	2.350	1.590	202,010,100
第三季	3.210	2.500	212,209,706	2.250	1.590	221,035,405
第四季	4.040	2.810	681,717,135	2.350	1.750	235,191,773

於二零零三年六月十九日在香港聯合交易所上市。

於二零零四年十二月三十一日之收市價：港幣2.275元。

於二零零五年十二月三十日之收市價：港幣2.275元。

於二零零六年十二月二十九日之收市價：港幣3.980元。

財務資料摘要

財務概要*

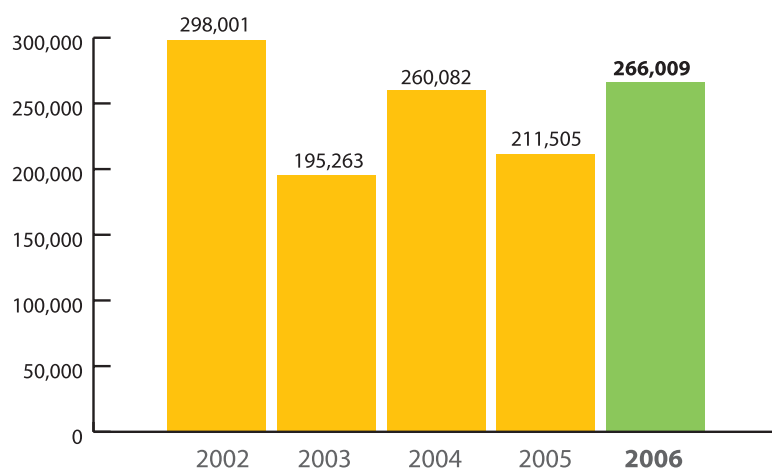
(人民幣千元，除非另作說明)

截至十二月三十一日止年度	二零零六年	二零零五年	二零零四年	二零零三年	二零零二年
營業額	2,039,352	1,134,769	1,629,332	1,874,169	2,887,032
除稅前溢利	246,799	230,559	391,776	404,029	524,546
所得稅費用	(10,440)	(38,242)	(97,500)	(139,948)	(184,848)
本年溢利	236,359	192,317	294,276	264,081	339,698
應佔溢利：					
本公司權益持有人	266,009	211,505	260,082	195,263	298,001
少數股東權益	(29,650)	(19,188)	34,194	68,818	41,697
	236,359	192,317	294,276	264,081	339,698
於十二月三十一日	二零零六年	二零零五年	二零零四年	二零零三年	二零零二年
總資產	15,386,861	10,058,779	8,772,438	8,013,951	5,591,244
總負債	10,720,930	6,873,312	5,969,496	5,264,127	4,161,809

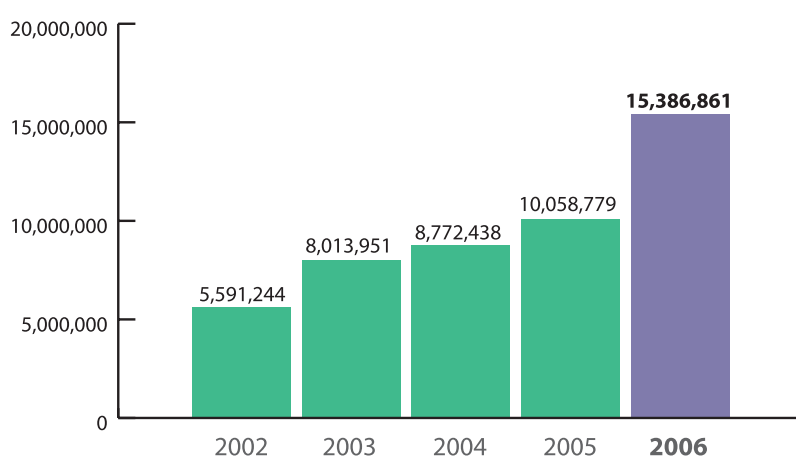
*註：

上表為本集團經營業績、資產及負債之概要。二零零二年度數據是假設集團現時架構在本公司上市前已存在並以之為基礎編制的合併財務數據。

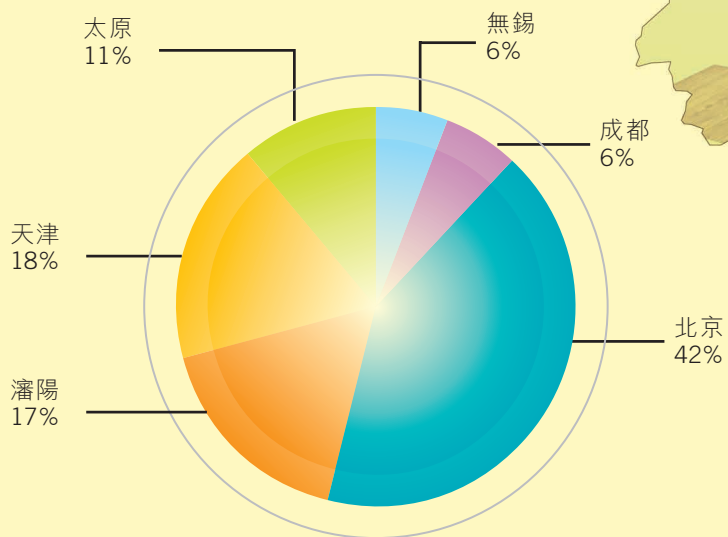
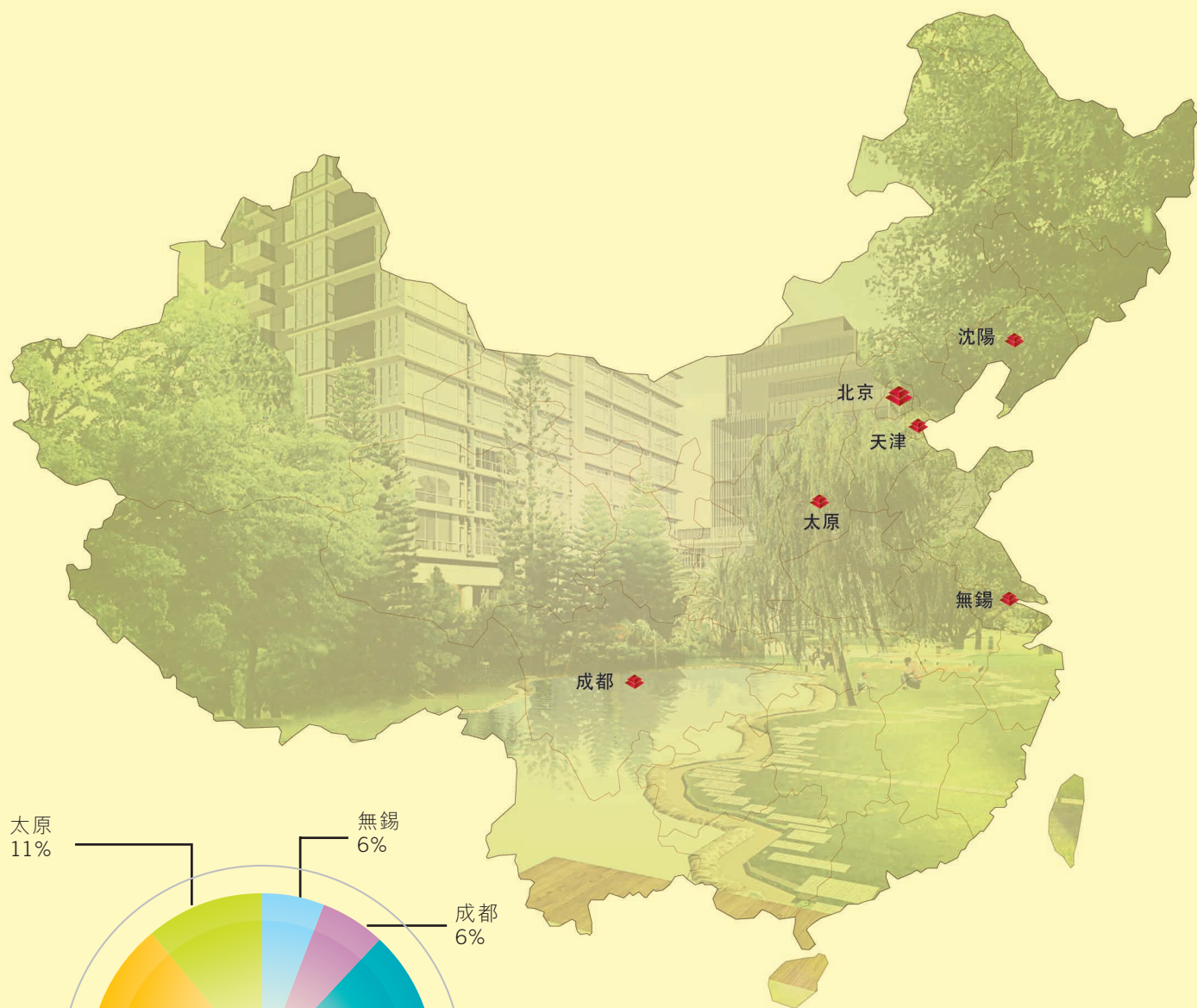
本公司權益持有人
應佔溢利
(人民幣千元)



總資產
(人民幣千元)



物業組合一覽



北京項目位置圖



序號 項目名稱

- 1 中環假日酒店
- 2 金融街洲際酒店
- 3 陽光大廈
- 4 溫哥華森林

序號 項目名稱

- 5 緣溪堂
- 6 陽光上東
- 7 和平里de小鎮
- 8 A-Z Town (愛這城)

序號 項目名稱

- 9 北京國際中心
- 10 主語城
- 11 北環中心
- 12 金融街1號(金亞光大廈)

酒店物業 — 已落成

序號	項目名稱	地理位置	物業類型	應佔權益	概約地盤面積 (平方米)	概約總建築面積 (平方米)
1	中環假日酒店	北京市宣武區棗林前街92號	酒店	100%	20,100	50,700
2	金融街洲際酒店	北京市西城區金融街A區6號地	酒店	34%	12,900	42,900

投資物業 — 已落成

序號	項目名稱	地理位置	物業類型	應佔權益	概約地盤面積 (平方米)	概約總建築面積 (平方米)	租期
3	陽光大廈	北京市西城區西直門外大街鐵路巷A區	商業/寫字樓	35%	9,400	51,700	中期租約

發展物業 — 開發中

序號	項目名稱	地理位置	物業類型	應佔權益	概約地盤面積 (平方米)	概約未結轉建築 面積/概約未 發展建築面積 (平方米)	完成/預計 完成時間 (年)
4	溫哥華森林	北京市昌平區北七家鎮東沙各莊	別墅/商業	70%	549,100	29,800	2006
5	緣溪堂	北京市海澱區玉淵潭	住宅/商業	55%	17,900	150,200	2007
6	陽光上東	北京市朝陽區將台鄉大清寺	住宅/商業/酒店	25%	190,500	410,000	
6.1	一期					54,000	2005
6.2	二期					61,400	2006
6.3	三期					112,000	2007
6.4	四期					105,000	2007
6.5	酒店					77,600	2008
7	和平里de小鎮	北京市朝陽區和平里	住宅/商業	50%	100,000	317,000	
7.1	一期					109,900	2007
7.2	二期					132,200	2008
7.3	三期					74,900	2009
8	A-Z Town (愛這城)	北京市朝陽區十里堡	住宅/商業	55%	126,200	407,400	
8.1	一期					3,200	2006
8.2	二期					183,700	2007
8.3	三期					220,500	2008
9	北京國際中心	北京市朝陽區呼家樓西里	寫字樓/公寓/商業	80%	86,300	295,800	
9.1	一期					108,900	2007
9.2	二期					142,400	2009
9.3	三期					44,500	2010
10	主語城	北京市海澱區首體南路9號	住宅/商業/ 寫字樓/酒店公寓	50%	98,500	306,100	2007
11	北環中心	北京市西城區北三環中路甲29號	公寓/商業	100%	28,000	141,500	
11.1	一期					15,300	2006
11.2	二期					126,200	2009
12	金融街1號(金亞光大廈)	北京市西城區金融街A區3號地	寫字樓/商業	45%	12,400	96,500	2008

序號	項目名稱	地理位置	物業類置	應佔權益	概約地盤面積 (平方米)	概約未結轉建築 面積 / 概約未 發展建築面積 (平方米)	完成/ 預計 完成時間 (年)
13	天津寶翠花都 (天津瑞景住宅項目)	天津市北辰區	住宅/商業	55%	331,000	450,900	
13.1	一期					6,500	2006
13.2	二期					142,000	2007
13.3	三期					302,400	2008
14	太原長風住宅項目	山西省太原市萬柏林區	住宅/商業	55%	200,000	644,300	
14.1	一期					44,900	2008
14.2	二期					255,800	2009
14.3	三期					183,700	2010
14.4	四期					159,900	2011
15	無錫首創雋府 (無錫天一住宅項目)	江蘇省無錫市錫山區	住宅/商業	60%	163,000	334,300	
15.1	一期					91,100	2007
15.2	二期					55,700	2008
15.3	三期					187,500	2009
16	成都A-Z Town (成都成華住宅項目)	四川省成都市成華區	住宅/商業	55%	68,300	356,800	
16.1	一期					338,600	2008
16.2	二期					18,200	2009
17	瀋陽銀河灣住宅項目	遼寧省瀋陽市棋盤山區	住宅/商業	50%	471,400	931,300	
17.1	一期					59,600	2007
17.2	二期					67,800	2008
17.3	三期					150,000	2009
17.4	四期					110,500	2010
17.5	五期					283,500	2011
17.6	六期					259,900	2012
18	天津濱海新區住宅項目	天津市塘沽區	住宅/商業	55%	233,300	528,400	
18.1	一期					138,300	2008
18.2	二期					125,600	2009
18.3	三期					134,400	2010
18.4	四期					130,100	2011
	合計					5,545,600	










註：

1. 表列資料截至二零零七年二月二十八日；
2. 所有項目的概約地盤面積依據最新取得土地使用權證或土地出讓合同；
3. 已落成物業的概約總建築面積依據竣工實測面積；
4. 開發物業的概約未結轉建築面積依據竣工實測面積；
5. 開發物業的概約未發展建築面積依據最新取得規劃文件或公司最新規劃。



北環中心「奧運門」開啟儀式

年度大事紀要

-  2006年1月，集團透過公開交易方式成功購得無錫首創雋府項目，成交價約人民幣4.4億元，土地儲備增加約33萬平方米，該項目是集團進軍長三角地區的首個項目。
-  2006年3月，國際奧委會榮譽主席薩馬蘭奇先生蒞臨北環中心，親手開啓北環中心「奧運門」，並出席集團主辦的「奧運經濟與城市發展」國際論壇。
-  2006年3月，集團透過公開拍賣方式成功購得成都A-Z TOWN住宅項目，成交價約人民幣3.9億元，土地儲備增加約36萬平方米，是集團進軍西南地區的首個項目。
-  2006年5月，集團與中國建設銀行簽署了合作備忘錄，中國建設銀行將為集團全國擴張提供金融服務。
-  2006年6月，集團取得北京主語城項目，土地儲備增加約31萬平方米。
-  2006年7月，集團成立專門工作組，聘請德勤諮詢為管理顧問，啓動「首創置業優化管控和流程體系」工作，對公司管控模式、組織結構及業務流程進行優化和推動實施。
-  2006年10月，集團成功增發3.12億H股，淨募資約8.5億港元，以用作增購土地儲備和發展現有項目。
-  2006年11月，集團成功取得瀋陽銀河灣項目，土地儲備增加約93萬平方米，為集團進軍東北地區的首個項目。
-  2006年12月，天津寶翠花都項目迎來集團在北京以外地區的首批業主入住，標誌著集團全國擴張戰略取得階段性成果。

年度主要獎項一覽



與北京一起贏

獲獎單位	所獲獎項	評選主辦單位	評選日期
首創置業	中國商務地產企業十強	世界房地產研究會GRI 建設部科學技術委員會 中國房地產協會開發委	2006年1月
首創置業	北京地產十大品牌企業	《安家》雜誌、搜狐、焦點房地產網 北京市工商聯住宅房地產業商會	2006年1月
首創置業	中國藍籌地產企業	《經濟觀察報》	2006年9月
首創置業	2006中國房地產公司 品牌價值TOP10	國務院發展研究中心企業研究所 清華大學房地產研究所 中國指數研究院	2006年9月
首創置業	2006中國房地產典範企業	國務院發展研究中心企業研究所 清華大學房地產研究所 中國指數研究院	2006年9月

董事長報告



劉曉光 董事長

集團自二零零五年起適時調整業務策略，加快樓盤建築進度，加速全國擴張步伐，為二零零六年的經營突破打下基礎。憑藉管理層和全體同仁的共同努力，集團的經營規模於年內已邁上新的台階，經營業績也回復升軌。

各位股東：

本人謹代表首創置業股份有限公司(「首創置業」或「本公司」)，連同其附屬公司統稱「本集團」之董事會(「董事會」)，欣然提呈本集團截至二零零六年十二月三十一日止年度之全年業績。

二零零六年集團經營取得重大突破，無論簽約銷售金額及簽約銷售面積均創下歷史同期新高，年度內的簽約金額達人民幣85.8億元，同比增長265%，簽約銷售面積達67.8萬平方米，同比增長152%。因應二零零五年採用新香港財務報告準則，以及中央推行的一系列宏調措施，集團自二零零五年起適時調整業務策略，加快樓盤建築進度，加速全國擴張步伐，為二零零六年的經營突破打下基礎。憑藉管理層和全體同仁的共同努力，集團的經營規模於年內已邁上新的台階，經營業績也回復升軌。

受惠於城市經濟快速增長及人均收入上升，中國經濟在二零零六年持續蓬勃發展，國民生產總值上升百分之十點七。回顧年度內，國務院提出促進房地產健康發展的多項措施，停止批出用作興建別墅及低密度住宅用



董事會會議

地，鼓勵發展中低檔及面積較小的住宅項目及規範外國資金投入中國房地產市場等，藉以打擊國內過熱的樓市，並通過經濟手段來調節貨幣的供應量，提高投資成本，減輕投資過熱的勢頭，令國內房地產市場發展更趨健康。

這些措施不免為內地房地產市場帶來不同程度的衝擊，首創置業適時調整策略，順應國家政策發展符合市民住房需求的大型住宅項目，抓緊市場對住房的龐大需求，取得量價齊升的理想售樓成績。

回顧年內，集團營業額為人民幣2,039,352,000元，權益持有人應佔溢利為人民幣266,009,000元，分別較去年同期上升80%及26%。

為了回饋股東支援，董事會建議派發截至二零零六年十二月三十一日止年度之末期股息每股人民幣6分，派息比率增加至46%。

集團為了長遠而持續的發展，貫徹執行「在環渤海、西南、長三角三大重點區域深入佈局」的策略，分別於北京、無錫、成都、瀋陽、天津取得五個新發展項目，多為住宅項目，使集團增添246萬平方米的可發展樓面面積。首創置業期望藉此在國內主要城市奠立良好的發展基礎，以推動集團未來的業務持續穩定增長。隨著集團於北京及異地的多個住宅項目於二零零七年陸續推向市場，我們展望二零零七年將為集團的收成期。

為加強集團於土地、產品、品牌及資產方面的優勢，抓緊國內房地產市場急速發展所帶來的機遇，集團已制定一系列發展策略，包括推進管理變革、加強管理系統性；加快產品標準化建設、實施戰略成本控制；創新業務模式、發揚綜合營運優勢；加強人才的吸引和培養。集團將專注住宅開發業務，深化重點擴張策略，以產品標準化高效複製為策略迅速擴大營運規模、降低開發成本。

展望未來，二零零八年北京奧運舉行在即，將有助中國在國際市場的形象將更趨正面。加上國內經濟仍然處於急速增長的階段，人均收入將繼續相應增加，進一步帶動國內市場對樓房的強勁需求。另一方面，隨著集團推行提升管理系統，產品標準化複製，戰略成本控制，重點區域擴張等戰略舉措，將更有利於集團把握市場的有利機遇，挖掘項目在土地、產品、品牌、資產方面的四重溢價。

最後，本人謹代表董事會向客戶、業務伙伴及股東致以深切的謝意，也感謝全體員工一直以來的不懈努力和貢獻。首創置業將於未來繼續恪守高水平的企業管治及透明度，並憑藉獨特的競爭優勢，與客戶攜手推動房地產市場的增長，共同邁向集團業務發展光輝的新篇章。

劉曉光

主席

中國北京，二零零七年三月十六日

管理層討論與分析



唐軍 總裁

隨著二零零八年奧運會的日益臨近，奧運經濟的不斷發展和跨行業的帶動作用將逐步體現，房地產行業無疑將是受益最為明顯的行業之一。

作為中國具領導地位的大型地產綜合營運商之一，集團有信心，且具備實力發展成為國際化的大型主流地產綜合營運商，共同推進中國地產業的發展。

經營環境分析

全國房地產市場概述

二零零六年中國經濟強勢依舊

二零零六年，中國國內生產總值（「GDP」）達到人民幣20.94萬億元，比上年同期增長10.7%。二零零六年城鎮居民人均可支配收入為人民幣11,759元，扣除價格上漲因素，實際增長10.4%。居民的消費水平顯著提高。隨著居民收入和可支付能力的快速提升，對住宅的需求仍將穩步增長。（資料來源：國家統計局、國家信息中心）

二零零六年中國房地產繼續快速平穩發展

二零零六年，政府繼續深化宏觀調控政策。通過兩次提高基準利率，調整稅收和信貸政策，調整住宅供應結構以及規範外商投資活動等政策，進一步規範房地產市場，並從總量控制逐漸轉向結構調整，有利於房地產市場長期健康發展。二零零六年房地產開發投資人民幣19,382億元，比上年增長21.8%，其中，商品住宅投



天津寶翠花都（效果圖）

資人民幣13,612億元，增長25.3%。商品房銷售額人民幣20,510億元，其中，期房銷售額為人民幣14,366億元，所佔比重為70%。中國房地產行業依舊保持快速平穩發展勢頭。

二零零六年全國住宅需求依然旺盛，但未來供應可能偏緊

二零零六年，首十一個月，全國商品住宅銷售面積約計4.16億平方米，增長6.3%，銷售額達到人民幣13,493億元，同比增長11.1%。由於社會經濟增長、居民收入快速提高以及城市化進程加快，住宅需求同步增長。二零零六年，70個大中城市房屋銷售價格上漲5.5%，同比回落2.1個百分點。房價漲幅近三年來呈現逐步回落趨勢，表明始自二零零四年的房地產宏觀調控措施正逐漸收到成效。因居民收入增長速度超過房價上漲速度，預計未來市場需求還將進一步釋放。土地供應繼續減少，二零零六年首十個月，全國土地購置面積為26,827萬平方米，同比減少2.6%。二零零六年，全國商品房竣工面積53,019萬平方米，下降0.6%，顯示未來供應可能偏緊。目前，土地供應已全部公開交易，信貸條件也逐步嚴格，而市場需求將長期旺盛，有利於大型房地產營運商憑藉良好資譽和集團開發的規模優勢快速擴張，不斷增加市場份額。（資料來源：國家統計局、國家信息中心）

北京房地產市場概述

二零零六年，北京經濟維持高速增長

二零零六年北京GDP為人民幣7,720億元，比上年增長12%，連續八年實現雙位數增長。按常住人口計算，人均GDP達人民幣49,505元（約6,210美元），同比增長8.8%，這也是北京人均地區生產總值首次突破6,000美元。城鎮居民人均可支配收入為人民幣19,978元，扣除物價上漲因素後同比增長12.2%。居民的可支付能力顯著增加，購房需求與日俱增。（資料來源：北京統計局）



A-Z Town悠客公寓



A-Z Town朗仕公館 (效果圖)

二零零六年，北京住宅市場供不應求，空置率進一步下降

二零零六年，北京住宅交易總面積為2,205萬平方米，較去年減少14%，其中期房交易面積為1,584萬平方米，佔72%，現房交易面積為621萬平方米，佔28%。受二零零六年調整住宅供應結構、規範外資准入、房地產信貸投放越趨嚴格等因素影響，二零零六年北京住宅供應明顯減少，住宅竣工面積2,193萬平方米，下降22.8%。住宅銷售額為人民幣1,626億元，較去年上升8.2%，其中期房佔76%，現房佔24%。二零零六年北京住宅價格指數為109.6，比去年同期增加9.6個百分點。由於住宅市場供不應求，空置率進一步下降。住宅空置面積為494萬平方米，比去年減少306萬平方米。（資料來源：北京統計局、國家信息中心）

未來北京住宅供應依然偏緊

二零零六年，北京商品住宅施工面積為6,311萬平方米，下降13.3%。土地供應較去年有所上升，全年北京出讓的住宅開發用地面積為919萬平方米，較2005年增加了57%，但與同期住宅期房與現房的總成交面積2,205萬平方米相比，供應仍顯不足。從以上住宅開發的先行指標來看，未來北京住宅供應仍然偏緊，住宅價格將保持穩健增長。（資料來源：北京市統計局）

天津房地產市場概述

作為環渤海經濟圈的中心城市之一，憑藉濱海新區帶來的歷史性發展機遇，二零零六年天津經濟繼續在高位平穩運行，實現GDP人民幣4,338億元，按可比價格計算，比上年增長14.4%。人均可支配收入為人民幣14,283元（約5,177美元），增長13%，成為繼上海、北京之後第三個人均GDP達到5,000美元以上的地區。

天津濱海新區作為地區龍頭的作用進一步加強，二零零六年濱海新區GDP為人民幣1,960億元，比上年增長20.2%，濱海新區GDP佔全市GDP比重達到45%，比上年提高1.1個百分點。隨著二零零六年京津城際快速鐵路、京津塘高速公路二線、天津濱海國際機場擴建等多項工程的順利展開，天津市的交通基礎建設設施將愈臻成熟；年內，京滬高速公路天津段竣工通車；地鐵1號線投入試運營；市區快速路新增40公里，累計160公里；地鐵2號線開工建設，海河綜合開發和舊路改造等城市基礎設施建設取得新進展，這些基礎建設的落成投入均有助進一步帶動經濟和房地產和房地產市道的發展。

隨著經濟的快速發展，天津的房地產市場也取得了長足進步。二零零六年房地產開發投資總額為人民幣402億元，同比增長22.8%。商品房施工面積為6,165萬平方米，增長18%，房屋竣工面積為2,155平方米，增長5.5%。商品房銷售面積達到1,459萬平方米，增長4%，銷售額人民幣696億元，增長21.2%，商品房銷售均價為人民幣4,774元，上升21.8%。二零零六年首十一個月，商品住宅銷售面積為1,012萬平方米，增長2.7%，銷售額為人民幣470億元，增長26.3%。（資料來源：天津市政府、天津市統計局、天津濱海新區管委會）

太原房地產市場概述

太原市是位處華北的山西省省會城市，二零零六年，太原迎來了經濟發展的新高峰，GDP達到人民幣1,013億元，增長11.5%。二零零六年，太原居民人均可支配收入達人民幣11,740元，增長12.1%。居民收入水平增長迅速，對住宅的需求量將進一步增加。二零零六年前三季度，太原市房屋銷售價格比去年同期增長了8.7%，其中住宅售價上漲了6.4%。（資料來源：國家統計局、山西省統計局、太原市統計局）

成都房地產市場概述

成都市是位處中國西南部的四川省省會城市，二零零六年成都GDP為人民幣2,750億元，比上年增長13.8%，連續十三年保持雙位數增長。城市居民人均可支配收入為人民幣12,789元，增長12.6%。居民購買力顯著增強，引致房地產市場繁榮。二零零六年房地產開發投資人民幣534億元，增長36.4%，其中住宅投資人民幣366億元，增長45.2%。商品住宅需求旺盛，拉動商品房成交總量大幅增長，二零零六年全市商品住宅成交面積1,784萬平方米，同比增長35.7%。二零零六年全市商品住宅竣工面積1,942萬平方米，同比增長35.1%，預計未來的成都房地產市場仍然存在很大潛力。二零零六年，成都住宅成交均價為人民幣3,511元/平方米。（資料來源：成都市政府、國家資訊中心、成都市統計局、成都市房管局）

無錫房地產市場概述

無錫市是位處長江三角洲江蘇省城市的重要經濟城市，二零零六年無錫GDP為人民幣3,300億元，按可比價格計算增長15.3%。城市居民人均可支配收入達到人民幣18,189元，同比增長13.6%。二零零六年無錫房地產開發投資快速增長，完成投資人民幣277億元，同比增長21.5%，無錫商品房銷售額為人民幣178億元，



成都A-Z Town (效果圖)



北環中心

同比增長37.8%。商品房住宅價格繼續上漲，二零零六年平均售價為人民幣4,315元／平方米，同比增長4.23%。(資料來源：無錫市政府、無錫市統計局、無錫房地產指數)

瀋陽房地產市場概述

瀋陽市是位處中國東北部遼寧省的省會城市，二零零六年十月，瀋北新區被國務院確定為繼上海浦東新區、天津濱海新區、鄭州鄭東新區之後的第4個國家重點開發區域；此外，二零零七年瀋北新區將投入人民幣70億元資金進行包括路網改造在內的城市基礎設施建設，隨著瀋北新區之國家發展戰略的迅速展開，瀋陽經濟及房地產的發展進入了長期快速發展期。

二零零六年瀋陽實現GDP人民幣2,468億元，增長16.2%，增幅同比提高0.2個百分點；固定資產投資完成人民幣1,772億元，增長30%；城市居民人均可支配收入達到人民幣11,580元，增長14.7%，在中國城市中位居前列，表明瀋陽居民的購買力正迅速增長，對住宅的需求將顯著增長。二零零六年瀋陽商品住宅銷售預售價格為人民幣3,222元／平方米，同比上升3.6%，房價穩中有升。(資料來源：國家資訊中心、瀋陽市委經濟和社會發展通報會、瀋陽市房地產研究所)

業務回顧

回顧年度內，國家進一步加大宏觀調控力度，陸續出臺了一系列關於調整住房供應結構、上調貸款利率、規範房地產市場外資准入、規範房地產市場外匯管理、加強土地調控和加大個人房產轉讓所得稅徵收力度的政策和規定。二零零七年二月，國家嚴格土地增值稅清算，由於集團已按國家相關規定為有關稅項作足夠準備，因此該措施對集團的影響不大。集團在積極消除宏觀調控影響的同時，及時調整經營策略、果斷抓住市場有利時機、充分挖掘內部潛力、大力加強集團在全國各地項目的實施力度，確保了集團全年業績的提升。



金融街1號(效果圖)

年內，本集團的營業額為人民幣2,039,352,000元，較去年增加80%，經營溢利為人民幣362,203,000元，較去年增加31%，股東應佔溢利為人民幣266,009,000元，較去年增加26%。每股基本盈利為人民幣15.05分，去年同期每股基本盈利為人民幣12.39分，董事會建議派發截至二零零六年十二月三十一日止末期股息每股人民幣6分（二零零五年：每股人民幣5分）。

回顧年度內，集團在下列經營管理領域取得重大突破：

- 立足北京，穩步推進區域擴張——集團正聚焦環渤海、西南、長三角三大戰略區域，形成以北京、成都、南京為各區域中心城市，不斷輻射區域內其他城市的全國佈局。年度內，集團成功新增土地儲備約193萬平方米。
- 銷售取得豐碩成果——集團在二零零六年簽約銷售額達人民幣85.8億元，比上年增加265%。同時，北京國際中心和主語城項目躋身二零零六年北京市房屋銷售額前十名，品牌效應不斷增強。
- 繼續發揮資本運作優勢，增強財政實力——二零零六年十月，集團成功增發3.1億股H股，淨募資約8.5億港元。
- 強化國際合作優勢——集團與GIC的合作不斷深入，在原有合作項目的基礎上又共同投資成都和瀋陽項目，合作項目數量已由二零零五年的四項增加至二零零六年的六項。與美國AG基金合作開發無錫項目，在合作夥伴和合作模式上都有新的突破。
- 優化管控和流程再造——集團明確了過渡期實行運營控制型，遠期實現戰略控制型的管控模式目標。重新設置了組織機構，在縱向上更加明晰總部與項目公司的管理介面和責權劃分，橫向上著重加強各專業的溝通協調。依據新的管控模式進行流程再造，加強管理規範和標準，提升管理效率。

物業發展

集團及其合營公司、聯營公司於回顧年度內共完成五項發展項目，總建築面積為332,400平方米。

於二零零六年財政年度落成之發展項目

物業	類別	概約落成總建築面積 (平方米)	首創置業應佔權益
北環中心一期	住宅	54,800	100%
A-Z Town一期	住宅	27,000	55%
溫哥華森林E區	別墅	52,700	70%
天津寶翠花都一期	住宅	61,900	55%
陽光上東C6、C7區	住宅	136,000	25%
合計		332,400	

售樓業績

二零零六年，集團售樓簽約面積約為67.8萬平方米，比上年增加152%，其中住宅部分簽約面積為48萬平方米，商業部分簽約面積為0.9萬平方米，寫字樓部分簽約面積為18.9萬平方米。二零零六年，實現簽約銷售收入約為人民幣85.8億元，比上年增加265%，其中住宅部分簽約銷售收入為52.6億元，商業部分簽約銷售收入為人民幣2.5億元，寫字樓部分簽約銷售收入為人民幣30.7億元。



天津寶翠花都



和平里De小鎮(效果圖)



和平里De小鎮開盤盛況

年度內，集團根據房地產市場行情的不斷變化，審慎而具策略性地籌劃項目的開發和營銷計劃，通過優良的項目品質、有效的銷售策略、優質的顧客服務開展銷售工作，致使集團年度內銷售情況出現飛躍性的增長，無論簽約銷售總額，還是簽約銷售面積均創歷史同期最高水準，昭示著集團已經逐步進入收穫期。年度內，集團與中國銀行在中國銀行總部共同舉辦了為期一周的「用心建築理想之家」首創置業名盤巡展活動，取得了良好效果。集團陸續推出的緣溪堂、和平里de小鎮、A-Z Town、天津寶翠花都、北京國際中心、主語城、北環中心等項目，憑藉優越的地理位置、出眾的社區規劃和環境、良好的產品品質、有效的銷售策略等優勢，迅速成為熱銷樓盤，陽光上東、溫哥華森林等現有項目也不斷提高競爭優勢，獲得熱烈的銷售反應。同時，北環中心、A-Z Town、寶翠花都等項目提前了入夥日期，獲得廣大業主的肯定。

作為集團「都市國際化高檔社區」產品線代表作的緣溪堂和陽光上東項目，憑藉超群的品質，獨特的居住文化理念獲得了業界和業主的一致認可，成為北京地區高檔住宅的典範之作。緣溪堂作為皇家園林玉淵潭畔的頂級私宅，由西班牙頂尖建築大師卡爾多·波菲設計，以皇家居住文化為主題，造型如同三扇城市之門，充分體現了「進則城市、隱則公園」的現代居住理念，得到了市場的廣泛認可，年度內實現簽約銷售收入約人民幣7.3億元。陽光上東通過與眾不同的定位，繼續彰顯其北京東部高檔住宅的核心地位，演繹著國際大都市的絢麗色彩，年度內實現簽約銷售收入約人民幣11.4億元。

集團「都市高密度複合社區」產品線的項目也表現優秀。A-Z Town通過全方位的服務、獨具特色的品牌戰略和綜合社區的發展理念，積聚了大批高素質、高收入、高品位的業主和意向客戶，打造了作為CBD副中心高檔社區的領軍地位，年度內實現簽約銷售收入約人民幣8.4億元。同時，集團已將A-Z Town的成功模式複製到成都地區，標誌著集團產品標準化戰略的全面實施。和平里de小鎮項目於二零零六年五月開盤，開盤一周銷售率即達90%，年度內實現簽約銷售收入約人民幣8.4億元。

天津寶翠花都項目是集團在北京以外區域第一個實現竣工和入住的項目，標誌著集團區域擴張戰略的初步實現，該項目也拉開了集團打造「城市低密度人文社區」產品線的序幕。項目位於天津市北辰區，社區環境優美，近鄰佔地達200多萬平米的天津最大的花木生產基地。該項目年度內實現簽約銷售收入約人民幣4.3億元，成功實現「當年開工，當年竣工，當年入住」的開發目標。

北京國際中心和主語城分別是集團在CBD區域和中央政務區傾心打造的地標性綜合體建築。北京國際中心一期為甲級寫字樓，擁有獨特的弧型外觀，融合高科技和人性化建築的同時，也注重環境保護，創業內先河採用了「全封閉、純生態化風送垃圾系統」。主語城定位於「中央政務區」的新型城市綜合體，集寫字樓、商業、住宅、酒店、會所等功能為一體。兩項目均重點推行「大客戶訂制」的營銷模式，成功與泰康人壽、中國船舶工業集團公司、中國建築標準設計研究院、中訊郵電諮詢設計院等大型企業集團簽約。北京國際中心項目年度內實現簽約銷售收入約人民幣14.4億元，主語城項目年度內實現簽約銷售收入約人民幣23.7億元。

年度內，集團還加強整合「首創置業客戶會」的資源，仔細收集客戶對集團產品的意見和建議，維繫與客戶長期的信任和建立長期關係，在已有客戶內進行項目的推廣工作，以使「首創置業」成為客戶的多次置業選擇。



主語城 (效果圖)

回顧年度內，集團及其合營公司、聯營公司主要項目之銷售情況如下：

項目名稱	概約簽約		
	概約簽約銷售面積 (平方米)	銷售總收入 (人民幣千元)	概約簽約銷售均價 (人民幣元/平方米)
住宅部分	480,300	5,264,700	11,000
雪梨澳鄉	4,200	42,800	10,200
溫哥華森林	46,900	392,600	8,400
陽光上東	75,900	1,144,700	15,100
A-Z TOWN	83,800	835,100	10,000
緣溪堂	35,700	733,600	20,600
和平里De小鎮	81,400	841,200	10,300
天津寶翠花都	89,500	431,400	4,800
北環中心住宅	18,000	212,100	11,800
主語城住宅	44,900	631,200	14,100
商業部分	8,700	245,000	28,200
北環中心商業	900	22,700	25,200
北京國際中心商業	1,700	48,900	28,800
主語城商業	6,100	173,400	28,400
寫字樓部分	188,700	3,067,500	16,300
北京國際中心寫字樓	65,100	1,388,100	21,300
首創拓展大廈	14,400	113,000	7,800
主語城寫字樓	109,200	1,566,400	14,300
合計	677,700	8,577,200	



金融街洲際酒店

酒店經營

年度內，中環假日酒店繼續專注於「會議和商務酒店」之定位，通過發展「優悅會」會員計劃、增設「忠實客戶服務經理」、推行「賓客認知計劃」等措施增加穩定的長期客戶，積極拓展會議和商務客源，取得良好效果。二零零六年，中環假日酒店的全年平均入住率約76%，比二零零五年提高近四個百分點。憑藉優質專業的服務，高標準的設施，良好的員工滿意度和客人滿意度，以及出色的經營業績，獲得了顧客和業界的廣泛認可。

作為金融街內第一家頂級酒店的金融街洲際酒店，充分發揮自身優勢和其在業界的影響，繼續朝其「國際化高端金融商務酒店」的目標邁進。二零零六年十一月，參加「中非合作論壇」的總統下榻金融街洲際酒店，充分證明了酒店卓越的接待能力和國際化的服務品質。

土地儲備

截至二零零七年二月二十八日，集團擁有的土地儲備可建樓面面積約為555萬平方米，從區域分佈計算，北京佔42%，天津佔18%，太原佔11%，無錫佔6%，成都佔6%，瀋陽佔17%。從土地用途計算，住宅用地約佔84%，商業用地約佔6%，寫字樓用地約佔7%，酒店用地約佔3%。

年度內，集團在北京新增一處土地儲備，進一步鞏固了集團在北京地區的土地儲備優勢。二零零六年六月，集團透過收購形式取得北京主語城項目，土地儲備增加約31萬平方米(不含收購前已經簽約銷售面積約12萬平方米)。該項目位於北京西二環與西三環之間，佔地約9.8萬平方米，規劃總建築面積約43萬平方米。該項目已於二零零五年開盤，計劃於二零零七年竣工。



無錫首創雋府(效果圖)

自二零零六年一月一日起至二零零七年二月二十八日，集團分別在無錫、成都、瀋陽、天津獲得四個住宅發展項目，標誌著集團“走出北京，走向全國”戰略目標的快速實現。

無錫首創雋府項目是集團進軍長江三角洲地區的首個項目。集團於二零零六年一月透過公開交易形式，作價人民幣4.4億元投得該住宅用地，規劃總建築面積約33萬平方米。項目所在區域為中高檔住宅集中地區，緊鄰市區，交通便利，更毗鄰無錫市重點中學「天一中學」，地理位置優越。該項目預計於二零零七年第二季度開售。

成都A-Z TOWN項目是集團進軍西南地區的首個項目。集團於二零零六年三月透過公開交易形式作價人民幣3.9億元投得該住宅用地，規劃總建築面積約36萬平方米。該項目位於成都繁華的東二環路與建設路的交界處，西臨風景秀麗的沙河，且身處建設路的傳統商圈，商業氛圍濃厚。該項目計劃於二零零七年第二季度開售。

瀋陽銀河灣住宅項目是集團進軍東北地區的首個項目。集團於二零零六年十一月透過收購形式取得該項目，規劃總建築面積約93萬平方米。該項目位於瀋陽市東部，位於棋盤山風景區內，南臨渾河，北臨新開河，西鄰瀋撫公路，東南側緊鄰鳥島，鄰近東陵公園、盛京高爾夫俱樂部及世博園，具有優越的環境優勢，交通十分便利，適合高檔住宅的開發。

天津濱海新區住宅項目是集團在天津的第二個項目。二零零七年二月，集團透過收購形式取得該項目，規劃總建築面積約53萬平方米。該項目距京津塘高速公路塘沽出口約2公里，位於河北路立交橋的西北角，南側緊鄰京津塘高速，東靠河北路，西接車站北路。項目地理位置優越，交通非常便利，規劃產品將以多層和小高為主，周邊社區發展較為成熟，具備打造高端社區條件。該項目計劃於二零零七年開售。



員工活動



員工活動

集團現有土地儲備足以滿足公司未來三年的發展需要。在以中高檔住宅為核心業務的方向下，年度內新增土地儲備多為住宅用地。集團將考慮能否與住宅業務產生協同效應以及持有潛力等標準，繼續優化和調整現有非住宅項目，以進一步擴大住宅用地比例。

同時，集團將持續聚焦環渤海、西南、長三角三大戰略區域，形成以北京、成都、南京為各區域中心城市，不斷輻射區域內其他城市的全國佈局。穩妥拓展全國範圍的土地儲備，特別是提升已進入地區的市場佔有率，在北京以外地區複製成熟項目的成功開發模式，加快項目運作，降低營運風險，獲取穩定收益，以實現“中國最具價值的地產綜合營運商”的發展願景。

人力資本

截至二零零六年十二月三十一日，本集團擁有規模為428人的專業化和國際化的團隊。員工整體平均年齡33.5歲。學歷方面，碩士以上學歷員工佔16.4%，大學本科學歷員工佔60.7%。專業方面，具有中級職稱員工佔37.4%，具有高級職稱員工佔7.5%。

年度內，集團啟動了「管理培訓生計劃」，從國內外知名高校甄選了23名本科、碩士及MBA管理培訓生，安排了為期一年的整體培養計劃。榮獲北京高校畢業生就業促進會頒發的「二零零六年度大學生最滿意誠信招聘僱主」獎項。

年度內，集團進一步優化績效管理，建立完善了外派人員管理體系和相關配套制度，嚴格執行績效考核，以能力模型為基礎自主開發了「德、能、勤、績、廉」全維度的360度管理評估體系，有效指導各層級管理人員綜合能力的改進與發展。

年度內，根據員工職業生涯發展規劃和能力模型共舉辦培訓課程18期，培訓人數585人次，員工總培訓小時數為9,764小時，人均培訓34.8小時。此外，集團開展了「傳承計劃」，培養由中高級管理層擔任的內部培訓講師14人，並由內部講師實施了一系列新員工培訓和業務交流培訓。



陽光上東全景(效果圖)

社會責任

集團抱持取諸社會、用諸社會的理念，促進企業和員工對社會公益作出貢獻。二零零六年四月，集團成為「北京首創乒乓球俱樂部」的贊助商，並發起「與北京一起贏」系列公益活動。同月，在集團「緣溪堂」專案舉行全明星慈善愛心拍賣會。「緣溪堂」榮獲「社會公益大獎」。二零零六年九月八日，北京奧運會開幕倒計時700天之際，「共用奧林匹克陽光高爾夫名人邀請賽」慈善拍賣會在集團「溫哥華森林」項目舉行，所得善款全部捐贈給北京市東城區特殊教育學校購置體育設施和器材。

展望

縱觀中國宏觀經濟和房地產行業的發展態勢，未來幾年仍將是房地產行業的高速發展時期，中國地產業將告別傳統粗放的經營模式，迎來創新集約的新時代。首先，高速增長的中國經濟保證了城鎮居民可支配收入的不斷增加，對房地產行業的需求起到巨大的拉動作用，城市化進程的加速也將進一步促進中國房地產行業的不斷發展。其次，政府出臺的一系列旨在調控房地產行業的政策，將為中國房地產市場步入健康發展的軌道，進一步完善法規的保障，使房地產市場得到平穩著陸，有利於房地產行業長期而健康的發展，同時，過去兩年的新政策與房地產行業的整固也有助於企業進行大規模擴張和收購兼併活動。隨著二零零八年奧運會的日益臨近，奧運經濟的不斷發展和跨行業的帶動作用將逐步體現，房地產行業無疑將是受益最為明顯的行業之一。

作為中國具領導地位的大型地產綜合營運商之一，集團有信心，且具備實力發展成為國際化的大型主流地產綜合營運商，共同推進中國地產業的發展。

集團將在二零零七年繼續推行如下發展策略：

- 推進管理變革，重塑管控制度，加強管理系統性
 - 向戰略型管控模式轉變，最終使集團總部成為投資中心，區域／業務總部成為利潤中心，項目公司成為成本中心，以利於責權利的進一步統一。
 - 決策機制方面，推動戰略決策委員會，投資決策委員會和產品決策委員會的建設工作，保證各項決策的有系統和有效地執行。
 - 管理系統方面，進一步完善戰略、計劃、預算和績效的管理系統，加強管理系統的一致性和有效性。
 - 持續改進業務流程和管理流程，積極推動資訊化系統建設。
 - 完善激勵機制，鼓勵創新型人才，為股東創造價值。
- 推行產品標準化，降低開發成本，提升產品品質
 - 加強產品標準化研究，完善三條產品線，即城市低密度人文社區、都市高密度複合社區、都市國際化高檔社區。
 - 加強產品線的高效複製，以便於降低項目運作成本，提升項目運作整體品質，加快開發速度，提高對項目的管理效率。
- 加大項目拓展力度，加速全國擴張
 - 通過三條產品線的標準化複製，實施重點區域擴張策略。
 - 籌劃最佳的土地儲備規模，優化長期投資與短期投資的比例。
 - 加大收購兼併和土地一級開發的力度。

財務分析

1. 收入和經營業績

二零零六年度，本集團的營業額約為人民幣2,039,352,000元(二零零五年：人民幣1,134,769,000元)，較二零零五年度上升80%。本年度本集團開發的溫哥華森林項目、北環中心項目、北京A-Z TOWN項目、天津寶翠花都項目等項目銷售入住狀況良好，營業額較上年度大幅增加。

二零零六年度，本集團的酒店業務營業額為人民幣211,347,000元(二零零五年：人民幣98,709,000元)，較二零零五年度上升114%，主要由於本集團持有的金融街洲際酒店本年度為其第一個完整經營年度，酒店營業額較上年有大幅增長。

二零零六年度，本集團實現的毛利率比上年度有所下降，主要由於本集團本年度實現收入的項目多為較早開盤之普通住宅，開盤銷售初期售價較低，使得毛利率下降。

二零零六年度，本集團的經營溢利約為人民幣362,203,000元(二零零五年：人民幣276,627,000元)。

2. 財政資源、流動資金及負債狀況

於二零零六年十二月三十一日，本集團的資產總額達到人民幣15,386,861,000元(二零零五年：人民幣10,058,779,000元(其中：流動資產為人民幣9,947,394,000元(二零零五年：人民幣5,216,135,000元)，非流動資產為人民幣5,439,467,000元(二零零五年：人民幣4,842,644,000元))，總負債為人民幣10,720,930,000元(二零零五年：人民幣6,873,312,000元(其中：流動負債為人民幣5,225,006,000元(二零零五年：人民幣2,655,176,000元)，非流動負債為人民幣5,495,924,000元(二零零五年：人民幣4,218,136,000元))，總權益為人民幣4,665,931,000元(二零零五年：人民幣3,185,467,000元)。

本集團的資產流動性良好，償債能力充分。本集團於二零零六年十二月三十一日的流動比率為1.90(二零零五年：1.96)。

於二零零六年十二月三十一日，本集團現金和短期銀行存款達人民幣3,768,107,000元(二零零五年：人民幣1,889,534,000元)，有充足資金滿足營運需求。

於二零零六年十二月三十一日，本集團銀行貸款為人民幣5,651,261,000元(二零零五年：人民幣5,168,136,000元)，其中長期貸款為人民幣5,134,261,000元(二零零五年：人民幣4,218,136,000元)，銀行借款的主要用途是滿足本集團的房地產開發項目的資金需求。

本集團目前只在中國境內投資，除兩家附屬公司獲得新加坡星展銀行美元貸款額度，於二零零六年十二月三十一日實際使用貸款30,000,000美元外，本集團其他所有銀行貸款均來自中國境內銀行，並以人民幣借入和歸還，不存在匯率波動的重大風險。本集團所有長期銀行貸款均為浮動利率貸款。

本公司於二零零六年十二月三十一日的資本負債比率為30.13%(二零零五年：51.82%)。本公司資本負債比率的計算方法是將(i)本集團短期及長期貸款(ii)應收／應付母公司款項淨額減除(iii)現金及銀行結餘淨額((i)(ii)及(iii)的餘額以「A」代表)，除以(A)及本集團淨資產值的總和。

3. 主要附屬公司的設立和收購

二零零六年度，本公司與Reco Ziyang Pte Ltd.共同出資設立成都首創新資置業有限公司；與AG Wuxi Residential SRL共同出資設立江蘇首創置業有限公司。

二零零六年度，本公司與廣西陽光股份有限公司共同出資設立北京首創輝煌置業有限公司，通過組成投標聯合體的方式取得了北京市朝陽區大屯北頂村項目的土地使用權。後因項目發生變化，本公司和廣西陽光股份有限公司與北京市國土資源局解除了國有土地出讓合同，並收回了土地出讓金。本公司與廣西陽光股份有限公司決定將北京首創輝煌置業有限公司清算。

二零零六年度，本公司的兩個全資附屬公司北京尚博地投資顧問有限公司、北京尚博雅投資顧問有限公司收購了北京東海聯合投資發展有限公司的全部股權。

二零零六年度，本公司收購了原為本公司之合營公司北京楓樹置業有限公司的外方股東之額外20%股權及收益權，持有北京楓樹置業有限公司的100%股權和70%收益權。

4. 其他收益－淨額

二零零六年度，本公司因收購一間附屬公司北京東海聯合投資發展有限公司使應佔所收購可辨資產淨值公平值超過收購成本人民幣127,480,000元。

二零零六年度，本公司出售一間附屬公司北京金亞光房地產開發有限公司30%的股權，實現收益人民幣72,694,000元。截止二零零六年十二月三十一日，本公司持有北京金亞光房地產開發有限公司的45%股權，作為聯營公司核算。

5. 所得稅費用

二零零六年度經過稅務審計本公司之一附屬公司確定了應繳的所得稅，沖回了多計提的所得稅費用人民幣65,309,000元。

6. 委託存款及逾期定期存款

截至二零零六年十二月三十一日，本集團無任何委託存款存放於中國金融機構，本集團所有現金均存放於中國的商業銀行，並符合適用之法例及規則，本公司並未遇到銀行存款到期而未能收回的情況。

7. 資產抵押

本集團以部分物業的土地使用權作為抵押，取得了長期銀行貸款30,000,000美元(二零零五年：58,000,000美元)。

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，取得了長期銀行貸款人民幣4,500,000,000元(二零零五年：人民幣4,000,000,000元)。

8. 財務擔保

本集團為若干物業買家安排銀行融資，並提供擔保保證有關買家的還款責任，於二零零六年十二月三十一日，尚未履行的擔保餘額為人民幣1,243,183,000元(二零零五年：人民幣677,632,000元)。

於二零零六年十二月三十一日，本集團除對子公司的人民幣400,000,000元(二零零五年：人民幣450,000,000元)長期銀行貸款提供擔保外，本集團不存在其他重大對外擔保。於二零零五年十二月三十一日，本集團還對一合營公司的人民幣50,000,000元短期銀行貸款提供擔保。

董事、監事及高級管理人員簡介

本屆董事任期由二零零五年十二月五日起為期三年。

董事長

劉曉光，52歲，於二零零二年十二月獲委任為本公司董事長。劉先生自一九九五年起擔任首創集團副董事長及總經理職務。在加盟首創集團之前，劉先生曾於北京市政府多個部門工作，累積約13年經驗，包括曾任北京市發展計劃委員會副主任及北京首都規劃建設委員會副秘書長等。一九九四年起，劉先生就任ING北京投資有限公司董事局主席。目前還是北京商學院客座教授、《資本市場》雜誌社社長及總編。劉先生於一九八二年在北京商學院取得經濟學學士學位。

執行董事

唐軍，47歲，於二零零二年十二月獲委任為本公司執行董事兼總裁。唐先生曾於北京市發展計劃委員會及北京經濟技術開發區工作。一九九四年起，唐先生成為北京陽光房地產綜合開發公司的法定代表人暨總經理。唐先生亦為陽光股份的董事長。唐先生於一九八二年在合肥工業大學取得建築工程學士學位。

何光，48歲，於二零零二年十二月獲委任為本公司執行董事兼副總裁。在加盟本公司前，何先生曾在加拿大TCL Construction Development Ltd.、香港C.M. Wong Associates Ltd.及New Rank City Development Ltd.擔任高級管理職位。何先生自二零零零年起出任北京融金房地產開發有限公司總經理。何先生於一九九六年在加拿大蒙特里爾大學取得土木工程博士學位。

非執行董事

馮春勤，54歲，自二零零一年六月起一直出任首創集團副總經理職位。在加盟首創集團之前，馮先生曾任北京京華信託投資公司及中國建設銀行總行信託投資公司北京建信實業股份有限公司之總經理。馮先生亦曾在北京市委組織部及北京市委商業外經貿工作部任職。馮先生於一九八二年在北京商學院取得經濟學學士學位。

王正斌，43歲，於二零零二年十二月獲委任為本公司執行董事兼副總裁及後轉任為非執行董事。在加盟本公司前，王先生曾為北京首創航宇經濟發展有限公司房地產部經理、副總經理及總經理。王先生現為首創集團運營管理一部總經理，王先生於一九九二年在中國人民大學取得經濟管理學位。

朱敏，44歲，於二零零二年十二月獲委任為本公司非執行董事。朱女士曾於北京市統計局及北京市發展計劃委員會工作。自二零零一年起，朱女士出任北京首創科技投資有限公司董事長兼總經理。朱女士於一九九九年在北京首都經濟貿易大學取得企業管理碩士學位。

麥建裕，44歲，於二零零三年十一月獲委任為本公司非執行董事。麥先生為新加坡政府投資有限公司（Government of Singapore Investment Corporation Pte. Ltd.）之房地產投資機構GIC Real Estate Pte. Ltd.之副行政總裁兼亞太投資部主管。GIC Real Estate Pte. Ltd.之總部設於新加坡，其全球房地產投資由紐約、舊金山、倫敦及東京等國際辦事處網路管理，有關投資涉及多種組合，包括直接物業、私營與上市公司、房地產基金及債券。

獨立非執行董事

鄭啓成，48歲，於二零零二年十二月獲委任為本公司獨立非執行董事。鄭先生曾在多家國際銀行的信貸部及中國部擔任多個職位。於過去數年，鄭先生曾出任多家香港公眾上市公司的執行董事，目前則為香港聯交所上市公司漢基控股有限公司的主席。鄭先生在一九八二年畢業於加拿大不列顛哥倫比亞省的西門費雷澤大學，持有文學學士學位。

柯建民，53歲，於二零零三年六月獲委任為本公司獨立非執行董事。柯先生曾出任加拿大公司SNC-Lavaline副總裁。柯先生分別於一九七九年及一九八二年在上海同濟大學取得城市規劃學士及碩士學位，並於一九九四年在英國謝菲爾德大學取得博士學位。

俞興保，41歲，中國註冊會計師，於二零零四年五月獲委任為本公司獨立非執行董事。俞先生於一九八七年畢業於上海財經大學，獲得學士學位。俞先生曾任職於深圳蛇口中華會計師事務所及美國評值有限公司深圳辦事處及北京辦事處。由一九九六年起，俞先生曾出任中瑞嘉會計師事務所法人兼主任會計師。自二零零零年至今，俞先生一直擔任華證會計師事務所法人兼主任會計師。

李兆杰，52歲，清華大學法學院教授，於二零零五年十二月獲委任為本公司獨立非執行董事。李先生為中國國際法學會副會長、中國國際法年鑒總編輯及教育委員會獨立會員。二零零二年及二零零三年，李先生先後擔任督立大學法學院及東京大學之客席教授。李先生於一九八三年在北京大學取得法學學士學位、分別於一九八五年及一九八六年在加州大學取得法學碩士學位和資訊及圖書館學碩士學位，並於一九九六年在多倫多大學取得法學博士學位。

監事

王琪，53歲，於二零零四年五月獲委任為本公司監事。王先生曾任北京市財政局預算處及教育處處長，也曾任北京經濟發展投資公司副總經理、總經理、首創集團副總經理，王先生現任北京市基礎設施投資有限公司董事長。王先生於一九八二年在北京財貿學院取得經濟學學士學位。

俞昌建，51歲，於二零零二年十二月獲委任為本公司監事。俞先生曾為北京化工集團、北京首創航宇經濟發展有限公司工作。一九九五年起，俞先生出任首創集團財務部經理、財務總監。俞先生於一九八六年在北京廣播電視大學畢業。

魏建平，40歲，於二零零二年十二月獲委任為本公司監事。自一九九四年起，魏先生一直在北京陽光房地產綜合開發公司及其屬下附屬公司任工程師及經理，自二零零零年四月起在北京融金房地產開發有限公司任項目經理。目前，魏先生為北京中環廣場置業有限公司董事長及北京融金房地產開發有限公司董事。魏先生於二零零零年在中國人民大學取得經濟學碩士學位。

獨立監事

徐建泓，48歲，於二零零二年十二月獲委任為本公司獨立監事。徐先生自一九九八年起出任北京海豐園房地產開發有限公司總經理，自一九九九年出任北京月壇大廈房地產開發有限公司董事。徐先生於一九八二年在北京建築工程學院畢業，取得工業與民用建築工程文憑。

公司秘書

吳偉雄，43歲，於二零零七年三月獲委任為本公司的公司秘書。吳先生為執業律師，並為姚黎李律師行之合夥人，姚黎李律師行為香港律師行及公證人。吳先生在香港之證券法例、公司法例及商業法例方面擁有廣泛經驗，並曾參與證券於香港之首次公開發售以及上市公司企業重組、收購及合併等活動。

高級管理人員

張巨興，53歲，於二零零二年十二月獲委任為本公司副總裁。自一九九三年起，張先生出任北京陽光房地產綜合開發公司發展部門的部門經理、副總經理。張先生亦同時出任陽光股份監事。張先生於一九八九年在中國人民大學取得基本建設經濟學位。

張馥香，45歲，於二零零六年三月獲委任為本公司副總裁。張女士自二零零零年起先後出任陽光股份及北京陽光房地產綜合開發公司財務部經理及財務總監，亦為陽光股份監事，並於二零零二年十二月獲委任為本公司財務總監。張女士於一九八五年在中國人民大學財務會計系取得經濟學學士學位。

孫寶杰，37歲，助理經濟師，於二零零六年三月獲委任為本公司副總裁。孫女士於一九九六年至二零零三年十二月期間擔任北京首創陽光房地產有限公司開發部經理。自二零零三年十二月起，彼擔任安華世紀／陽光城房地產有限公司總經理。孫女士於一九九三年在中央財政金融大學取得經濟學學士學位。

周昆，33歲，於二零零六年三月獲委任為本公司副總裁。由二零零五年一月至二零零六年三月期間，彼擔任本公司總裁助理。獲委任前，周先生曾任國內房地產商的企劃部主管及銷售總監等職位，擁有投資銀行以及房地產規劃及銷售經驗。周先生於一九九七年在北大大學取得經濟學學士學位。

羅俊，35歲，合資格會計師，於二零零七年三月獲委任為本公司財務總監。由二零零三年十月至二零零七年三月期間，彼擔任本公司財務部總經理。獲委任前，羅先生曾任國內會計師事務所審計部高級經理等職位。羅先生為北京註冊會計師協會會員，並具有中國會計師職稱。羅先生畢業於北京交通大學，於一九九三年獲得經濟學學士學位，於一九九六年獲得經濟學碩士學位。

董事會報告

本公司董事會謹向股東提呈董事會報告及本公司及其附屬公司（「本集團」）截至二零零六年十二月三十一日止年度經審核之財務報告。

主要業務

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。

業績

本集團截至二零零六年十二月三十一日止年度按香港財務報告準則之業績及於該日之財務狀況載於年報第69頁至第77頁。

股息

於二零零七年三月十六日舉行之董事會會議上，董事會建議就本公司截至二零零六年十二月三十一日止年度的股息分配以董事會會議當日之公司總股本2,027,960,000股為基數，每股派現金末期股息人民幣6仙，共計派發人民幣121,678,000元。此項擬派股息並無於本賬目中列作應付股息，惟將於截至二零零七年十二月三十一日止年度列作保留盈餘分派。

財務摘要

本集團於過往五年之業績、資產及負債摘要載於年報第4頁。

主要客戶及供應商

本年度內，本集團從其五位最大供應商購入之貨品及服務少於百分之十，向其五位最大客戶售出之貨品及服務約為百分之四十一，向最大客戶售出之貨品約為營業額之百分之二十九。

概無董事、彼等之聯繫人士或任何股東（指據董事所知擁有本公司百分之五以上股本權益之股東）於上述之主要供應商或客戶中擁有任何權益。

物業、廠房和設備

本集團在本年度的物業、廠房和設備的變動情況分別載於綜合財務報表附註6。

主要物業

本集團擁有之主要物業概要載於年報第8頁至第9頁。

儲備

於本年度內，本集團及本公司儲備之變動情況載於綜合財務報表附註19。

購買、出售或贖回證券

年內本公司並無贖回本公司之股本證券，本公司或其任何附屬公司概無購買或賣出本公司之股本證券。

董事及監事

於本年度內，本公司董事及監事姓名如下：

董事

執行董事

劉曉光先生	董事長
唐軍先生	總裁
何光先生	副總裁

非執行董事

馮春勤先生
王正斌先生
朱敏女士
麥建裕先生

董事及監事 (續)

董事 (續)

獨立非執行董事

鄭啓成先生
柯建民先生
俞興保先生
李兆杰先生

監事

監事

王琪先生
俞昌建先生
魏建平先生

獨立監事

徐建泓先生

董事、監事及高級管理人員之簡介載於年報第37頁至第41頁。

董事及監事酬金

董事及監事酬金情況載於綜合財務報表附註29。

最高酬金人士

本年度本集團獲最高酬金之首五名人士均為本公司董事及高級管理人員。

管理合約

除本報告中提到的關連交易所簽訂之合約外，本年度內，本公司並無就整體業務或任何重要業務之管理或行政工作簽訂或存在任何合約。

董事和監事權益

於二零零六年十二月三十一日，本公司各董事、監事及行政總裁於本公司或任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關部份及債券中擁有而須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)，又或須根據證券及期貨條例第352條載入有關條例所述登記冊內的權益及淡倉，又或根據上市公司董事進行證券交易的標準守則將須知會本公司及聯交所的權益及淡倉(就此而言，證券及期貨條例的有關條文將猶如適用於監事般詮釋)如下：

董事／監事	相聯法團	權益類別	所擁有股份 數目	佔相聯法團註冊資本 之概約百分比
劉曉光	北京首創陽光房地產有限責任公司	個人	2,000,000	2.00%
唐軍	北京首創陽光房地產有限責任公司	個人	2,000,000	2.00%
馮春勤	北京首創陽光房地產有限責任公司	個人	350,000	0.35%
王琪	北京首創陽光房地產有限責任公司	個人	400,000	0.40%
俞昌建	北京首創陽光房地產有限責任公司	個人	600,000	0.60%
鄭啓成	首創置業股份有限公司	個人	300,000	H股之0.03%

除上文所披露者外，於二零零六年十二月三十一日，本公司董事、監事及高級行政人員概無在本公司或其相聯法團(定義見證券及期貨條例第XV部)的部份、相關股份及債權證中，擁有任何根據證券及期貨條例第352條規定須予備存的登記冊所記錄或依據上市公司董事進行證券交易的標準守則通知本公司或聯交所的權益或淡倉。於本年度內，本公司董事、監事及高級行政人員或彼等之配偶或18歲以下子女概無持有可認購本公司股本或債務證券之權利，彼等亦無行使任何該項權利。

董事及監事之合約權益

於本年度末及本年度內任何時間，除有關本公司業務之服務合約外，本公司、其控股公司、任何本公司之附屬公司或同系集團之附屬公司概無訂有本公司各董事及監事直接或間接擁有重大利益之重要合約。

董事及監事於競爭性業務之利益

於本年度內及截至本報告日期止，按聯交所證券上市規則（「上市規則」）規定，本公司之董事或監事及管理層股東無與本集團業務有所競爭或可能競爭之業務中持有權益。

股本

本公司於二零零六年十二月三十一日的總註冊股本為2,027,960,000股已發行股份，其中包括：

	股份數目	股本概約百分比
內資股	649,205,700	32.01%
非H股外資股	357,998,300	17.65%
H股	1,020,756,000	50.34%

主要股東持股情況

於二零零六年十二月三十一日，就任何董事所知，下列人士（並非本公司之董事或高級管理人員）於本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部知會本公司之權益或淡倉，或直接或間接持有附帶權利可於任何情況下在本集團任何其他成員公司股東大會上投票之任何類別股本之面值10%或以上：

股東名稱	直接及間接持有之股份數目	股份類別	佔有關類別股份之概約百分比(%)			佔全部已發行股本之概約百分比(%)		
			直接權益	間接權益	權益總數	直接權益	間接權益	權益總數
北京首都創業集團有限公司	924,441,900 ⁽¹⁾	非上市股份	2.46	89.32	91.78	1.22	44.36	45.58
北京陽光房地產綜合開發公司	608,880,500 ⁽²⁾	非上市股份	4.71	55.74	60.45	2.34	27.69	30.02
北京首都創陽光房地產有限責任公司	561,461,900 ⁽³⁾	非上市股份	28.42	27.33	55.74	14.11	13.57	27.69
北京首都創科技投資有限公司	172,006,700	非上市股份	17.08	—	17.08	8.48	—	8.48
北京首都創航空經濟發展有限公司	118,747,600	非上市股份	11.79	—	11.79	5.86	—	5.86
中國物產有限公司	275,236,200	非上市股份	27.33	—	27.33	13.57	—	13.57
億華國際企業有限公司	82,762,100	非上市股份	8.22	—	8.22	4.08	—	4.08
Fexi Holdings Limited	82,762,100 ⁽⁴⁾	非上市股份	—	8.22	8.22	—	4.08	4.08
鍾博英	82,762,100 ⁽⁵⁾	非上市股份	—	8.22	8.22	—	4.08	4.08
Reco Pearl Private Limited	165,070,000	H股	16.17	—	16.17	8.14	—	8.14
Recosia China Pte Ltd.	165,070,000 ⁽⁶⁾	H股	—	16.17	16.17	—	8.14	8.14
Recosia Pte Ltd.	165,070,000 ⁽⁷⁾	H股	—	16.17	16.17	—	8.14	8.14
Government of Singapore Investment Corporation (Realty) Pte Ltd.	165,070,000 ⁽⁸⁾	H股	—	16.17	16.17	—	8.14	8.14
Baring Asset Management Limited	42,706,000	H股	6.30 (長倉)	—	6.30	2.11 (長倉)	—	2.11
Northern Trust Fiduciary Services (Ireland) Limited	42,218,000	H股	6.23 (長倉)	—	6.23	2.08 (長倉)	—	2.08
GZ Trust Corporation	61,396,000 ⁽⁹⁾	H股	—	6.01 (長倉)	6.01	—	3.03 (長倉)	3.03
劉鑾雄	61,396,000	H股	—	6.01 (長倉)	6.01	—	3.03 (長倉)	3.03
Modern Power Limited	61,396,000	H股	6.01 (長倉)	—	6.01	3.03 (長倉)	—	3.03
JPMorgan Chase & Co.	55,968,000 ⁽¹⁰⁾	H股	—	5.48 (長倉)	5.48	—	2.76 (長倉)	2.76
	46,254,000 ⁽¹⁰⁾	H股	—	4.53 (可供借出股份)	4.53	—	2.28 (可供借出股份)	2.28
Atlantis Investment Management Ltd	35,000,000	H股	5.17 (長倉)	—	5.17	1.73 (長倉)	—	1.73
Liberty Square Asset Management, L.P.	34,000,000	H股	5.02 (長倉)	—	5.02	1.68 (長倉)	—	1.68
The Hamon Investment Group Pte Limited	33,926,000 ⁽¹¹⁾	H股	—	5.01 (長倉)	5.01	—	1.67 (長倉)	1.67

主要股東持股情況 (續)

附註：

1. 在924,441,900股股份當中，24,807,100股股份由北京首都創業集團有限公司直接持有，其餘899,634,800股股份根據證券及期貨條例被視作為法團權益，乃透過北京陽光房地產綜合開發公司、北京首創陽光房地產有限責任公司、北京首創科技投資有限公司、北京首創航宇經濟發展有限公司及中國物產有限公司間接持有。
2. 在608,880,500股股份當中，47,418,600股股份由北京陽光房地產綜合開發公司直接持有，其餘561,461,900股股份根據證券及期貨條例被視作為法團權益，乃透過北京首創陽光房地產有限責任公司及中國物產有限公司間接持有。
3. 在561,461,900股股份當中，286,225,700股股份由北京首創陽光房地產有限責任公司直接持有，其餘275,236,200股股份根據證券及期貨條例被視作為法團權益，乃透過中國物產有限公司間接持有。
4. 82,762,100股股份根據證券及期貨條例被視作為法團權益，乃透過億華國際企業有限公司間接持有。
5. 82,762,100股股份根據證券及期貨條例被視作為法團權益，乃透過億華國際企業有限公司及Fexi Holdings Limited間接持有。
6. 165,070,000股股份根據證券及期貨條例被視作為法團權益，乃透過Reco Pearl Private Limited間接持有。
7. 165,070,000股股份根據證券及期貨條例被視作為法團權益，乃透過Reco Pearl Private Limited及Recosia China Pte Ltd.間接持有。
8. 165,070,000股股份根據證券及期貨條例被視作為法團權益，乃透過Reco Pearl Private Limited、Recosia China Pte Ltd.及Recosia Pte Ltd.間接持有。
9. 61,396,000股股份根據證券及期貨條例被視作為法團權益，乃透過Modern Power Limited間接持有。
10. 在55,968,000股股份當中，46,254,000股股份乃透過JPMorgan Chase Bank, N.A.間接持有，9,714,000股股份乃透過JF資產管理有限公司、JPMorgan Asset Management (Asia) Inc.和JPMorgan Asset Management Holdings Inc.間接持有。
11. 在33,926,000股股份當中，13,690,000股股份乃透過Hamon Asset Management Limited 間接持有，19,300,000股股份乃透過Hamon US.Investment Advisors Limited間接持有，936,000股股份乃透過Hamon Investment Limited間接持有。

除上文所披露者以外，就董事所知，概無任何人士於本公司之股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部向本公司披露之權益或淡倉，或直接或間接持有附帶權利可於任何情況下在本公司或其任何附屬公司之股東大會上投票之任何類別股本之面值10%或以上，或持有任何涉及該等股本之購股權。

委託存款及逾期定期存款

截至二零零六年十二月三十一日，本集團並無委託存款及逾期定期存款情況。

員工

於二零零六年十二月三十一日，本集團共有428名僱員。員工薪酬乃視乎參考市場情況、個別員工之表現、學歷及經驗而定。我們提供之僱員福利，包括養老保險金計劃、醫療保險計劃、失業保險計劃及住房公積金。本公司已有條件採納股份增值權激勵計劃（「激勵計劃」），激勵計劃之主要條款及條件概述於本公司於二零零三年六月十日刊發之招股章程附錄八「股份增值權激勵計劃的條款概要」一節。於二零零六年十二月三十一日，概無根據股份增值權激勵計劃授出股份增值權。

員工宿舍

本年度本集團並無向員工提供任何員工宿舍。

關連交易

關連交易及持續關連交易已經本公司董事會批准。本年度，本集團之主要關聯交易如下：

1. 成立中國合資公司

本公司與Reco Ziyang Pte Ltd.（「Reco Ziyang」）成立合資公司成都首創新資置業有限公司（「合資公司」）。合資公司之總投資額為60,000,000美元，當中包括30,000,000美元之註冊資本。本公司與Reco Ziyang之出資額分別為總投資額55%及45%。合資公司已於二零零六年五月二十三日成立。成立合資公司旨在發展位於中國成都市之項目。項目之土地乃根據出讓規定在中國成都市之掛牌買賣中聯手取得。Reco Ziyang為本公司附屬公司北京首創新資置業有限公司和天津新創置業有限公司之主要股東，且為Reco Hibiscus Pte Ltd.之聯繫人士，而Reco Hibiscus Pte Ltd.則為本公司附屬公司北京安華世紀房地產開發有限公司之主要股東。因此，根據上市規則之規定，Reco Ziyang為本公司之關連人士。

2. 貸款安排

在取得本公司開發中及持有作未來開發物業的土地使用權證過程中，本公司與控股股東首創集團分別於二零零三年二月十日及二零零三年五月三十一日訂立了一項貸款協議及一項補充協議（統稱「貸款協議」），作為過程中的其中一部分。根據貸款協議，首創集團向土地管理局支付人民幣1,439,000,000元，即本公司就有關物業應支付土地管理局的全數土地出讓金。其後，土地管理局以各有關項目公司的名稱就有關物業發出長期土地使用權證。貸款中的人民幣300,000,000元已經以首創集團應付本公司的金額抵銷，而貸款餘額則須於三年內由本公司償還。首筆本金人民幣300,000,000元須於本公司在聯交所上市當日起計三個月內支付。只有首筆本金才須繳付利息，利率相等於人民銀行不時公布的基本貸款利率。貸款的餘額則毋須計息。貸款安排的詳情載於本公司於二零零三年六月十日刊發的招股章程。雙方約定本集團尚未償還的款項將於二零零七年十二月三十一日前全部歸還。

銀行貸款及其他借貸

本集團之銀行貸款詳情載於綜合賬目附註24；其他借貸主要為應付母公司及子公司少數股東款項，詳情載於綜合賬目附註20及23。

優先購買權

根據本公司的章程及有關法律，並無規定本公司發行新股時須先讓現有股東按其持股比重購買新股。

優先購買權 (續)

根據本公司與Reco Pearl Private Limited (「Reco Pearl」) 於二零零三年三月十一日簽署之策略性投資協定以及於二零零三年五月十五日簽署之補償協定，本公司承諾只要Reco Pearl於本公司持有的股權高於限額百分比，於H股在聯交所開始買賣後五年內，假若本公司發行或配售任何新H股，或假若本公司或其代表發行或配售可兌換或轉換為或代表上述新H股的其他證券(「額外證券」)，則Reco Pearl有權按發行或配售上述額外證券予其他投資者的相同條款購買或認購額外證券，有關的額外證券數目根據Reco Pearl或其任何聯屬公司緊接上述發行或配售前於本公司股本中的持股百分比計算，以維持其有關持股百分比。

二零零六年八月，公司董事會審議通過《關於與Reco Pearl Private Limited訂立解除契約的議案》，同意公司與Reco Pearl Private Limited簽訂解除契約，允許Reco Pearl可自由全權酌情增加持有本公司股份至10%以上，但須符合上市規則第8.08(1)(a)條所載之公眾持股量規定及聯交所與香港證券及期貨事務監察委員會不時頒佈的申報規定。

附屬公司

本公司各主要附屬公司之詳細資料載於綜合財務報表附註9。

經營業績

二零零六年財政年度經營業績載於年報第33頁。

所得稅政策

本公司及其附屬公司遵照中國法律及法規，按應納稅所得的33%交納企業所得稅。

財政資源及流動資金狀況

載於年報第33頁至34頁。

最佳應用守則

本年度內本公司均遵守香港聯合交易所有限公司證券上市規則附錄十四所載之最佳應用守則。

公眾持股量

就可提供本公司之公開資料及本公司董事所知。於本報告日，本公司已發行股份有足夠並超過上市規則規定25%之公眾持股量。

核數師

本公司帳目經由羅兵咸永道會計師事務所審核。彼等依章告退，但願繼續受聘為本公司之核數師。股東週年大會上將提程決議案繼續委任羅兵咸永道會計師事務所為本公司香港核數師。

承董事會命

劉曉光

董事長

中國•北京，二零零七年三月十六日

企業管治報告

本集團一直致力奉行最高標準的企業管治常規，貫徹一套優良、穩健及合理的企業管治架構，董事會認為此承諾對於企業內部管治、財務管理、平衡業務風險，以至保障股東權益等，至為重要。

集團將繼續鞏固三大領先優勢：

- 良好的公司管治是建基於問責制度、資訊披露及企業透明度。首創置業深諳為股東提供一個公開及高透明度之管理層的重要性，致力提升股東價值，有助提升公司盈利之餘，同時亦可促進香港金融界的穩建發展
- 此外，透過公司管治可增進與外界的溝通，令投資者更易於掌握首創置業的發展潛力及未來發展，有助市場發掘其投資價值
- 公司管治的程式及制度可提升集團營運效率，各部門可透過緊密的溝通從而提升集團盈利

本集團及董事會全人相信，卓越的企業管治建基於有系統的問責制度、適時的資料披露及有效的雙向溝通。在內部管理方面，有系統的管治及完善的問責制度可提升營運效率，加強盈利能力；對外而言，良好的管治可令投資者更易於掌握首創置業的發展潛力及未來發展，有助市場發掘其投資價值。

本集團在截至二零零六年十二月三十一日止年度報告期內，全面遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四《企業管治常規守則》（「企業管治守則」）內開列的所有守則條文。

本集團的企業管治架構超越了香港聯交所的要求，除了審計委員會外，本集團亦成立了提名委員會、薪酬委員會及戰略委員會。本公司董事認為本公司的內部控制制度完整，可充分保證本公司和本公司董事在履行香港聯交所上市規則的規定義務以及香港有關的法律和規章的要求。此外，本公司設有內部審計部，主要負責檢討、評估及加強內部控制系統。審計部對董事會負責，向審計委員會報告工作。

董事會

董事會負責領導及監控本集團整體業務發展，以負責任、重效益的態度，致力維持及推動業務成功發展為目標，並以為股東增值為長遠任務。董事會由主席帶領，各董事奉行客觀的原則行事，所作決策須符合本公司整體利益。

董事會成員明白，須就本公司的管理、監控和營運事宜向所有股東承擔共同和個別的責任。董事會定期會議議程討論之主要事項包括業務營運、財務規劃及未來發展，會議議程及有關之資料在會前預留充份的時間通知各董事作準備。總括而言，董事會須就下列項目作出決定：

1. 對公司發展戰略及計劃管理的職權：

(一) 須經股東大會批准的職權：

1. 制訂公司的中長期發展目標和戰略；
2. 擬訂收購、被收購或出售資產方案；
3. 擬訂公司增加或者減少註冊資本、回購本公司股票的方案；
4. 擬訂公司增資擴股方案；
5. 擬訂公司合併、分立、解散的方案；
6. 提出公司的破產申請；
7. 擬定《公司章程》修改方案；
8. 提出改變公司募股資金用途的具體方案。

(二) 董事會獨立行使的職權

1. 決定公司改善經營管理、提高經營業績的方案；
2. 決定公司的經營計劃、審計工作計劃及投資計劃；
3. 決定公司內部重要機構調整方案及董事會工作機構的設置；
4. 決定專業委員會的設置、聘任或罷免各專業委員；
5. 決定公司董事會許可權範圍內的各項投資方案；
6. 決定《公司章程》或本條例沒有規定由股東大會決定的其他重大經營管理事項。

2. 對公司高級管理人員人事管理的職權：

(一) 須經股東大會批准的職權：

1. 擬訂董事津貼標準，擬訂公司期股期權(或類似方式)獎勵計劃；
2. 審議董事及獨立董事的候選人資格；
3. 提出罷免董事的建議。

(二) 董事會獨立行使的職權：

1. 決定公司人力資源發展和使用的策略及規劃；
2. 確定總經理、財務負責人、董事會秘書及審計部的主要工作職責和許可權；

3. 聘任或解聘公司總經理、董事會秘書；根據總經理的提名，聘任或者解聘公司副總經理、財務負責人；
4. 評價總經理工作業績；
5. 批准委派至控股、參股子公司的股東代表並根據該等公司的章程或協定的規定向該等公司推薦董事、監事及財務負責人的人選；
6. 批准員工退休養老金計劃和其他員工福利計劃。

3. 對公司發展及經營方面的監督、檢查職權：

- (一) 監督公司發展戰略的執行情況；
- (二) 監督、檢查公司年度財務預算、決算的執行情況；檢查各項計劃的完成情況；
- (三) 每年進行公司經營業績的評價，以及時發現經營問題，提出改進建議，並監督公司高級管理人員執行；
- (四) 適時評價公司改善經營的方案和實施效果，調查公司經營業績中所表現出的重大問題；
- (五) 識別公司發展中面臨的阻礙、察覺公司變化趨勢，提出對公司發展方向的修正建議；
- (六) 討論公司面臨的所有發展機會和風險，以及對公司產生廣泛影響的客觀要素的變化；

(七) 確保公司資訊交流的順暢，並對資訊進行評價，以使這些資訊準確、完整並能及時提供；

(八) 要求公司經營班子在每次生產經營會議後向董事會秘書處提交生產經營會議紀要。

董事須於各財政期間，負責編制可真實公平地反映本集團的財務狀況，以及於有關期間的業績和現金流量的賬目。在編制截至二零零六年十二月三十一日止年度的賬目時，董事選擇並貫徹地應用適當的會計政策，作出審慎、公平和合理的判斷，以及按持續營運的基準編制賬目。董事負責存置適當並於任何時候均合理準確地披露集團財務狀況的會計記錄。

本公司董事會由十一名董事組成，當中包括三名執行董事、四名非執行董事及四名獨立非執行董事，各董事的簡介刊載於第37至41頁董事、監事及高級管理人員簡介項下。董事中超過半數為獨立於管理層的非執行董事及獨立非執行董事，有助嚴格檢討及監控管理程式。非執行董事擁有豐富的業務和財務經驗，對有效領導集團作出貢獻。

本公司已為董事和高級行政人員購買責任保險，保障彼等因履行職務而可能要承擔的訴訟責任。

截至二零零六年十二月三十一日止年度內，董事會在任何時間均超逾《上市規則》有關委任最少三名獨立非執行董事的最低規定，而且符合其中一名獨立非執行董事須具備適當專業資格或會計或相關財務管理專長的規定。

董事會須於每年度至少召開四次會議，會議通知應於會議召開前至少14日發出。若召開董事特別會議，董事會可以另定通知方式和通知時限。在回顧年度內，董事會召開四次會議，大部分董事親身出席，出席率令人滿意。

董事會已建立一套董事諮詢獨立專業意見政策，讓董事按合理要求，可在適當的情況下尋求獨立專業意見，費用由本集團支付。董事會亦會議決另外為董事提供獨立專業意見，以協助有關董事履行其對本集團的責任。

新董事的任命由提名委員會商議(提名委員會之職責見下文)，並由董事會全體成員決定，獲甄選及獲推薦的候選人皆為具有豐富經驗及有才幹的人士。所有候選人必須符合《上市規則》第3.08及3.09條所載的標準。如候選人會獲委任為獨立非執行董事，亦須符合《上市規則》第3.13條所列的獨立性準則。董事三年一屆，第一屆董事會於二零零五年十二月四日期滿，第二屆董事會(包括非執行董事)於二零零五年十二月五日組成任期三年，董事可連選連任。

二零零六年董事會會議個別董事的出席率：

	出席次數／會議次數
執行董事	
劉曉光先生(主席)	3/4
唐軍先生	4/4
何光先生	4/4
非執行董事	
馮春勤先生	2/4
王正斌先生	2/4
朱敏女士	2/4
麥建裕先生	4/4
獨立非執行董事	
鄺啓成先生	4/4
柯建民先生	3/4
俞興保先生	4/4
李兆杰先生	4/4

董事於二零零六年十二月三十一日持有本公司證券的權益，已於年報第45頁董事會報告內披露。

主席及行政總裁

本集團之主席及行政總裁分別由劉曉光先生及唐軍先生擔任，為兩個明確劃分的不同職位。主席負責管理董事會的運作；而行政總裁則負責公司的業務營運。

董事進行證券交易之標準守則

本集團亦已採納一套不低於上市規則附錄十《上市公司董事進行證券交易的標準守則》（「標準守則」）所訂標準的董事及有關僱員（定義見企業管治守則）證券交易的守則。

本集團於向所有董事作出特別諮詢後，彼等確認於期內一直遵守標準守則所規定之標準。

審核委員會

本集團設有審核委員會，職權範圍已包括守則條文第C.3.3(a)至(n)段所載的職責，主要職責包括：

- 檢討財務監控、內部監控及風險管理系統
- 監察本公司中期及全年財務報表及其完整性，並在向董事會提交前審閱當中所載有關財務申報的重要判斷，其中應特別針對以下各項：
 - 就外聘核數師的任命、續聘及罷免向董事會提出建議，及批准外聘核數師的酬金及聘用條款，以及處理任何有關該核數師辭任或解聘的問題；
 - 按適用的標準，檢討及監察外聘核數師是否獨立客觀及核數程式是否有效；

- 就外聘核數師提供非核數服務制定政策，並予以執行，以及就審委會認為必須採取的行動或改善措施向董事會報告，並建議可採取的步驟。

本集團的審計委員會由三位獨立非執行董事組成，包括鄭啓成先生(審計委員會主席)、俞興保先生及李兆杰先生。回顧年度內審計委員會召開兩次會議，會議成員的出席率如下：

二零零六年審核委員會會議個別成員的出席率：

	出席次數／會議次數
鄭啓成先生	2/2
俞興保先生	2/2
李兆杰先生	2/2

審核委員會在二零零七年三月六日的會議上，審議本集團截至二零零六年十二月三十一日止年度的賬目及業績報告，並建議董事會通過。

提名委員會

本集團設有提名委員會，其主要職責是向董事會就董事、監事及高級行政人員之任命提出建議，以及審議本集團執行董事及高級行政人員的繼任安排。提名委員會的大部分成員為非執行董事。該委員會由劉曉光先生出任主席，其他成員包括鄭啓成先生及柯建民先生。

薪酬委員會

本集團設立薪酬委員會，並以書面訂明具體的職權範圍，薪酬委員會負責就本集團的薪酬政策，以及就訂立及審議本集團的執行董事及高級行政人員的特定薪酬待遇，向董事會提出建議。薪酬委員會的大部分成員為獨立非執行董事。該委員會由劉曉光先生出任主席，其他成員包括鄭啓成先生及柯建民先生。在回顧年度內，薪酬委員會召開了一次會議檢討董事及監事的全體薪酬，會議成員全體出席。

首創置業現時董事及監事之薪酬制度

1. 政策

首創置業董事及監事的薪酬政策建基於以下原則：

- 任何人士均不得自行釐定薪酬；
- 薪酬水平應大致與首創置業在人力市場上的競爭對手看齊；及
- 薪酬水平應反映有關人員的表現。工作的複雜性以及所承擔的責任，並吸引、激勵和挽留優秀人員，鼓勵他們積極為公司股東創優增值。

2. 非執行董事及監事 — 釐定薪酬原則

公司非執行董事的袍金切合市場水平，最少3年進行1次正式的獨立檢討。

3. 執行董事 — 薪酬組成部分

本公司參考市場上(包括規模、業務複雜性和範圍與本公司相若的本地及區內公司)同類職位的薪酬資料，以釐定執行董事的薪酬。此舉符合本公司與人力市場上的競爭對手看齊的薪酬政策。此外，為了吸納、激勵及挽留優秀員工，本公司以工作表現為發放個人獎賞的主要考慮因素。執行董事的薪酬主要由兩部分組成：

(a) 基本報酬

執行董事的基本報酬約佔其薪酬總額的70%，並根據市場上的競爭狀況、慣例及個人表現等因素，每年進行檢討。

(b) 年度賞金

年度賞金的金額視乎本公司、職能部門及個人表現而定。主要考績指標包括能否達到財務及營運表現目標，以及有否展現創造共同目標和培育人才等主要領導才能。

本公司為每名執行董事訂立目標年度賞金，佔其薪酬總額的30%。執行董事的表現必須達致令人滿意的水平，方會獲發年度賞金，其實際金額視乎表現而定。

本公司並無設立認購股權計劃。

並無任何執行董事與公司或其附屬公司訂有通知期超過一年，或於終止聘用時須提供超過一年薪金及實物利益作為補償金的服務合約。

戰略委員會

戰略委員會的主要職責是對公司長遠發展策略及重大投資決策進行研究並提供意見。戰略委員會保證每年至少一次對公司戰略進行回顧與調整。該委員會由劉曉光先生出任主席，其他成員為鄭啓成先生及柯建民先生。

臨時設立的委員會

除了常規的審計委員會、提名委員會、薪酬委員會及戰略委員會之外，在遇到重大突發事件時，董事會亦會根據需要臨時設立專門的委員會以處理相應事宜。

二零零六年六月，公司董事長劉曉光先生被中國政府有關部門要求配合調查原北京市副市長劉志華的有關問題，公司董事會決定暫停H股在聯交所的買賣，並成立由全體獨立非執行董事組成之獨立委員會進行相關調查，以便股東充分瞭解公司在突發事件下的運營、財務等各方面情況，最大限度的維護股東利益。十一月，獨立委員會提交調查報告，認為：(1) 本公司營運及財務狀況在該事件影響之下仍維持正常；(2) 本公司之管理團隊仍留守在其工作崗位執行其一般日常運作及職能；(3) 本公司之營運活動維持正常，項目建構及開發過程順暢，銷售亦甚理想；(4) 中國律師認為本公司擁有所購置之土地之適當合法業權；(5) 本公司之財務狀況正常，概無任何銀行要求本公司提早償還貸款；及(6) 本公司之內部監控(包括財務、營運及遵守監控)及風險管理職能於各方面均符合上市規則附錄十四之規定。

內部監控

董事會的職責之一，是確保本集團的內部監控系統穩健妥善而且有效，以保障股東的投資及本集團的資產。董事會需負責本集團的內部監控系統，並透過審核委員會檢討其效能。董事會規定管理層設立及維持穩健妥善而有效的內部監控系統。評估本集團的內部監控由內部審計部按持續基準獨立進行。評估涵蓋所有重要的監控方面，包括財務監控、運作監控及合規監控以及風險管理功能。內部審計部每年兩次向審核委員會匯報有關內部監控的重要審閱結果。審核委員會會議紀錄的副本會送呈董事以供參閱。

外聘核數師

董事會同意審核委員會的建議，再度續聘羅兵咸永道會計師事務所為本集團的核數師。推薦建議將在二零零七年五月十一日舉行的股東週年常會上提呈予股東批准。

本集團已訂立委任外聘核數師提供非核數服務政策，訂明委任外聘核數師提供非核數服務的原則，以確保外聘核數師的獨立性。二零零六年本集團支付予外聘核數師用於核數及其他有關服務的金額合共港幣5,480,000元。

股東權利

根據本公司的公司章程細則，單獨或者合併持有公司有表決權總數百分之十以上的股東（以下稱「提議股東」）或者監事會提議董事會召開臨時股東大會時，應以書面形式向董事會提出會議議題和內容完整的提案。提議股東或者監事會應當保證提案內容符合法律、法規和《公司章程》的規定。

本集團透過多個正式渠道向股東交代公司的表現和營運情況，特別是年報和中期報告。此外，股東週年大會亦為公司董事會和股東提供溝通良機，本集團視之為企業年度內一項重要的活動，所有董事和高級管理人員均盡量出席。

投資者關係

本集團一貫堅持坦誠溝通和公平披露資料的政策，並相信披露資料的完整性及時間性對建立市場信心非常重要。本著這個理念，本集團設有投資者關係部門，專責與投資者及股東保持緊密聯繫，適時披露資料，並定期安排管理層與投資者及傳媒進行會面及交流，讓投資者進一步瞭解本集團業務發展的同時，亦讓管理層藉此深入瞭解投資界對本集團業務發展之意見及期望。

為確保本集團與投資界之良好關係，本集團貫徹高度重視與投資者聯繫及溝通的作風，以高透明度及開放的態度，第一時間透過不同渠道向投資者傳達企業策略及業務發展的訊息。集團的年報及中期報告均詳盡列集團業務，又定期發放新聞稿，這些資料皆可從集團網站www.bjcapitalland.com下載。

除在業績公佈後舉行的新聞發佈會及分析員會議外，集團管理層也定期與證券分析員及投資界會面，並於年內參加多個大型會議、推介會議及海外巡迴推介，此舉令投資者更容易掌握本集團的發展潛力及未來前景，有助其市場發掘的投資價值。

截至二零零六年十二月三十一日止年度，本集團參與了以下之活動：

- 347次單對單投資者會議
- 1次國際性路演，於美國及歐洲舉行
- 13次企業推介會
- 2次媒體會議

此外，本集團亦將企業發展動態、公司公告、財務報告、新聞稿等企業資料上載於本集團網站(www.bjcapitalland.com)，讓股東及公眾人士能及時瞭解集團的最新情況。

未來，本集團將會因應國際趨勢和發展，以及充份考慮股東反映的意見，繼續提升本集團的企業管治水平。

承董事會命
主席
劉曉光

中國 • 北京，二零零七年三月十六日

監事會報告

各位股東：

截至二零零六年十二月三十一日止年度，首創置業股份有限公司監事會（「本監事會」）忠實地履行其監事職責，確保本公司遵守及符合上市規則、《中華人民共和國公司法》、本公司章程、及其他有關法規，以維護本公司及其股東的權益。

在本年度內監事會列席董事會會議及股東大會，對本公司管理層的重大決策及具體決定是否符合國家法律法規及本公司章程，是否維護股東和公司利益等，進行了有效及嚴謹的監督；並對本公司的經營及發展計劃向董事會提出合理的建議和意見。

本監事會認真審閱並同意董事會擬呈予本次股東週年大會的董事會報告、經審核的財務報告以及利潤分配方案，認為本公司董事會成員、總經理和高級管理層遵守其誠信義務、勤勉地履行其在本公司的職責，維護本公司及各股東的最大利益，監事會感到滿意。

監事會亦認真地審閱了經審核的按香港會計師公會頒佈之財務報告準則編制的財務報表，認為該財務報表真實及合理地反映了本公司的財務狀況及經營成果，並符合本公司所適用的法規。

本監事會對本公司於二零零六年度各項工作和取得的經濟效益表示滿意，並對本公司未來的發展前景充滿信心。

承監事會命

俞昌建

監事會主席

中國•北京，二零零七年三月十六日

To the shareholders of Beijing Capital Land Ltd.

(a foreign investment joint stock limited company incorporated in People's Republic of China)

We have audited the consolidated financial statements of Beijing Capital Land Ltd. (the "company") and its subsidiaries (the "group") set out on pages 69 to 178, which comprise the consolidated and company balance sheets as at 31st December 2006, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

致首創置業股份有限公司股東

(於中華人民共和國註冊成立的外商投資股份有限公司)

本核數師(以下簡稱「我們」)已審核列載於第69至178頁首創置業股份有限公司(「貴公司」)及其附屬公司(「貴集團」)的財務報表，此財務報表包括於二零零六年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港《公司條例》之披露規定編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見，僅向整體股東報告，除此之外本報告別無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and the true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the company and the group as at 31st December 2006 and of the group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 16th March 2007

審核涉及執行程式以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程式取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程式，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零零六年十二月三十一日的事務狀況及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》之披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零零七年三月十六日

Consolidated Balance Sheet

綜合資產負債表

As at 31st December
於十二月三十一日

			2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
		Note 附註		
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房和設備	6	1,544,401	1,619,465
Land use rights	土地使用權	7	1,286,925	794,105
Properties under development	開發中物業	8	1,791,733	1,691,846
Jointly controlled entities	共同控制實體	10	222,890	153,448
Associates	聯營公司	11	249,639	291,792
Available-for-sale financial assets	可供出售財務資產	12	252,052	20,736
Deferred income tax assets	遞延稅項資產	25	91,827	59,586
Trade and other receivables	應收賬款及其它應收款項	14	—	211,666
			5,439,467	4,842,644
Current assets	流動資產			
Inventories	存貨	13	17,172	13,687
Properties held for sale	待出售已落成物業	13	304,895	222,741
Properties under development for sale	待出售開發中物業	8	3,207,803	1,295,865
Trade and other receivables	應收賬款及其它應收款項	14	2,593,767	1,766,838
Amount due from a promoter	應收發起人款項	15	55,650	27,470
Restricted bank deposits	受限制銀行存款	16	61,274	25,250
Cash and bank balances	現金和銀行存款	17	3,706,833	1,864,284
			9,947,394	5,216,135
Total assets	總資產		15,386,861	10,058,779

Consolidated Balance Sheet

綜合資產負債表

		As at 31st December 於十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
	Note 附註		
EQUITY	權益		
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔資本及儲備之權益		
Share capital	股本 18	2,027,960	1,715,960
Other reserves	其他儲備 19	1,344,228	621,984
Retained earnings	保留溢利		
— proposed final dividend	— 擬派末期股息 19	121,678	85,798
— others	— 其他 19	281,870	189,387
		3,775,736	2,613,129
Minority interests	少數股東權益	890,195	572,338
Total equity	總權益	4,665,931	3,185,467
LIABILITIES	負債		
	非流動負債		
Long-term bank loans	長期銀行貸款 24	5,134,261	4,218,136
Deferred income tax liabilities	遞延稅項負債 25	45,697	—
Trade and other payables	應付賬款及其它應付款項 20	315,966	—
		5,495,924	4,218,136
Current liabilities	流動負債		
Trade and other payables	應付賬款及其它應付款項 20	4,064,529	1,175,123
Tax payable	應繳稅款 21	459,314	345,890
Special dividend payable	應付特別股息 22	9,422	9,422
Amounts due to parent company	應付母公司款項 23	174,741	174,741
Short-term bank loans	短期銀行貸款 24	517,000	—
Current portion of long-term bank loans	長期銀行貸款的即期部分 24	—	950,000
		5,225,006	2,655,176
Total liabilities	總負債	10,720,930	6,873,312
Total equity and liabilities	總權益及負債	15,386,861	10,058,779
Net current assets	流動資產淨值	4,722,388	2,560,959
Total assets less current liabilities	總資產減流動負債	10,161,855	7,403,603

The notes on pages 78 to 178 are an integral part of these consolidated financial statements.

Approved by the Board of Directors on 16th March 2007.

On behalf of the Board

Liu Xiaoguang
Chairman

Tang Jun
Director

從第78頁到第178頁的附註為此綜合財務報表整體的一部分。

於二零零七年三月十六日獲董事會批准。

董事會代表

劉曉光
董事長

唐軍
董事

Balance Sheet

資產負債表

		As at 31st December 於十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
	Note 附註		
ASSETS			
		資產	
Non-current assets		非流動資產	
Property, plant and equipment	6	72,902	67,544
Subsidiaries	9	5,040,211	4,194,913
Jointly controlled entities	10	82,767	144,082
Associates	11	134,063	173,013
Available-for-sale financial assets	12	252,052	20,736
Deferred income tax assets	25	—	12,091
Trade and other receivables	14	—	79,847
		5,581,995	4,692,226
Current assets		流動資產	
Properties held for sale	13	73,389	183,022
Trade and other receivables	14	1,568,882	1,075,867
Amount due from a promoter	15	55,650	27,470
Cash and bank balances	17	2,447,891	1,175,453
		4,145,812	2,461,812
Total assets		9,727,807	7,154,038

Balance Sheet

資產負債表

		As at 31st December 於十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
	Note 附註		
EQUITY	權益		
Capital and reserves attributable to equity holders of the Company	本公司權益持有人應佔資本及儲備之權益		
Share capital	股本	2,027,960	1,715,960
Other reserves	其他儲備	1,270,198	552,732
Retained earnings	保留溢利		
— Proposed final dividend	— 擬派末期股息	121,678	85,798
— Others	— 其他	18,255	176,731
Total equity	總權益	3,438,091	2,531,221
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Long-term bank loans	長期銀行貸款	4,500,000	3,300,000
Deferred income tax liabilities	遞延稅項負債	45,226	—
		4,545,226	3,300,000
Current liabilities	流動負債		
Trade and other payables	應付賬款及其它應付款項	303,959	214,101
Loans from subsidiaries	從附屬公司貸款	843,986	193,150
Tax payable	應繳稅款	18,769	37,790
Special dividend payable	應付特別股息	9,422	9,422
Amounts due to parent company	應付母公司款項	168,354	168,354
Short-term bank loans	短期銀行貸款	400,000	—
Current portion of long-term bank loans	長期銀行貸款的即期部分	—	700,000
		1,744,490	1,322,817
Total liabilities	總負債	6,289,716	4,622,817
Total equity and liabilities	總權益及負債	9,727,807	7,154,038
Net current assets	流動資產淨值	2,401,322	1,138,995
Total assets less current liabilities	總資產減流動負債	7,983,317	5,831,221

The notes on pages 78 to 178 are an integral part of these financial statements.

Approved by the Board of Directors on 16th March 2007.

On behalf of the Board

Liu Xiaoguang
Chairman

Tang Jun
Director

劉曉光
董事長

唐軍
董事

從第78頁到第178頁的附註為此財務報表整體的一部分。

於二零零七年三月十六日獲董事會批准。

董事會代表

Consolidated Income Statement

綜合損益表

				Year ended 31st December 於十二月三十一日	
				2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
		Note 附註			
Revenue	營業額	5	2,039,352	1,134,769	
Cost of sales	銷售成本	28	(1,794,445)	(875,005)	
Gross profit	毛利		244,907	259,764	
Other gains — net	其他收益 — 淨額	27	189,118	72,669	
Interest income	利息收入		70,467	72,776	
Selling and marketing costs	銷售及推廣成本	28	(55,164)	(24,254)	
Administrative expenses	管理費用	28	(87,125)	(104,328)	
Operating profit	經營溢利		362,203	276,627	
Finance costs	融資成本	30	(190,205)	(148,571)	
Share of profit less losses of:	應佔溢利減虧損				
— jointly controlled entities	— 共同控制實體		32,483	15,036	
— associates	— 聯營公司		42,318	87,467	
Profit before income tax	除稅前溢利		246,799	230,559	
Income tax expenses	所得稅費用	31	(10,440)	(38,242)	
Profit for the year	本年溢利		236,359	192,317	
Attributable to:	應佔溢利：				
Equity holders of the Company	本公司權益持有人	32	266,009	211,505	
Minority interests	少數股東權益		(29,650)	(19,188)	
			236,359	192,317	
Earnings per share for profit attributable to the equity holders of the Company during the year (basic and diluted) (RMB cents)	按本公司權益持有人應佔溢利計算的每股溢利(基本和攤薄)(人民幣分)	33	15.05	12.39	
Dividends	股息	34	121,678	85,798	

The notes on pages 78 to 178 are an integral part of these consolidated financial statements.

從第78頁到第178頁的附註為此綜合財務報表整體的一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

		Attributable to equity holders of the Company 本公司權益持有人應佔				
		Share capital	Other reserves	Retained earnings	Minority interests	Total
		股本	其他儲備	保留溢利	少數股東權益	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
Balance at 1st January 2005	二零零五年一月一日結餘	1,613,300	437,732	215,028	526,783	2,792,843
Profit for the year	本年溢利	—	—	211,505	(19,188)	192,317
Placement of H shares	H股配售	102,660	125,551	—	—	228,211
2004 final dividend	二零零四年末期股息	—	—	(120,117)	—	(120,117)
Transfer from retained earnings	轉撥自保留溢利	—	31,231	(31,231)	—	—
Contribution from a promoter	發起人之補償	—	27,470	—	—	27,470
Increase/(decrease) in minority interests as a result of:	少數股東權益增加/(減少)：					
— set up of a new subsidiary	— 設立新的附屬公司	—	—	—	90,914	90,914
— purchase from minority interests	— 購買少數股東之權益	—	—	—	(26,171)	(26,171)
Balance at 31st December 2005	二零零五年十二月三十一日結餘	1,715,960	621,984	275,185	572,338	3,185,467
Representing:	相當於：					
Proposed final dividend at 31st December 2005	二零零五年十二月三十一日擬派末期利息			85,798		
Retained earnings — others	保留溢利 — 其他			189,387		
				<u>275,185</u>		

Consolidated Statement of Changes in Equity

綜合權益變動表

		Attributable to equity holders of the Company 本公司權益持有人應佔				
		Share capital	Other reserves	Retained earnings	Minority interests	Total
		股本	其他儲備	保留溢利	少數股東權益	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
Balance at 1st January 2006	二零零六年一月一日結餘	1,715,960	621,984	275,185	572,338	3,185,467
Profit for the year	本年溢利	—	—	266,009	(29,650)	236,359
Placement of H shares	H股配售	312,000	549,438	—	—	861,438
2005 final dividend	二零零五年末期股息	—	—	(85,798)	—	(85,798)
Dividend to minority shareholder of a subsidiary	支付給一附屬公司少數股東的股息	—	—	—	(5,000)	(5,000)
Transfer from retained earnings	轉撥自保留溢利	—	51,848	(51,848)	—	—
Contribution from a promoter	發起人之補償	—	28,180	—	—	28,180
Fair value gain of available-for-sale financial assets, net of tax	可出售財務資產公允價值的增加，扣除稅項	—	92,778	—	—	92,778
Increase/(decrease) in minority interests as a result of:	少數股東權益增加/(減少)：					
— set up of a new subsidiary	— 設立一新的附屬公司	—	—	—	376,098	376,098
— disposal of a subsidiary	— 處置一附屬公司	—	—	—	(23,591)	(23,591)
Balance at 31st December 2006	二零零六年十二月三十一日結餘	2,027,960	1,344,228	403,548	890,195	4,665,931
Representing:	相當於：					
Proposed final dividend at 31st December 2006	二零零六年十二月三十一日擬派末期利息			121,678		
Retained earnings — others	保留溢利 — 其他			281,870		
				403,548		

The notes on pages 78 to 178 are an integral part of these consolidated financial statements.

從第78頁到第178頁的附註為此綜合財務報表整體的一部分。

Consolidated Cash Flow Statement

綜合現金流量表

		Year ended 31st December 於十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
		Note 附註	
Cash flows from operating activities		經營活動的現金流量	
Cash generated from/ (used in) operations	經營活動流入/ (流出)的現金	35(a)	(394,175)
Interest paid	已付利息		(222,134)
PRC income tax paid	已付中國所得稅		(161,421)
Net cash generated from/ (used in) operating activities	經營活動之現金流入/ (流出)淨額		3,783 (777,730)
Cash flows from investing activities		投資活動的現金流量	
Purchase of property, plant and equipment	購買物業、廠房和設備		(219,445)
Proceeds from sale of property, plant and equipment	出售物業、廠房 和設備收入	35(b)	4,701
Increase in investment in a subsidiary	增加附屬公司的投資		(77,850)
Interest received	已收利息		33,604
Dividend income from jointly controlled entities	共同控制實體分得股息		—
Dividend income from an associate	聯營公司分得股息		1,400
Proceeds from disposal of a jointly controlled entity	出售共同控制實體收入		110,000
Proceeds from disposal of associates	出售聯營公司收入		30,000
Purchase of land use rights related to certain hotel properties	購買與某一酒店物業 相關之土地使用權		(8,232)
Acquisition of interest in a subsidiary, net of cash acquired	收購一附屬公司，扣除 購入之現金	36(a)	—
Acquisition of interest in another subsidiary, net of cash acquired	收購另一附屬公司， 扣除購入之現金	36(b)	—
Disposal of a subsidiary, net of cash disposed	出售附屬公司， 扣除售出之現金	35(c)	—
Net cash generated from/ (used in) investing activities	投資活動之現金流入/ (流出)淨額		88,544 (125,822)

Consolidated Cash Flow Statement

綜合現金流量表

		Year ended 31st December 於十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
		Note 附註	
Cash flows from financing activities	融資活動的現金流量		
Placement of H shares	H股配售	774,079	251,032
Repayment to parent company	償還母公司之款項	—	(164,679)
Repayment to the promoters	償還發起人之款項	—	(195,417)
Dividends paid to the equity holders of the Company	向本公司權益持有人支付股息	(59,638)	(91,136)
Dividends paid to minority shareholders of a subsidiary	向附屬公司之少數股東支付股息	(5,000)	(4,782)
Contribution from minority shareholders	少數股東之投資	155,195	90,914
Repayment of bank loans	償還銀行貸款	(1,626,030)	(2,628,000)
New bank loans raised	支取新銀行貸款	2,117,000	3,561,536
Increase in amounts due to minority shareholder of a subsidiary	應付附屬公司之少數股東增加	394,616	93,970
Net cash from financing activities	融資活動之現金流入淨額	1,750,222	913,438
Net increase in cash and cash equivalents	現金及現金等價物之淨增加	1,842,549	9,886
Cash and cash equivalents at 1st January	於一月一日之現金及現金等價物	1,864,284	1,854,398
Cash and cash equivalents at 31st December	於十二月三十一日之現金及現金等價物	3,706,833	1,864,284
		17	

The notes on pages 78 to 178 are an integral part of these financial statements.

從第78頁到第178頁的附註為此財務報表整體的一部分。

1. General information

Beijing Capital Land Ltd. (the “Company”) is a joint stock limited company established in the People’s Republic of China (the “PRC” or “China”) on 5th December 2002 as a result of a reorganisation (the “Reorganisation”) of a state-owned enterprise known as Capital Group in preparation for a listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company was granted the status of sino-foreign joint venture joint stock limited company on 28th November 2002.

The Company is principally engaged in real estate development and investment. The subsidiaries are mainly engaged in real estate development and investment in Beijing, the PRC. The Company and its subsidiaries are herein collectively referred to as the “Group”. The address of the Company’s registered office is Room 501, No.1, Yingbin Zhong Road, Huairou District, Beijing, the PRC.

The Company has its primary listing on the Stock Exchange.

These consolidated financial statements have been approved for issue by the Board of Directors on 16th March 2007.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which are carried at fair value.

1. 公司背景

首創置業股份有限公司(「本公司」)為一家於二零零二年十二月五日在中華人民共和國(「中國」)成立之股份有限公司，作為一家名為首創集團的國有企業為在香港聯合交易所有限公司(「聯交所」)主板市場上市而進行重組(「重組」)的一部分。於二零零二年十一月二十八日，本公司取得為中外合資股份有限公司之資格。

本公司主要業務為土地及物業開發和物業投資。附屬公司的主要業務為在中國北京進行物業發展及投資。本公司及其附屬公司統稱為「本集團」。本公司註冊地址為中國北京懷柔區迎賓中路1號501室。

本公司的股份主要在聯交所上市。

綜合財務報表已經由董事會在二零零七年三月十六日批准刊發。

2. 主要會計政策概要

編製本綜合財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

2.1 編制基準

本公司之綜合財務報表乃按照香港財務報告準則編製。綜合財務報表按歷史成本法編製，並就可出售財務資產之重估按公平值列帳而作出修訂。

2. Summary of significant accounting policies

(Continued)

2.1 Basis of preparation (Continued)

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

(a) Adoption of new and revised HKFRS

The HKICPA has issued certain new and revised HKFRSs which are mandatory for the Group's accounting periods on or after 1st January 2006 (the "New HKFRSs"). The adoption of the New HKFRSs in the current year did not result in any significant changes to the Group's principal accounting policies and the presentation of the Group's financial statements. Details of the change in the accounting policy in respect of financial guarantees are as follows:

2. 主要會計政策概要 (續)

2.1 編制基準 (續)

編製符合香港財務報告準則的財務報表需要使用若干關鍵會計估算。這亦需要管理層在應用本公司會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對綜合財務報表屬重大假設和估算的範疇，在附註4中披露。

(a) 採用新的和修訂後的香港財務準則

香港會計師工會發布了一些新的和修訂後的香港財務準則，該準則對於本集團2006年及以後會計年度是必須遵守的(新的香港財務準則)。採用新的香港財務準則對本年度集團的主要會計政策和財務報表的表述沒有造成重大變化。財務擔保會計政策的具体變化如下：

2. Summary of significant accounting policies

(Continued)

2.1 Basis of preparation (Continued)

(a) *Adoption of new and revised HKFRS (Continued)*

In prior years, financial guarantees issued by the Group or the Company were only disclosed as contingent liabilities and no provisions were made in respect of these guarantees unless it was more likely than not that the guarantee would be called upon. Upon the adoption of the Amendments to Hong Kong Accounting Standard (“HKAS”) 39 and HKFRS 4 “Financial Guarantee Contracts” (the “Amendments”), financial guarantees are accounted for as financial liabilities under HKAS 39 “Financial Instruments: Recognition and Measurement” and measured initially at fair value and subsequently stated at the higher of (i) the amount initially recognised less accumulated amortisation; and (ii) the amount of the provision, if any, that should be recognised in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. The adoption of the Amendments did not have any material impact on the financial statements of the Group for the year ended 31st December 2005 and 2006.

2. 主要會計政策概要 (續)

2.1 編制基準 (續)

(a) *採用新的和修訂後的香港財務準則 (續)*

在以前年度，本集團或本公司提供的財務擔保只是作為或有負債進行披露，沒有對其預提減值準備，除非這些擔保很可能，由於採用了修訂後的香港會計準則39和香港財務準則4「財務擔保合同」(修訂)，財務擔保在香港會計準則39「金融工具：確認與計量」下被認定為財務負債，並且最初以公平值計量，此後以以下兩者的較高者計量，(i) 最初確認值減去累計攤銷額(ii)減值準備數額。如果有減值準備的話，減值準備應該根據香港會計準則37「減值準備，或有負債和或有資產」來確認。採用修訂版對於二零零五年及二零零六年本集團的財務報告沒有產生重大影響。

2. Summary of significant accounting policies

(Continued)

2.1 Basis of preparation (Continued)

- (b) *New or revised HKFRSs and interpretations that are not yet effective*

The HKICPA has issued the following new or revised HKFRSs and interpretations which are not yet effective for the year ended 31st December 2006 and may be relevant to the Group's operations:

		Effective for accounting periods beginning on or after
HK(IFRIC)-Int 8	Scope of HKFRS 2	1st May 2006
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives	1st June 2006
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment	1st November 2006
HKFRS 7	Financial Instruments: Disclosures	1st January 2007
HKAS 1 (Amendments)	Presentation of Financial Statements: Capital Disclosures	1st January 2007

The Group has not early adopted the above new or revised HKFRSs and interpretations in the consolidated financial statements for the year ended 31st December 2006. The Group has already commenced an assessment of the related impact to the Group but is not yet in a position to state whether any substantial changes to Group's accounting policies and presentation of the consolidated financial statements will be resulted.

2. 主要會計政策概要 (續)

2.1 編制基準 (續)

- (b) *新的和修訂後的香港財務準則以及還未生效的解釋*

香港會計師公會發佈了以下新的和修訂後的香港財務準則和在二零零六年十二月三十一日還未生效的解釋，可能與集團的運營相關：

		應用日期
香港(國際財務報告詮釋委員會)－詮釋8	香港財務準則2的範圍	二零零六年五月一日
香港(國際財務報告詮釋委員會)－詮釋9	重新評估嵌入式衍生工具	二零零六年六月一日
香港(國際財務報告詮釋委員會)－詮釋10	中期報告及減值	二零零六年十一月一日
香港財務準則7	金融工具：披露	二零零七年一月一日
香港會計準則1修訂	財務報表的呈報：資本披露	二零零七年一月一日

集團在二零零六年的綜合財務告中還沒有採用以上新的和修訂後的香港財務準則與解釋。但已經開始評估準則的變化對集團的相關影響，但還不能確定集團的會計政策和綜合財務報表的表述是否將會發生重大變化。

2. Summary of significant accounting policies

(Continued)

2.2 Consolidation

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

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

2. 主要會計政策概要 (續)

2.2 綜合賬目

綜合賬目包括本公司及所有附屬公司截至十二月三十一日止的財務報表。

(a) 附屬公司

附屬公司指本集團有權管控其財政及營運政策而控制所有實體（包括特殊目的實體），一般附帶超過半數投票權的股權。在評定本集團是否控制另一實體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。

附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

2. Summary of significant accounting policies

(Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. 主要會計政策概要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

會計收購法乃用作本集團收購附屬公司的入賬方法。收購的成本根據於交易日期所給予資產、所發行的股本工具及所產生或承擔的負債的公平值計算，另加該收購直接應佔的成本。在企業合併中所收購可識別的資產以所承擔的負債及或然負債，首先以彼等於收購日期的公平值計量，而不論任何少數股東權益的數額。收購成本超過本集團應佔所收購可識辨資產淨值公平值的數額記錄為商譽。若收購成本低於所購入附屬公司資產淨值的公平值，該差額直接在損益表確認。

集團內公司之間的交易、交易的結餘及未實現收益予以對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

2. Summary of significant accounting policies

(Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

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 dividend received and receivable.

(b) Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2.3 Jointly controlled entities

Jointly controlled entities are all entities with a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity. Investments in jointly controlled entities are accounted for by the equity method of accounting and are initially recognised at cost.

2. 主要會計政策概要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

在本公司之資產負債表內，於附屬公司之投資按成本值扣除減值虧損準備列賬。附屬公司之業績由本公司按已收及應收股息入賬。

(b) 少數股東權益和交易

本集團與少數股東間的交易政策與對本集團外第三方政策相同。處置少數股東權益將產生收益或損失，已反映在綜合損益表中。收購少數股東權益將產生商譽，即支付報酬與取得的應佔附屬公司淨資產賬面價值的相關份額之間的差異。

2.3 共同控制實體

共同控制實體指本集團與其他人士以合約安排方式進行經濟活動，該活動受雙方共同控制，而任何一方對該經濟活動均無單方面之控制權。於共同控制實體之投資以權益會計法處理，並於最初確認為成本。

2. Summary of significant accounting policies

(Continued)

2.3 Jointly controlled entities (Continued)

The Group's share of its jointly controlled entities' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a jointly controlled entity equals or exceeds its interest in the jointly controlled entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interests in the jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of jointly controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

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 dividend received and receivable.

2. 主要會計政策概要 (續)

2.3 共同控制實體 (續)

本集團應佔收購後共同控制實體的溢利或虧損於損益表內確認，而應佔收購後儲備的變動則於儲備賬內確認。投資賬面值會根據累計之收購後儲備變動而作出調整。如本集團應佔一家共同控制實體之虧損等於或超過其在該共同控制實體之權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團已代共同控制實體承擔責任或作出付款。

本集團與其共同控制實體之間交易的未實現收益按集團在共同控制實體權益的數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。共同控制實體的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在本公司之資產負債表內，於共同控制實體之投資按成本值扣除減值虧損準備列賬。共同控制實體之業績由本公司按已收及應收股息入賬。

2. Summary of significant accounting policies

(Continued)

2.4 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost.

The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. 主要會計政策概要 (續)

2.4 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的實體，通常附帶有20% — 50%投票權的股權。聯營公司投資以權益會計法入賬，初始以成本確認。

本集團於聯營公司之投資包括收購時已識別的商譽(扣除任何累計減值虧損)。

本集團應佔收購後聯營公司的溢利或虧損於損益表內確認，而應佔收購後儲備的變動則於儲備賬內確認。投資賬面值會根據累計之收購後儲備變動而作出調整。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。

本集團與其聯營公司之間交易的未實現收益按集團在聯營公司權益的數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

2. Summary of significant accounting policies

(Continued)

2.4 Associates (Continued)

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

2.5 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and presentation currency.

2. 主要會計政策概要 (續)

2.4 聯營公司 (續)

在本公司之資產負債表內，於聯營公司之投資按成本值扣除減值虧損準備列賬。聯營公司之業績由本公司按已收及應收股息入賬。

2.5 分部報告

業務分部指從事提供產品或服務的一組資產和業務，而產品或服務的風險和回報與其他業務分部的不同。地區分部指在某個特定經濟環境中從事提供產品或服務，其產品或服務的風險和回報與在其他經濟環境中營運的分部的不同。

2.6 外幣折算

(a) 功能及列賬貨幣

本集團每個實體的財務報表所列項目均以該實體營運所在的主要經濟環境的貨幣計量（「功能貨幣」）。綜合財務報表以人民幣呈報，人民幣為本公司的功能及列賬貨幣。

2. Summary of significant accounting policies

(Continued)

2.6 Foreign currency translation (Continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

2. 主要會計政策概要 (續)

2.6 外幣折算 (續)

(b) 交易及結餘

外幣交易採用交易日的匯率換算為功能貨幣。除了符合在權益中遞延入賬的現金流量對沖和淨投資對沖外，結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在損益表確認。

2.7 物業、廠房和設備

物業、廠房和設備按歷史成本減折舊和減值虧損列賬。歷史成本包括收購該項目直接應佔的開支。

其後成本只有在與該項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，才包括在資產的賬面值或確認為獨立資產（按適用）。所有其他維修及保養在產生的財政期間內於損益表支銷。

2. Summary of significant accounting policies

(Continued)

2.7 Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives as follows:

— Buildings	34 - 40 years
— Hotel properties	15 - 40 years
— Furniture, fixtures and equipment	5 - 10 years
— Motor vehicles	5 - 9 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.11).

Gain and loss on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

Construction in progress represents property, plant and equipment under construction and pending installation and is stated at cost. Cost, includes the costs of construction of buildings, the cost of plant and equipment, installation, testing and other direct costs. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are depreciated in accordance with the policy as stated above.

2. 主要會計政策概要 (續)

2.7 物業、廠房和設備 (續)

物業、廠房及設備的折舊根據其扣除估計殘值後的成本按照如下的估計可使用年限採用直線法計算。

— 樓宇	34年至40年
— 酒店	15年至40年
— 傢俬、裝置及設備	5年至10年
— 汽車	5年至9年

資產的剩餘價值及可使用年期在個結算日進行檢討，及在適當時調整。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額(附註2.11)。

出售之損益乃按有關資產之銷售所得款項淨額與其賬面值之差額釐定，並列入損益表中。

在建工程指建造中或待安裝的物業、廠房及設備，並以成本列賬。成本包括建築物的建造成本、廠房及設備的採購成本、安裝成本、測試及其它直接成本。在建工程於建造過程中不需計提折舊直至相關的資產已經完工並可以交付使用。資產於投入使用時其成本將轉入物業、廠房和設備並按照上述的政策計提折舊。

2. Summary of significant accounting policies

(Continued)

2.8 Land use rights

All land in Mainland China is state-owned and no individual land ownership right exists. The Group acquired the right to use certain land and the premiums paid for such right are recorded as land use rights, which are stated at cost and amortised over the use terms of 40 to 70 years using the straight-line method.

2.9 Properties under development/properties under development for sale

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

A property development is considered complete upon the issuance of engineering quality inspection certificate or relevant government authority's certificate, whichever is the earlier.

2. 主要會計政策概要 (續)

2.8 土地使用權

中國大陸的所有土地均為國有且無單獨的所有權。本集團支付土地出讓金以取得對土地的使用權並計入土地使用權，以成本減去攤銷後的金額列示，土地使用權按其土地使用權期間40至70年以直線法攤銷。

2.9 開發中物業／待出售開發中物業

開發中物業按成本減去減值準備列賬，待出售開發中物業按成本及可變現淨值兩者中較低者列賬。成本包括開發費用、專業費用及資本化利息。可變現淨值是管理層根據當前市況對物業價值作出估算，減去出售物業所需要的成本後釐定。完工後，物業結轉為待出售物業。

一項物業發展的完成按工程品質檢驗證書的發出日或相關政府部門證書的發出日兩者中較早者確認。

2. Summary of significant accounting policies

(Continued)

2.10 Properties held for sale

Properties held for sale are completed properties remaining unsold at year end and are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to expected sales proceeds of completed properties sold in the ordinary course of business less all estimated selling expenses.

2.11 Impairment of assets

Assets that have an indefinite useful life or are not subject to depreciation/amortisation are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to depreciation/amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Financial assets

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

2. 主要會計政策概要 (續)

2.10 待出售已落成物業

待出售物業指於年末仍未售出的已落成物業並按成本和可變現淨值兩者中較低值列賬。成本包括應分攤的土地使用權成本及代售物業的成本。可變現淨值是管理層根據當前市況對物業價值作出估算，減去出售物業所需要的成本後厘定。

2.11 資產減值

沒有確定使用年期或無需折舊／攤銷之資產，最少每年就減值進行測試，及當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。須作折舊／攤銷之資產，當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額於損益表內確認。可收回金額以資產之公平值扣除銷售成本或使用價值兩者之較高者為準。於評估減值時，資產將按可識辨現金流量(現金產生單位)的最低層次組合。

2.12 財務資產

本集團的財務資產分類為貸款及應收款項及可出售財務資產。分類方式視乎購入財務資產目的而定。管理層將會在取得財務資產的初始確認其分類，並在每個報告日重新估計此分類。

2. Summary of significant accounting policies

(Continued)

2.12 Financial assets (Continued)

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet. (note 2.14)

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

2. 主要會計政策概要 (續)

2.12 財務資產 (續)

(a) 貸款及應收款項

貸款及應收款項為有固定或可釐定付款且沒有在活躍市場上報價的非衍生財務資產。此等款項包括在流動資產內，但到期日由結算日起計超過12個月者，則分類為非流動資產。貸款及應收款列在資產負債表中應收賬款及其他應收款項內（附註2.14）。

(b) 可供出售財務資產

可供出售財務資產為非衍生工具，被指定為此類別或並無分類為任何其他類別。除非管理層有意在結算日後12個月內出售該項投資，否則此等資產列在非流動資產內。

2. Summary of significant accounting policies

(Continued)

2.12 Financial assets (Continued)

Regular purchases and sales of financial assets are recognised on the trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the securities and other changes in the carrying amount of the securities. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in equity.

2. 主要會計政策概要 (續)

2.12 財務資產 (續)

定期購入及出售的財務資產在交易日確認。一交易日指本集團承諾購入或出售該資產之日。對於並非按公平值透過損益記賬的所有財務資產，其投資初步按公平值加交易成本確認。按公平值透過損益記賬的財務資產，初步按公平值確認，而交易成本則在損益表支銷。當從投資收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有權的所有風險和回報實際轉讓時，財務資產即終止確認。可供出售財務資產其後則按公平值列賬。貸款及應收款利用實際利息法按攤銷成本列賬。

以外幣為單位並分類為可供出售的貨幣性證券的公平值變動，按照證券的攤銷成本變動與該證券賬面值的其他變動所產生的匯兌差額進行分析。貨幣性證券的匯兌差額在損益表確認；非貨幣性證券的匯兌差額在權益中確認。分類為可供出售的貨幣性及非貨幣性證券的公平值變動在權益中確認。

2. Summary of significant accounting policies

(Continued)

2.12 Financial assets (Continued)

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investments.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

2. 主要會計政策概要 (續)

2.12 財務資產 (續)

當分類為可供出售的證券售出或減值時，在權益中確認的累計公平值調整列入損益表內作為投資證券的盈虧。

可供出售證券利用實際利息法計算的利息在損益表內確認為部份其他收入。至於可供出售權益工具的股息，當本集團收取有關款項的權利確定時，在損益表內確認為部份其他收入。

有報價之投資的公平值根據當時的買盤價計算。若某項財務資產的市場並不活躍（及就非上市證券而言），本集團利用重估技術設定公平值。這些技術包括利用近期公平原則交易、參考大致相同的其他工具、貼現現金流量分析法和期權定價模式，充份利用市場數據而儘量少依賴實體特有的數據。

2. Summary of significant accounting policies

(Continued)

2.12 Financial assets (Continued)

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the securities below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in note 2.14.

2.13 Inventories

Inventories are stated 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 in the ordinary course of business less estimated selling expenses.

2. 主要會計政策概要 (續)

2.12 財務資產 (續)

本集團在每個結算日評估是否有客觀證據證明某項財務資產或某組財務資產經已減值。對於分類為可供出售的股權證券，證券公平值若大幅度或長期跌至低於其成本值，會被視為證券已經顯示減值。若可供出售財務資產存在此等證據，累計虧損—按收購成本與當時公平值的差額，減該財務資產之前在損益表確認的任何減值虧損計算—自權益中剔除並在損益表記賬。在損益表確認的股權工具減值虧損不會透過損益表撥回。貿易應收款的減值測試在附註2.14中說明。

2.13 存貨

存貨按成本值與可變現淨值兩者的較低者列賬。成本值以加權平均法計算，並包括購買價格、運輸費用及其它與採購直接相關的成本。可變現淨值為通常業務過程中的估計銷售價減適用的變動銷售費用。

2. Summary of significant accounting policies

(Continued)

2.14 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within selling and marketing costs. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2. 主要會計政策概要 (續)

2.14 應收賬款及其它應收款項

應收賬款及其他應收款初步以公平值確認，其後利用實際利息法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收款的原有條款收回所有款項時，即就應收賬款及其他應收款設定減值撥備。撥備金額為資產賬面值與按實際利率貼現的估計未來現金流量的現值兩者的差額。撥備金額在損益表確認。

資產的賬面值透過使用備付賬戶削減，而有關的虧損數額則在損益表內的銷售和推廣成本中確認。如一項應收款無法收回，其會與應收款內的備付賬戶撇銷。之前已撇銷的款項如其後收回，將撥回損益表中的銷售和推廣成本內。

2.15 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款、原到期日為三個月或以下的其他短期高流動性投資，以及銀行透支。銀行透支在資產負債表的流動負債中貸款內列示。

2. Summary of significant accounting policies

(Continued)

2.16 Share capital

Domestic and H shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2. 主要會計政策概要 (續)

2.16 股本

普通股及H股被列為權益。直接歸屬於發行新股或認股權的新增成本在權益中列為募集款的減少(扣除稅項)。

2.17 應付賬款

應付賬款初步以公平值確認，其後利用實際利息法按攤銷成本計量。

2.18 貸款

貸款初步按公平值並扣除產生的交易成本確認。貸款其後按攤銷成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利息法於貸款期間內在損益表確認。

除非本集團有無條件權利將負債的結算遞延至結算日後最少12個月，否則貸款分類為流動負債。

2. Summary of significant accounting policies

(Continued)

2.19 Deferred income tax

Deferred income tax 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 consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income 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 income tax is provided on temporary differences arising on investments in subsidiaries, jointly controlled entities and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2. 主要會計政策概要 (續)

2.19 遞延稅項

遞延所得稅利用負債法就資產和負債的稅基與在資產和負債在綜合財務報表的賬面值之差產生的暫時差異全數撥備。然而，若遞延所得稅來自在交易（不包括企業合併）中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延稅項採用在結算日前已頒佈或實質頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率（及法例）而釐定。

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。

遞延稅項乃就附屬公司、共同控制實體及聯營公司之短暫時差而撥備，但假若可以控制時差之撥回，並有可能在可預見未來不會撥回則除外。

2. Summary of significant accounting policies

(Continued)

2.20 Employee benefits

(a) 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.

(b) 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.

(c) Retirement benefit costs

The Group contributes on a monthly basis to various defined contribution retirement benefit plans organised by municipal or provincial governments. These 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 these governments.

2. 主要會計政策概要 (續)

2.20 僱員福利

(a) 僱員應享假期

僱員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。

(b) 獎金計劃

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

(c) 退休福利成本

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

2. Summary of significant accounting policies

(Continued)

2.21 Provisions

The Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2. 主要會計政策概要 (續)

2.21 撥備

本集團因已發生的事件而產生現有的法律或推定責任；較可能需要有資源流出以償付責任；金額已經可靠估計。

如有多項類似責任，其需要在償付中流出資源的可能性，根據責任的類別整體考慮。即使在同一責任類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

根據解決責任需要支出的現行價值計量撥備，使用稅前貼現率，此貼現率需反映當前的市場的貨幣時間價值和由此義務帶來的風險的現行價值。隨著時間而增加的撥備要確認為利息費用。

2. Summary of significant accounting policies

(Continued)

2.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) *Sales of properties and land use rights*

Revenue from sales of properties and land use rights is recognised upon completion of sale agreements, which refers to the time when the relevant properties have been completed and delivered to the purchasers pursuant to the sale agreements. Deposits and installments received on properties sold prior to their completion are included in current liabilities.

(b) *Sales of services*

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

(c) *Project development consulting income*

Project development consulting income is recognised when services are rendered.

2. 主要會計政策概要 (續)

2.22 收入確認

收入包括出售貨品及服務的公平值，並扣除返還、回扣和折扣。收入確認如下：

(a) 銷售物業及已開發土地

銷售物業及已開發土地的收益，在銷售協定完成時確認，即有關物業已落成並根據銷售協定交付予買家的時間。在落成前售出所收取的按金和分期付款額均包括在流動負債內。

(b) 服務收入

酒店業務之收入在提供服務後確認。

(c) 房地產策劃諮詢服務收入

房地產策劃諮詢服務收入於提供服務後確認。

2. Summary of significant accounting policies

(Continued)

2.22 Revenue recognition (Continued)

(d) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost — recovery basis as conditions warrant.

(e) Dividend income

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

2.23 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are accounted for as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed to the income statement on a straight-line basis over the period of the lease.

2.24 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

2. 主要會計政策概要 (續)

2.22 收入確認 (續)

(d) 利息收入

利息收入使用實際利息法按時間分配基準確認入賬。當應收款項出現減值，本集團減低賬面額至其可收回金額，即按工具的原訂實際利率將估計未來現金流貼現，並繼續沖抵折讓為利息收入。減值貸款的利息收入僅在收取現金或當條件許可時按成本 — 收回基準確認。

(e) 股息收入

股息收入於股東收受股息的權利已確立時確認。

2.23 經營租賃

如租賃擁有權的重大部份風險和回報由出租人保留，分類為營運租賃。根據營運租賃支付的款項(扣除自出租人收取之任何獎勵金後)於租賃期內以直線法在損益表支銷。

2.24 借貸成本

凡直接與購置、興建或生產某項資產(該資產必須經過頗長時間籌備以達到預定用途或用以出售)有關的借貸成本，均需要資本化作為該資產的部分成本。所有其他借貸成本均於發生期間內在損益表中支銷。

2. Summary of significant accounting policies

(Continued)

2.25 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors.

2.26 Contingent liabilities and contingent assets

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 financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2. 主要會計政策概要 (續)

2.25 股息分派

向本公司股東分派的末期股息在股息獲本公司股東或董事批准的期間內於本集團的財務報表內列為負債。

2.26 或有負債和或有資產

或有負債是由於過去事件引起的可能的負債。它的存在只能由未來的一個或者多個不能由集團控制的不確定事項的發生與否來確定。或有負債也可能是由過去未確認的事件引起的現實負債，因為它不太可能造成經濟資源的流出或者是負債的數額不能可靠計量。

或有負債不確認但在財務報表的附註中披露。當經濟資源流出的可能性發生變化導致流出變為很可能時，將會被確認為值準備。

或有資產是由於過去事件引起的可能的資產。它的存在只能由未來的一個或是多個不能由集團控制的不確定事項的發生與否來確定。

或有資產不確認但當經濟資源很可能流入時在財務報表的附註中披露。當經濟資源流入基本確定時，確認為資產。

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) *Market risk*

(i) Foreign exchange risk

The Group mainly operates in the PRC with most of the transactions settles in RMB and did not have significant exposure to foreign exchange risk during the year. The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

(ii) Price risk

The Group is exposed to equity securities price risk because investments held by the Group are classified on the consolidated balance sheet as available-for-sale financial assets. The Group is not exposed to commodity price risk.

3. 財務風險管理

3.1 財務風險因素

集團的活動承受各種不同的財務風險：市場風險（包括外匯風險及價格風險）、信貸風險、流動資金風險及利率風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求儘量減低對本集團財務表現的潛在不利影響。

(a) *市場風險*

(i) 外匯風險

本集團主要在中國營運，大部分交易均以人民幣結算，於有關期間並無任何重大外匯風險。將人民幣兌換為外幣須受中國政府頒佈之外幣控制規則及規定所限。

(ii) 價格風險

由於本集團持有的投資在綜合資產負債表中分類為可供出售財務資產，故此本集團承受股權證券的價格風險。本集團不承受商品價格風險。

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

The Group has no significant concentrations of credit risk. The carrying amount of the trade and other receivables included in the balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets. The Group has policy in place to ensure that sales of products and services are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the directors are of the opinion that adequate provision for uncollectible trade and other receivables has been made in the income statement.

(c) Liquidity risk

The Group ensure that it maintains sufficient cash, which is available to meet its liquidity requirements.

(d) Interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates exposes the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. At the balance sheet date, there are no fixed interest rates for long-term bank loans of the Group.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

本集團並無重大而集中之信貸風險。列入綜合資產負債表之應收賬款賬面值指集團就其財務資產而面對之最高信貸風險。集團之既有政策確保將產品銷售予信貸紀錄良好之客戶，而本集團亦會對客戶進行信貸評估。本集團在收回應收貿易賬款及其它應收款項方面之過往經驗屬於已記錄準備之範圍內，董事認為，在綜合財務資料中已就不可收回之應收賬款及其它應收款項計提足夠撥備。

(c) 流動資金風險

本集團確保已備有充足現金，可供應付其流動資金需求。

(d) 利率風險

本集團的利率風險來自於長期借款。按變動利率發行的貸款令本集團承受現金流量利率風險。按固定利率發行的貸款令本集團承受公平值利率風險。於資產負債表日，本集團沒有固定利率的長期借款。

3. Financial risk management (Continued)

3.2 Fair value estimation

The nominal values less estimated credit adjustments (as applicable) of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Estimated impairment of receivables

The Group tests annually whether receivables have suffered any impairment in accordance with the accounting policy stated in note 2.14 and make provisions for impairment accordingly.

3. 財務風險管理 (續)

3.2 公平價值估計

應收賬款和應付賬款的賬面值減適用之估計信貸調整，被假定接近其公平值。作為披露目的，財務負債公平值的估計按未來合約現金流量以本集團類似金融工具可得的現有市場利率貼現計算。

4. 重要的會計估計和判斷

估計和判斷是不斷基於過去的經驗和其他事項做出的。包括在相同環境下未來可能發生的事情。

本集團就未來作出多項估計。理論上講，會計估計很少等於實際相關結果。

極有可能導致下一財政年度資產及負債賬面原值出現重大調整和估計及假設的論述如下：

(a) 應收款項的估計減值

根據附註2.14所述的會計政策，本集團每年測試應收款項是否出現減值並據此設定減值撥備。

4. Critical accounting estimates and judgements (Continued)

(b) Taxation

The Group is subject to various taxes in the PRC. Significant judgement is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that are initially recorded, such differences will impact the tax provisions in the period in which such determination is made.

(c) Estimate impairment of assets

The Group tests annually whether assets has suffered any impairment in accordance with accounting policies stated in note 2.11. Assets are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on value-in-use calculations which require the use of assumptions and estimates.

(d) Estimate of fair value of available-for-sale financial assets

If information on current or recent prices of available-for-sale financial assets is not available, the fair values of available-for-sale financial assets are determined using valuation techniques (including discounted cash flow model or price/earnings multiple model). The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

4. 重要的會計估計和判斷(續)

(b) 稅項

本集團需要在中國繳納多種稅項。在厘定稅項撥備時，需要作出重大判斷。在一般業務過程中，有許多交易和計算所涉及的最終稅務釐定都是不確定的。本集團根據對是否需要繳付額外稅款的估計，就預期稅務項目確認負債。如此等事件的最終稅務後果與最初記錄的金額不同，此等差額將影響作出此等釐定期間的稅項撥備。

(c) 資產的估計減值

根據附註2.11所述的會計政策，本集團每年測試資產是否出現減值。資產的減值測試每年進行，或是當情況表明資產的賬面價值已經超過其可收回金額時進行，資產或現金產生單位的可收回金額按照使用價值計算而確定。此等計算需要利用假設和估計。

(d) 可出售財務資產公平值的估計

如果可出售財務資產的當前或最近的價格信息無法得到，本集團利用重估技術設定公平值，這些技術包括利用貼現現金流量分析法和價格／收益多變量模式。本集團使用的假設主要是建立在資產負債表日的市場情況之上的。

4. Critical accounting estimates and judgements (Continued)

(e) Estimate of impairment of hotel properties

Hotel properties are reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of fair value less costs to sell and value in use of the hotel properties. Management makes judgements on whether such events or changes in circumstances have occurred, and makes estimates in determining the recoverable amount.

(f) Estimate of impairment of properties under development

Properties under development is reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of fair value less costs to sell and value in use of the properties under development. Management makes judgements on whether such events or changes in circumstances have occurred, and makes estimates in determining the recoverable amount.

(g) Estimate of net realisable value of properties held for sale

Management reviews the recoverable amount of properties held for sale at each balance sheet date. The recoverable amount is the estimated selling price of the properties less costs to sell. Management makes estimates in determining the recoverable amount.

4. 重要的會計估計和判斷(續)

(e) 酒店物業減值的估計

當發生事件或環境發生變化表明酒店物業的賬面價值已經超過其可收回金額時，管理層需要進行減值測試。可收回金額是指公平值扣除可銷售成本和酒店物業的使用價值中較高者。管理層對該等事件及環境變化是否發生作出判斷中，並對可收回金額進行估計。

(f) 開發中物業減值的估計

當發生事件或環境發生變化表明開發中物業的賬面價值已經超過其可收回金額時，管理層需要進行減值測試。可收回金額是指公平值扣除可銷售成本和開發中物業的使用價值中較高者。管理層對該等事件及環境變化是否發生作出判斷中，並對可收回金額進行估計。

(g) 待出售已落成物業可實現價值的估計

管理層在每個資產負債表日對待出售已落成物業的可收回金額進行測試。可收回金額是指該物業估計的銷售價格扣除可銷售成本。管理層對可收回金額進行估計。

5. Segment information

(a) Primary reporting format — business segments

At 31st December 2006, the Group is organised into three main business segments:

- (1) Sales of properties and land use rights;
- (2) Project development consulting operation;
- (3) Hotel operation.

The segment results for the year ended 31st December 2006 are as follows:

		Sales of properties and land use rights 物業及土地 使用權銷售 RMB'000 人民幣千元	Project development consulting operation 房地產策劃 諮詢服務 RMB'000 人民幣千元	Hotel operation 酒店業務 RMB'000 人民幣千元	Group 本集團 RMB'000 人民幣千元
Revenue	營業額	1,798,005	30,000	211,347	2,039,352
Segment results	分部業績	436,418	20,613	(114,374)	342,657
Unallocated costs	未分配成本				(50,921)
Interest income	利息收入				70,467
Operating profit	經營溢利				362,203
Finance costs	融資成本				(190,205)
Share of profits less losses of	分佔業績				
— jointly controlled entities	— 共同控制實體	32,483	—	—	32,483
— associates	— 聯營公司	42,318	—	—	42,318
Profit before income tax	除稅前溢利				246,799
Income tax expenses	所得稅費用				(10,440)
Profit for the year	本年溢利				236,359

5. 分部資料

(a) 主要報告形式 — 業務分部

截至二零零六年十二月三十一日，集團於中國經營主要業務分部：

- (1) 物業及土地使用權銷售；
- (2) 房地產策劃諮詢服務；
- (3) 酒店業務。

截至二零零六年十二月三十一日止年度的分部業績如下：

5. Segment information (Continued)

(a) Primary reporting format — business segments (Continued)

The segment results for the year ended 31st December 2005 are as follows:

		Sales of properties and land use rights 物業及土地使用權銷售 RMB'000 人民幣千元	Project development consulting operation 房地產策劃諮詢服務 RMB'000 人民幣千元	Hotel operation 酒店業務 RMB'000 人民幣千元	Group 本集團 RMB'000 人民幣千元
Revenue	營業額	1,026,060	10,000	98,709	1,134,769
Segment results	分部業績	319,233	4,085	(59,103)	264,215
Unallocated costs	未分配成本				(60,364)
Interest income	利息收入				72,776
Operating profit	經營溢利				276,627
Finance costs	融資成本				(148,571)
Share of profits less losses of	分佔業績				
— jointly controlled entities	— 共同控制實體	15,036	—	—	15,036
— associates	— 聯營公司	87,467	—	—	87,467
Profit before income tax	除稅前溢利				230,559
Income tax expenses	所得稅費用				(38,242)
Profit for the year	本年溢利				192,317

5. 分部資料 (續)

(a) 主要報告形式 — 業務分部 (續)

截至二零零五年十二月三十一日止年度的分部業績如下：

5. Segment information (Continued)

(a) Primary reporting format — business segments (Continued)

Unallocated costs represent corporate expenses. Inter-segment transfers or transactions are entered into under the similar terms that would also be available to unrelated third parties.

There are no material sales or other transactions between the business segments.

Other segment terms included in the income statement are as follows:

5. 分部資料 (續)

(a) 主要報告形式 — 業務分部 (續)

未分配成本指企業開支。分部間轉撥或交易按非關聯第三方亦可取得的相似條款訂立。

分部間無重大銷售及企業業務往來。

其他包含於損益表的分部業績資訊如下：

Year ended 31st December 2006 截至二零零六年十二月三十一日止年度

		Sales of properties and land use rights 物業及土地使用權銷售 RMB'000 人民幣千元	Hotel operation 酒店業務 RMB'000 人民幣千元	Group 本集團 RMB'000 人民幣千元
Depreciation	折舊	17,929	69,096	87,025
Amortisation	攤銷	18,829	2,384	21,213
Reversal of provision for impairment of receivables	沖回呆賬準備	(7,253)	—	(7,253)
Provision for impairment of hotel properties	酒店物業減值準備	—	31,000	31,000

Year ended 31st December 2005 截至二零零五年十二月三十一日止年度

		Sales of properties and land use rights 物業及土地使用權銷售 RMB'000 人民幣千元	Hotel operation 酒店業務 RMB'000 人民幣千元	Group 本集團 RMB'000 人民幣千元
Depreciation	折舊	6,466	39,035	45,501
Amortisation	攤銷	13,881	4,473	18,354
Provision for impairment of receivables	提撥呆賬準備	14,658	—	14,658

5. Segment information (Continued)

(a) Primary reporting format — business segments (Continued)

The segment assets and liabilities at 31st December 2006, and capital expenditure for the year ended 31st December 2006 are as follows:

		Sales of properties and land use rights	Hotel operation	Group
		物業及土地 使用權銷售	酒店業務	本集團
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Segment assets	分部資產	13,133,569	1,605,711	14,739,280
Jointly controlled entities	共同控制實體	222,890	—	222,890
Associates	聯營公司	249,639	—	249,639
Unallocated assets	未分配資產			175,052
Total assets	總資產			15,386,861
Segment liabilities	分部負債	8,230,071	1,240,830	9,470,901
Unallocated liabilities	未分配負債			1,250,029
Total liabilities	總負債			10,720,930
Capital expenditure	資本開支	2,253,706	15,566	2,269,272

5. 分部資料 (續)

(a) 主要報告形式 — 業務分部 (續)

於二零零六年十二月三十一日的分部資產和負債以及截至二零零六年十二月三十一日止年度的資本開支列示如下：

5. Segment information (Continued)

(a) Primary reporting format — business segments (Continued)

The segment assets and liabilities at 31st December 2005, and capital expenditure for the year ended 31st December 2005 are as follows:

		Sales of properties and land use rights 物業及土地 使用權銷售 RMB'000 人民幣千元	Hotel operation 酒店業務 RMB'000 人民幣千元	Group 本集團 RMB'000 人民幣千元
Segment assets	分部資產	7,778,438	1,662,668	9,441,106
Jointly controlled entities	共同控制實體	153,448	—	153,448
Associates	聯營公司	291,792	—	291,792
Unallocated assets	未分配資產			172,433
Total assets	總資產			10,058,779
Segment liabilities	分部負債	5,011,108	1,273,170	6,284,278
Unallocated liabilities	未分配負債			589,034
Total liabilities	總負債			6,873,312
Capital expenditure	資本開支	1,525,807	108,832	1,634,639

Segment assets consist primarily of property, plant and equipment, land use rights, properties under development, available-for-sale financial assets, inventories, properties held for sale, properties under development for sale, receivables and operating cash. They exclude deferred income tax assets, corporate assets, investments in jointly controlled entities and associates.

5. 分部資料 (續)

(a) 主要報告形式 — 業務分部 (續)

於二零零五年十二月三十一日的分部資產和負債以及截至二零零五年十二月三十一日止年度的資本開支列示如下：

分部資產主要包括物業、廠房和設備、土地使用權、開發中物業、可出售財務資產、存貨、待出售已落成物業、待出售開發中物業、應收款項以及營業資金。不包括遞延稅項資產、共同資產以及對共同控制實體和聯營公司的投資。

5. Segment information (Continued)

(a) Primary reporting format — business segments (Continued)

Segment liabilities comprise operating liabilities. They exclude items such as tax payable, corporate loans and dividend payable.

Capital expenditure comprises additions to property, plant and equipment, land use rights and properties under development.

(b) Secondary reporting format — geographical segments

The sales and capital expenditure for the year ended 31st December 2006 and the total segment assets at 31st December 2006, by geographical segments are as follows:

		Beijing	Tianjin	Shanxi	Shaanxi	Chengdu	Jiangsu	Hong Kong	Group
		北京	天津	山西	陝西	成都	江蘇	香港	本集團
		RMB'000	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	人民幣千元
Revenue	營業額	1,774,853	264,499	—	—	—	—	—	2,039,352
Capital expenditure	資本開支	1,215,347	607,808	26,440	—	249,307	170,370	—	2,269,272
Segment assets	分部資產	13,187,316	934,166	351,765	24,216	501,506	334,609	53,283	15,386,861

5. 分部資料 (續)

(a) 主要報告形式 — 業務分部 (續)

分部負債包括經營負債，不包括應繳稅款，貸款，和應付股利。

資本開支包括物業、廠房和設備、土地使用權的增加以及開發中物業的建設。

(b) 次要報告形式 — 地區分部

截至二零零六年十二月三十一日止年度的營業額和資本開支以及於二零零六年十二月三十一日的地區分部資產列示如下：

5. Segment information (Continued)

(b) Secondary reporting format — geographical segments (Continued)

The sales and capital expenditure for the year ended 31st December 2005 and the total segment assets at 31st December 2005, by geographical segments are as follows:

		Beijing 北京 RMB'000 人民幣千元	Tianjin 天津 RMB'000 人民幣千元	Shanxi 山西 RMB'000 人民幣千元	Shaanxi 陝西 RMB'000 人民幣千元	Hong Kong 香港 RMB'000 人民幣千元	Group 本集團 RMB'000 人民幣千元
Revenue	營業額	1,134,769	—	—	—	—	1,134,769
Capital expenditure	資本開支	1,066,186	242,886	325,567	—	—	1,634,639
Segment assets	分部資產	9,377,287	280,209	330,150	24,216	46,917	10,058,779

5. 分部資料 (續)

(b) 次要報告形式 — 地區分部 (續)

截至二零零五年十二月三十一日止年度的營業額和資本開支以及於二零零五年十二月三十一日的地區分部資產列示如下：

6. Property, plant and equipment

6. 物業、廠房和設備

		Group 本集團					
		Buildings	Hotel properties	Furniture, fixtures and equipment 傢俬、裝置及設備	Motor vehicles	Construction in progress	Total
		樓宇 RMB'000 人民幣千元	酒店物業 RMB'000 人民幣千元	RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1st January 2005		二零零五年一月一日					
Cost	成本	4,853	622,014	16,109	16,304	863,055	1,522,335
Accumulated depreciation	累計折舊	(128)	(10,722)	(4,572)	(5,498)	—	(20,920)
Net book amount	賬面淨值	4,725	611,292	11,537	10,806	863,055	1,501,415
Year ended 31st December 2005		截至二零零五年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	4,725	611,292	11,537	10,806	863,055	1,501,415
Additions	添置	62,182	21,860	22,554	3,652	58,030	168,278
Transfer from construction in progress	在建工程轉入	—	918,751	—	—	(918,751)	—
Depreciation	折舊	(236)	(37,529)	(5,361)	(2,375)	—	(45,501)
Disposals	處置	(4,683)	—	(44)	—	—	(4,727)
Closing net book amount	年末賬面淨值	61,988	1,514,374	28,686	12,083	2,334	1,619,465
At 31st December 2005		二零零五年十二月三十一日					
Cost	成本	62,182	1,562,625	38,582	19,956	2,334	1,685,679
Accumulated depreciation	累計折舊	(194)	(48,251)	(9,896)	(7,873)	—	(66,214)
Net book amount	賬面淨值	61,988	1,514,374	28,686	12,083	2,334	1,619,465
Year ended 31st December 2006		截至二零零六年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	61,988	1,514,374	28,686	12,083	2,334	1,619,465
Additions	添置	15,666	13,245	3,462	9,650	949	42,972
Transfer from construction in progress	在建工程轉入	3,283	—	—	—	(3,283)	—
Depreciation	折舊	(2,117)	(69,096)	(12,606)	(3,206)	—	(87,025)
Disposals	處置	—	—	(33)	(621)	—	(654)
Acquisition of subsidiaries (note 36)	收購附屬公司(附註 36)	—	—	477	706	—	1,183
Provision for impairment	減值準備	—	(31,000)	—	—	—	(31,000)
Disposal of a subsidiary (note 35(c))	處置附屬公司(附註 35(c))	—	—	(126)	(414)	—	(540)
Closing net book amount	年末賬面淨值	78,820	1,427,523	19,860	18,198	—	1,544,401
At 31st December 2006		二零零六年十二月三十一日					
Cost	成本	81,131	1,575,870	42,109	28,124	—	1,727,234
Accumulated depreciation	累計折舊	(2,311)	(117,347)	(22,249)	(9,926)	—	(151,833)
Provision for impairment	減值準備	—	(31,000)	—	—	—	(31,000)
Net book amount	賬面淨值	78,820	1,427,523	19,860	18,198	—	1,544,401

6. Property, plant and equipment (Continued)

Depreciation expense of RMB82,962,000 (2005: RMB43,869,000) has been expensed in cost of sales, and RMB4,063,000(2005: RMB1,632,000) in administrative expenses.

6. 物業、廠房和設備 (續)

折舊費用其中人民幣82,962,000元(二零零五年：人民幣43,869,000元)在已售貨品成本中支銷，人民幣4,063,000元(二零零五年：人民幣1,632,000元)則計入管理費用中。

		Buildings 樓宇 RMB'000 人民幣千元	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	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1st January 2005		二零零五年一月一日				
Cost	成本	—	1,230	1,744	—	2,974
Accumulated depreciation	累計折舊	—	(433)	(344)	—	(777)
Net book amount	賬面淨值	—	797	1,400	—	2,197
Year ended 31st December 2005		截至二零零五年十二月三十一日止年度				
Opening net book amount	年初賬面淨值	—	797	1,400	—	2,197
Additions	添置	62,182	566	1,145	2,334	66,227
Depreciation	折舊	(236)	(264)	(380)	—	(880)
Closing net book amount	年末賬面淨值	61,946	1,099	2,165	2,334	67,544
At 31st December 2005		二零零五年十二月三十一日				
Cost	成本	62,182	1,796	2,889	2,334	69,201
Accumulated depreciation	累計折舊	(236)	(697)	(724)	—	(1,657)
Net book amount	賬面淨值	61,946	1,099	2,165	2,334	67,544
Year ended 31st December 2006		截至二零零六年十二月三十一日止年度				
Opening net book amount	年初賬面淨值	61,946	1,099	2,165	2,334	67,544
Additions	添置	1,860	399	4,439	949	7,647
Transfer from construction in progress	在建工程轉入	3,283	—	—	(3,283)	—
Depreciation	折舊	(1,509)	(434)	(346)	—	(2,289)
Closing net book amount	年末賬面淨值	65,580	1,064	6,258	—	72,902
At 31st December 2006		二零零六年十二月三十一日				
Cost	成本	67,325	2,195	7,328	—	76,848
Accumulated depreciation	累計折舊	(1,745)	(1,131)	(1,070)	—	(3,946)
Net book amount	賬面淨值	65,580	1,064	6,258	—	72,902

7. Land use rights

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

		Group 本集團	
		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
In the PRC held on:	中華人民共和國持有：		
Leases of over 50 years	五十年以上租約	784,536	325,903
Leases of between 10 to 50 years	十至五十年租約	502,389	468,202
		1,286,925	794,105

		Group 本集團	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
At 1st January	於一月一日	794,105	727,538
Additions	增加	781,383	401,229
Acquisition of a subsidiary (note 36(b))	收購附屬公司(附註 36(b))	93,557	—
Amortisation	攤銷	(12,109)	(15,919)
Transfer out to properties under development (note 8)	轉入開發中物業(附註 8)	(276,800)	(238,550)
Recognised as cost of sales	計入主營業務成本	(93,211)	(80,193)
At 31st December	於十二月三十一日	1,286,925	794,105

8. Properties under development

8. 開發中物業

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
At 1st January	於一月一日	2,987,711	1,874,370	—	176,114
Additions	增加	3,374,113	1,318,645	—	—
Transfer from land use rights (note 7)	土地使用權轉入 (附註 7)	276,800	238,550	—	—
Acquisition of a subsidiary (note 36(b))	收購附屬公司 (附註 36(b))	159,233	—	—	—
Disposal of a subsidiary (note 35(c))	出售附屬公司 (附註 35(c))	(739,258)	—	—	—
Transfer to properties held for sale	轉出至待出售已落成物業	(807,092)	(176,114)	—	(176,114)
Recognised as cost of sales	計入主營業務成本	(251,971)	(267,740)	—	—
At 31st December	於十二月三十一日	4,999,536	2,987,711	—	—
Non current	非流動部分	1,791,733	1,691,846	—	—
Current	流動部分	3,207,803	1,295,865	—	—
		4,999,536	2,987,711	—	—
Land use rights	土地使用權	594,804	271,076	—	—
Development costs	開發成本	4,174,999	2,478,040	—	—
Finance costs capitalised	資本化之融資成本	229,733	238,595	—	—
		4,999,536	2,987,711	—	—

Movements of land use rights in properties under development are as follows:

開發中物業中的土地使用權變動如下：

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
At 1st January	於一月一日	271,076	20,854	—	—
Additions	增加	263,006	33,756	—	—
Transfer from land use rights (note 7)	轉自土地使用權 (附註 7)	276,800	238,550	—	—
Disposal of a subsidiary	出售附屬公司	(128,599)	—	—	—
Amortisation of land use rights	土地使用權攤銷	(7,376)	(1,230)	—	—
Transfer to properties held for sale	轉出至待出售已落成物業	(80,103)	(20,854)	—	—
At 31st December	於十二月三十一日	594,804	271,076	—	—

8. Properties under development (Continued)

Properties under development pledged as securities for long-term bank loans of RMB234,261,000 (2005: RMB468,136,000) amounted to RMB725,611,000 at 31st December 2006 (2005: RMB761,518,000).

Right to yields on certain land use rights (gains from the sale of land use rights or other profit obtained from the relevant land use rights) have been pledged as security for long-term bank loan amounted to RMB4,500,000,000 (2005: RMB4,000,000,000).

9. Subsidiaries

8. 開發中物業 (續)

於二零零六年十二月三十一日，作為長期銀行貸款人民幣234,261,000元(二零零五年：人民幣468,136,000元)抵押物的開發中物業金額為人民幣725,611,000元(二零零五年：人民幣761,518,000元)。

於二零零六年十二月三十一日，本集團以部分物業之土地使用權之收益權(本集團轉讓該等土地使用權或者以其他方式利用該等土地使用權取得的收益)作為質押，取得了銀行長期貸款人民幣4,500,000,000元(二零零五年：人民幣4,000,000,000元)。

9. 附屬公司

		Company 本公司	
		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Unlisted investments, at cost	非上市股份，按成本值	2,518,216	1,794,300
Provision for impairment loss	減值準備	(31,000)	—
		2,487,216	1,794,300
Loans to subsidiaries (i)	向附屬公司貸款 (i)	2,552,995	2,400,613
		5,040,211	4,194,913
Loans from subsidiaries (ii)	從附屬公司貸款 (ii)	(843,986)	(193,150)
Total	合計	4,196,225	4,001,763

Notes:

- (i) Loans to subsidiaries are unsecured, carry interest at prevailing market rates and have no fixed terms of repayment.
- (ii) Loans from subsidiaries are unsecured, carry interest at prevailing market rates and have no fixed terms of repayment.

附註：

- (i) 向附屬公司貸款為無抵押，按市場利率計息，且無固定償還期。
- (ii) 從附屬公司借款為無抵押，按市場利率計息，且無固定償還期。

9. Subsidiaries (Continued)

The directors are of the opinion that the following is a list of the significant subsidiaries at 31st December 2006 (all of which are directly held by the Company, established and operate in the PRC, except otherwise stated) which materially affect the results or assets of the Group:

9. 附屬公司 (續)

董事認為於二零零六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(除另有說明外，全部置於本集團直接控制之下並於中國成立及運營)如下：

Name 名稱	Legal status 法定地位	Principal activities 主要業務	Particulars of registered capital 註冊資本詳情	Attributable interest held 持有權益	
				2006	2005
Beijing Rongjin Real Estate Development Company Limited (i)	Sino-foreign cooperative joint venture	Property development and investment	US\$12,000,000	76.6%	76.6%
北京融金房地產開發有限公司(i)	中外合作經營企業	物業開發及投資	12,000,000美元		
Central Plaza Real Estate Development Company Limited (ii)	Sino-foreign cooperative joint venture	Property development and investment	US\$17,320,000	100%	100%
北京中環廣場置業有限公司(ii)	中外合資經營企業	物業開發及投資	17,320,000美元		
Beijing Ark garden Real Estate Development Company Limited	Sino-foreign cooperative joint venture	Property development	US\$9,200,000	75%	75%
首創置業方舟房地產發展有限公司	中外合資經營企業	物業開發	9,200,000美元		
S.C. Real Estate Development Company Limited	Limited liability company	Property development	RMB300,000,000	80%	80%
首創朝陽房地產發展有限公司	有限責任公司	物業開發	人民幣300,000,000元		
Beijing Sunshine Jingdu Properties Company Limited	Limited liability company	Property development	RMB100,000,000	100%	98%
北京陽光金都置業有限公司	有限責任公司	物業開發	人民幣100,000,000元		

9. Subsidiaries (Continued)

9. 附屬公司 (續)

Name 名稱	Legal status 法定地位	Principal activities 主要業務	Particulars of registered capital 註冊資本詳情	Attributable interest held 持有權益	
				2006	2005
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 cooperative joint venture 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 Development Company Limited (iii) 北京恒陽華隆房地產有限公司(iii)	Sino-foreign cooperative 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	100%	100%
Beijing Capital Xinzi Real Estate Limited 北京首創新資置業有限公司	Sino-foreign cooperative joint venture 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%	55%
Beijing Shangboya Investment Consultant Company Limited (iv) 北京尚博雅投資顧問有限公司(iv)	Limited liability company 有限責任公司	Investment holding 投資控股	RMB30,000,000 人民幣30,000,000元	100%	100%
Beijing Shangbodi Investment Consultant Company Limited (iv) 北京尚博地投資顧問有限公司(iv)	Limited liability company 有限責任公司	Investment holding 投資控股	RMB30,000,000 人民幣30,000,000元	100%	100%
Tianjin Xinchuang Land Limited (v) 天津新創置業有限公司(v)	Sino-foreign equity joint venture 中外合資經營企業	Property development 物業開發	US\$25,000,000 25,000,000美元	55%	55%
Shanxi Capital Xinzi Real Estate Development Limited (vi) 山西首創新資房地產開發有限公司(vi)	Limited liability company 有限責任公司	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	100%	100%
Xi'an Capital Ziyang Real Estate Limited (vi) 西安首創新資房地產開發有限公司(vi)	Limited liability company 有限責任公司	Property development 物業開發	US\$25,000,000 25,000,000美元	100%	100%

9. Subsidiaries (Continued)

9. 附屬公司 (續)

Name 名稱	Legal status 法定地位	Principal activities 主要業務	Particulars of registered capital 註冊資本詳情	Attributable interest held 持有權益	
				2006	2005
Beijing Capital Huihuang Real Estate Development Limited 北京首創輝煌置業有限公司	Limited liability company 有限責任公司	Property development 物業開發	RMB900,000,000 人民幣900,000,000元	70%	—
Beijing Maple Real Estate Development Company Limited (vii) 北京楓樹置業有限公司 (vii)	Limited liability company 有限責任公司	Property development 物業開發	US\$10,000,000 10,000,000美元	70%	N/A
Chengdu Capital Xinzi Real Estate Development Limited 成都首創新資置業有限公司	Limited liability company (Sino-foreign) 有限責任公司(中外合資)	Property development 物業開發	US\$30,000,000 30,000,000美元	55%	—
Jiangsu Capital Real Estate Development Limited 江蘇首創置業有限公司	Sino-foreign joint venture 中外合資經營	Property development 物業開發	US\$12,500,000 12,500,000美元	60%	—
Beijing Caotang Real Estate Development Limited 北京草堂置業有限公司	Limited liability company 有限責任公司	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	60%	—
Beijing Shangyi Real Estate Development Limited 北京商宜置業有限公司	Limited liability company 有限責任公司	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	68%	—
Beijing Donghai Investment Development Company Limited 北京東海聯合投資發展有限公司	Limited liability company 有限責任公司	Investment management 投資管理	RMB21,000,000 人民幣21,000,000元	100%	—

9. Subsidiaries (Continued)

9. 附屬公司 (續)

Name 名稱	Legal status 法定地位	Principal activities 主要業務	Particulars of registered capital 註冊資本詳情	Attributable interest held 持有權益	
				2006	2005
Incorporated in the British Virgin Islands:					
於英屬處女群島成立：					
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 Jinyaguang Real Estate Development Company Limited 北京金亞光房地產開發有限公司	Sino-foreign equity joint venture limited 中外合資經營企業	Property development 物業開發	US\$12,000,000 12,000,000美元	N/A	75%
Notes:			附註：		
(i)	48% directly and 28.6% indirectly held by the Company		(i)	本公司直接持有48%，間接持有28.6%	
	According to the Cooperation Agreement, the Group contributed 76.6% of the registered capital and is entitled to share 100% of the profit from this company's office building and 34% of the profit from the hotel.			根據合作章程，本公司出資76.6%享有該公司寫字樓收益之100%，酒店營運收益之34%	
(ii)	75% directly and 25% indirectly held by the Company		(ii)	本公司直接持有75%，間接持有25%	
(iii)	85% directly and 15% indirectly held by the Company		(iii)	本公司直接持有85%，間接持有15%	
(iv)	90% directly and 10% indirectly held by the Company		(iv)	本公司直接持有90%，間接持有10%	
(v)	55% indirectly held by the Company		(v)	本公司間接持有55%	
(vi)	100% indirectly held by the Company		(vi)	本公司間接持有100%	
(vii)	In the year 2005, the Group shared the results of Beijing Maple Real Estate Company Limited ("Maple Real Estate") by 50% as a jointly controlled entity. From September this year, the Group increased its interest in Maple Real Estate by 20% and this made the Group's interest in Maple Real Estate increase to 70%. So Maple Real Estate then becomes a subsidiary of the Group (note 36(b)).		(vii)	於二零零五年，本集團持有北京楓樹置業有限公司（「楓樹置業」）50%的收益權，因此將楓樹置業作為共同控制實體核算，從本年九月份開始本集團對楓樹置業的權益增加了20%，使集團對楓樹置業的持有權益達到70%，因此本年楓樹置業轉入附屬公司核算（附註36(b)）。	

10. Jointly controlled entities

10. 共同控制實體

		Group 本集團		Company 本公司	
		As at 31st December 於十二月三十一日		As at 31st December 於十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Equity jointly controlled entities	合資經營企業				
At 1st January	於一月一日	80,950	132,875	82,767	121,175
Share of results	分佔業績				
— loss before income tax	— 除稅前虧損	(18,193)	(1,308)	—	—
— income tax	— 稅項	3,707	—	—	—
		(14,486)	(1,308)	—	—
Acquisition (note 36(a))	收購(附註36(a))	156,426	—	—	—
Disposal	出售	—	(50,617)	—	(38,408)
At 31st December	於十二月三十一日	222,890	80,950	82,767	82,767
Unlisted investments, at cost	非上市股份，按成本值	—	—	82,767	82,767
Group's share of net assets, unlisted	應佔淨資產，非上市	222,890	80,950	—	—
Cooperative jointly controlled entities	合作經營企業				
At 1st January	於一月一日	72,498	56,154	61,315	61,315
Share of results	分佔業績				
— profit before income tax	— 除稅前溢利	70,104	25,917	—	—
— income tax	— 稅項	(23,135)	(9,573)	—	—
		46,969	16,344	—	—
Reclassification of a jointly controlled entity as a subsidiary (note 9(vii))	重分類共同控制實體為附屬公司(附註9(vii))	(105,137)	—	(61,315)	—
Dividends received	已收股利	(14,330)	—	—	—
At 31st December	於十二月三十一日	—	72,498	—	61,315
Unlisted investments, at cost	非上市股份，按成本值	—	—	—	61,315
Group's share of net assets, unlisted	應佔淨資產，非上市	—	72,498	—	—
		222,890	153,448	82,767	144,082

10. Jointly controlled entities (Continued)

The following is a list of the principal jointly controlled entities at 31st December 2006, all of which are established and operate in the PRC:

10. 共同控制實體 (續)

於二零零六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：

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	
			2006	2005
Equity jointly controlled entities 合資經營企業				
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%	50%
Beijing Ruijingqingyuan Real Estate Development Company Limited 北京瑞景清源房地產開發有限公司	Property development 物業開發	RMB20,000,000 人民幣20,000,000元	50%	—
Beijing Maple Real Estate Development Company Limited 北京楓樹置業有限公司	Property development 物業開發	US\$10,000,000 10,000,000美元	N/A	50%

10. Jointly controlled entities (Continued)

The following amounts represent the Group's shares of the assets and liabilities, and income and results of the jointly controlled entities:

Name		Assets	Liabilities	Income	Expenses	Profit/(loss)
名稱		資產	負債	收入	費用	淨利潤/ (淨虧損)
2006		2006				
Beijing Sun Shine City Real Estate Development Company Limited	北京陽光城房地產有限公司	649,546	(573,449)	—	(4,853)	(4,853)
Beijing Maple Real Estate Company Limited	北京楓樹置業有限公司	—	—	199,865	(152,896)	46,969
Beijing Ruijingqingyuan Real Estate Development Company Limited	北京瑞景清源房地產開發有限公司	1,933,702	(1,786,909)	—	(9,633)	(9,633)
		2,583,248	(2,360,358)	199,865	(167,382)	32,483
2005		2005				
Beijing Sun Shine City Real Estate Development Company Limited	北京陽光城房地產有限公司	367,162	(286,212)	—	(1,308)	(1,308)
Beijing Maple Real Estate Company Limited	北京楓樹置業有限公司	384,673	(312,175)	154,338	(137,994)	16,344
		751,835	(598,387)	154,338	(139,302)	15,036

The share of commitments of the jointly controlled entities at the balance sheet date is as follows:

以下金額為本集團在共同控制實體的資產和負債，以及收入和業績中應佔的份額：

於資產負債表日，在共同控制實體之資本性承擔份額分析如下：

		Group 本集團	
		As at 31st December 於十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Properties under development	開發中物業		
Contracted but not provided for	已簽約但未撥備	341,109	67,232
Authorised but not contracted for	已批准但未簽約	419,672	908,978
		760,781	976,210

11. Associates

11. 聯營公司

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
At 1st January	於一月一日	291,792	104,526	173,013	93,219
Share of results	分佔業績				
— profit before income tax	— 除稅前溢利	123,810	129,862	—	—
— income tax	— 稅項	(81,492)	(34,579)	—	—
— minority interests	— 少數股東權益	—	(7,816)	—	—
		42,318	87,467	—	—
Acquisition	收購	—	—	—	30,861
Reclassified from subsidiaries	重分類自附屬公司	39,823	—	46,983	—
Reclassified from available-for-sale financial assets	重分類自可出售財務資產	—	99,799	—	48,933
Loss on share reform	股權分置改革費用	(30,053)	—	(30,053)	—
Reclassified to available-for-sale financial assets	重分類至可出售財務資產	(92,841)	—	(49,742)	—
Dividends received	已收股利	(1,400)	—	—	—
Provision for impairment loss	減值準備	—	—	(6,138)	—
At 31st December	於十二月三十一日	249,639	291,792	134,063	173,013
Investments, at cost	投資，按成本值				
— listed	— 上市	—	—	—	57,297
— unlisted	— 非上市	—	—	140,201	115,716
Provision for impairment loss	減值準備	—	—	(6,138)	—
		—	—	134,063	173,013
Group's share at net assets	應佔淨資產				
— listed	— 上市	—	93,993	—	—
— unlisted	— 非上市	249,639	197,799	—	—
		249,639	291,792	—	—

11. Associates (Continued)

The following is a list of the significant associates at 31st December 2006, all of which are unlisted, established and operate in the PRC:

11. 聯營公司 (續)

於二零零六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，均為非上市公司，列示如下：

Name 名稱	Legal status 法定地位	Principal activities 主要業務	Particulars of registered capital 註冊資本詳情	Attributable interest held 持有權益	
				2006	2005
Beijing GoldenNet Property Investment Consultant Company Limited (a) 北京金網絡置業投資顧問有限公司(a)	Limited liability company 有限責任公司	Property sales agency 物業銷售代理	RMB5,000,000 人民幣5,000,000元	14%	14%
Beijing Xing Tai Real Estate Development Company Limited (b) 北京星泰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	RMB55,180,000 人民幣55,180,000元	25%	30.7%
Beijing Yang Guang Yuan Real Estate Development Company Limited (c) 北京陽光苑房地產開發有限公司(c)	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	35%	40.1%
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%
Beijing Jinyaguang Real Estate Development Company Limited (d) 北京金亞光房地產開發有限公司 (d)	Sino-foreign equity joint venture limited 中外合資經營企業	Property development 物業開發	US\$12,000,000 12,000,000美元	45%	N/A
Super Shine Company Limited 廣西陽光股份有限公司	Joint stock limited company 股份有限公司	Investment holding and property development 投資控股及物業開發	RMB292,040,000 人民幣292,040,000元	N/A	7.8%
Beijing Capital Fengdu Real Estate Development Company Limited 北京首創風度房地產開發有限公司	Limited liability company 有限責任公司	Investment holding and property development 投資控股及物業開發	RMB60,000,000 人民幣60,000,000元	N/A	15.5%
(a)	The Company has significant influence over the board of directors and such board is responsible for determining the financial policies in the ordinary course of business, and accordingly this company is classified as an associate.		(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決策，故此公司被分類為聯營公司。	
(b)	25% directly held by the Company (2005: 25% directly and 5.7% indirectly held by the Company).		(d)	本公司直接持有25% (二零零五年：直接持有25%，間接持有5.7%)。	
(c)	35% directly held by the Company (2005: 35% directly and 5.1% indirectly held by the Company).		(c)	本公司直接持有35% (二零零五年：直接持有35%，間接持有5.1%)。	
(d)	In the year 2006, the Company disposed of 30% interest of Beiing Jinyaguang Real Estate Development Company Limited, a then subsidiary. This resulted in the interest be reduced to 45% and thereafter, it is categorised as an associate.		(d)	本公司於二零零六年處置了之前為附屬公司的北京金亞光房地產開發有限公司30%的股權，使得所佔股份減少到45%，於是被分類至聯營公司。	

11. Associates (Continued)

The following amounts represent the Group's share of the assets, liabilities and minority interests, and income and results of the associates:

11. 聯營公司 (續)

以下金額為本集團在聯營公司的資產、負債和少數股東權益，以及收入和業績中應佔的份額。

Name 名稱	Liabilities and minority interests 負債及少數股東權益		Income 收入	Expenses 費用	Profit/(loss) 淨利潤/淨虧損
	Assets 資產				
2006	2006				
Beijing GoldenNet Property Investment Consultant Company Limited 北京金網絡置業投資顧問有限公司	3,593	(139)	13,585	(11,737)	1,848
Beijing Xing Tai Real Estate Development Company Limited 北京星泰房地產開發有限公司	585,007	(459,182)	223,353	(192,562)	30,791
Beijing Yang Guang Yuan Real Estate Development Company Limited 北京陽光苑房地產開發有限公司	302,748	(230,196)	16,511	(4,611)	11,900
Beijing SCJF Real Estate Agency Company Limited 北京首創金豐易居房地產經紀有限公司	10,570	(2,387)	27,577	(29,599)	(2,022)
Beijing Jinyaguang Real Estate Development Company Limited 北京金亞光房地產開發有限公司	390,349	(350,724)	—	(199)	(199)
	1,292,267	(1,042,628)	281,026	(238,708)	42,318
2005	2005				
Beijing GoldenNet Property Investment Consultant Company Limited 北京金網絡置業投資顧問有限公司	3,141	(135)	886	(58)	828
Beijing Xing Tai Real Estate Development Company Limited 北京星泰房地產開發有限公司	428,341	(333,306)	255,726	(216,938)	38,788
Beijing Yang Guang Yuan Real Estate Development Company Limited 北京陽光苑房地產開發有限公司	240,130	(179,478)	51,422	(23,300)	28,122
Beijing SCJF Real Estate Agency Company Limited 北京首創金豐易居房地產經紀有限公司	23,762	(13,556)	3,705	(5,672)	(1,967)
Super Shine Company Limited 廣西陽光股份有限公司	293,978	(199,985)	124,853	(106,027)	18,826
Beijing Capital Fengdu Real Estate Development Company Limited 北京首創風度房地產開發有限責任公司	37,181	(8,281)	4,029	(1,159)	2,870
	1,026,533	(734,741)	440,621	(353,154)	87,467

12. Available-for-sale financial assets

12. 可出售財務資產

		Group and Company 本集團及本公司 As at 31st December 十二月三十一日			
		2006 二零零六年 RMB'000 人民幣千元		2005 二零零五年 RMB'000 人民幣千元	
Fair value:	公平值：				
– Listed	– 上市	199,735		—	
– unlisted	– 非上市	52,317		20,736	
Total	合計	252,052		20,736	

		Group 本集團		Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
As at 1st January	於一月一日	20,736	20,736	20,736	20,736
Transfer from associates	從聯營公司轉入	92,841	—	49,742	—
Net gains transfer to equity (note 19)	淨收益轉撥入權益(附註19)	138,475	—	181,574	—
As at 31st December	於十二月三十一日	252,052	20,736	252,052	20,736

13. Inventories and properties held for sale

13. 存貨及待出售已落成物業

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Merchandise	商品	3,930	12,510	—	—
Low value consumable materials	低值易耗品	13,242	1,177	—	—
Total inventories	存貨總額	17,172	13,687	—	—
Development costs	開發成本	268,266	204,513	67,328	164,907
Land use rights	土地使用權	30,407	18,228	6,061	18,115
Finance costs capitalised	資本化之融資成本	6,222	—	—	—
Total properties held for sale	待出售已落成物業總額	304,895	222,741	73,389	183,022

Movements of land use rights in properties held for sale are as follows:

待出售已落成物業中的土地使用權變動如下：

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
As at 1st January	於一月一日	18,228	42,385	18,115	21,259
Addition	增加	—	193	—	189
Transfer from properties under development	轉自開發中物業	80,103	20,854	—	20,854
Acquisition of a subsidiary	收購一附屬公司	52,775	—	—	—
Amortisation of land use rights	土地使用權推銷	(1,390)	(1,204)	(1,157)	(731)
Recognised as cost of sales	計入主營業務成本	(119,309)	(44,000)	(10,897)	(23,456)
At 31st December	於十二月三十一日	30,407	18,228	6,061	18,115

14. Trade and other receivables

14. 應收賬款及其它應收款項

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Trade receivables	應收賬款	295,588	443,238	165	13,646
Less: provisions for impairment of receivables	減：呆賬準備	(53)	(386)	—	(52)
Trade receivables — net	應收賬款 — 淨額	295,535	442,852	165	13,594
Deposits and advances to suppliers	按金及預付賬款	157,918	132,011	64,100	86,408
Other receivables — net	其他應收款項 — 淨額	165,816	361,348	16,549	74,062
Income tax prepayments	預付所得稅款	66,175	15,399	—	—
Other tax prepayments	其他預付稅款	138,599	37,178	588	—
Other prepayments	其他預付款項	31,842	7,710	—	—
Amounts due from jointly controlled entities	應收共同控制實體款項	208,167	610,001	198,167	610,001
Amounts due from associates	應收聯營公司款項	714,924	186,919	714,924	186,863
Amounts due from Super Shine (a)	應收陽光股份款項(a)	200,000	—	—	—
Amounts due from fellow subsidiaries	應收同系附屬公司款項	27,372	55,239	27,372	54,939
Amounts due from minority shareholders of subsidiaries	應收附屬公司之少數股東款項	116,809	129,847	90,407	129,847
Deposit for tender of land	土地投標保證金	440,610	—	426,610	—
Advance to investment in a jointly controlled entity	向共同控制實體預付投資款	30,000	—	30,000	—
		2,593,767	1,978,504	1,568,882	1,155,714
Less non-current portion: trade and other receivables — net	減非流動部分：應收賬款及其他應收款項 — 淨額	—	(211,666)	—	(79,847)
Current portion	流動部分	2,593,767	1,766,838	1,568,882	1,075,867

All non-current receivables are due within five years from the balance sheet date.

The carrying amounts of trade and other receivables approximate their fair values.

所有非流動應收款項均於資產負債日後五年內到期。

應收賬款及其他應收款項之公平價值與賬面值相若。

14. Trade and other receivables (Continued)

- (a) During the year 2006, the Company and Super Shine Company Ltd. (“Super Shine”), an investment, jointly contributed in the establishment of Beijing Capital Hui Huang Real Estate Ltd. (“Huihuang”); and obtained the land use rights of Beijing Chaoyang District Da Tun Bei Din Cun project through setting up a tender coalition. Due to changes to the project, the Company and Super Shine., together with Beijing Municipal Bureau of State Land and Resources, discharged the “Contract on the Grant of the State-owned Land” and retrieved the land grant deposit. The Company and Super Shine have decided to clear the accounts of Hui Huang. Super Shine withdrew its share capital of RMB200,000,000 which resulted in the balance of receivables at the year end.
- (b) At 31st December 2006 and 2005, the ageing analysis of the trade receivables were as follows:

14. 應收賬款及其它應收款項 (續)

- (a) 二零零六年度，本公司與廣西陽光股份有限公司（「陽光股份」）共同出資設立北京首創輝煌置業有限公司（「輝煌」），通過組成投標聯合體的方式取得了北京市朝陽區大屯北頂村項目的土地使用權。因項目發生變化，本公司和陽光股份與北京市國土資源局解除了國有土地出讓合同，並收回了土地出讓金。本公司與陽光股份決定將輝煌清算。陽光股份將其注冊資本金人民幣200,000,000元收回，因此形成期末應收款項餘額。
- (b) 於二零零六年十二月三十一日以及二零零五年十二月三十一日，應收賬款之賬齡分析如下：

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Within three months	三個月以內	260,980	262,656	—	1,390
Over three months and within half year	三個月至半年	1,217	7,491	—	7,000
Over half year and within one year	半年至一年	12,393	2,987	—	—
Over one year	一年以上	20,998	170,104	165	5,256
		295,588	443,238	165	13,646

14. Trade and other receivables (Continued)

Trade receivables outstanding for more than one year are mainly related to sales of office building units in bulk and large pieces of developed land.

(c) The credit terms in connection with sales of properties and land use rights granted to the customers are set out in the sale and purchase agreements and vary from agreements. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers.

(d) At 31st December 2006 and 2005, the amounts due from jointly controlled entities, associates are unsecured, carry interest at prevailing market rates and have no fixed terms of repayment.

At 31st December 2006 and 2005, the amounts due from fellow subsidiaries are unsecured, interest free and have no fixed terms of repayment.

At 31st December 2006, the amounts due from minority shareholders of subsidiaries are unsecured, interest free and repayable within one year (2005: carrying interest at prevailing market rate and repayable within two years).

(e) Amounts of trade and other receivables are all denominated in Renminbi.

15. Amount due from a promoter

The amount due from a promoter is unsecured, interest free and has no fixed terms of repayment.

16. Restricted bank deposits

The restricted bank deposits have been pledged as security for certain mortgage loans to customers.

14. 應收賬款及其它應收款項 (續)

對於賬齡大於一年的應收賬款，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。

(c) 物業和土地使用權銷售中給予客戶之信貸期限按不同之買賣合約而訂立。由於本集團有眾多客戶，因此應收賬款並無集中的信貸風險。

(d) 於二零零六年和二零零五年十二月三十一日應收共同控制實體和聯營公司的款項無抵押，按市場利率計息，且無固定償還期。

於二零零六年和二零零五年十二月三十一日應收同系附屬公司款項無抵押，免息且無固定償還期。

於二零零六年十二月三十一日應收附屬公司之少數股東的款項無抵押，免息，將於一年內償還(二零零五年：按市場利率計息，將於兩年內償還)。

(e) 應收賬款及其他應收款項均以人民幣計價。

15. 應收發起人款項

應收發起人款項無抵押，免息，且無固定償還期。

16. 受限制銀行存款

受限制銀行存款已抵押作為若干置業人士銀行按揭貸款擔保。

17. Cash and bank balances

17. 現金及銀行存款

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Cash at bank and in hand	銀行存款及現金	3,706,833	1,744,284	2,447,891	1,055,453
Short-term bank deposits	短期銀行存款	—	120,000	—	120,000
		3,706,833	1,864,284	2,447,891	1,175,453

In 2005, the effective interest rate on short-term bank deposits was 1.71% per annum. These deposits had an average maturity of 3 months.

Cash and cash equivalents include the following for the purpose of the cash flow statement:

二零零五年，短期銀行存款年利率為1.71%。這些存款的期限平均為3個月。

就現金流量表而言，現金及現金等價物包括下列項目：

		Group 本集團	
		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Cash at bank and in hand	銀行存款及現金	3,706,833	1,744,284
Short-term bank deposits	短期銀行存款	—	120,000
		3,706,833	1,864,284

The carrying amounts of cash and bank balances are denominated in the following currencies:

現金及銀行存款的賬面金額以下列貨幣為單位：

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Renminbi	人民幣	3,587,203	1,816,256	2,353,099	1,151,640
US dollar	美元	24,838	24,215	—	—
HK dollar	港幣	94,792	23,813	94,792	23,813
		3,706,833	1,864,284	2,447,891	1,175,453

18. Share capital

18. 股本

		Number of domestic share 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:	已發行及繳足股本：					
As at 1st January 2005	二零零五年一月一日	690,671,700	357,998,300	564,630,000	1,613,300,000	1,613,300
Placement of H shares	H股配售	(10,266,000)	—	112,926,000	102,660,000	102,660
As at 31st December 2005	二零零五年 十二月三十一日	680,405,700	357,998,300	677,556,000	1,715,960,000	1,715,960
Registered, issued and fully paid:	已發行及繳足股本：					
As at 1st January 2006	二零零六年一月一日	680,405,700	357,998,300	677,556,000	1,715,960,000	1,715,960
Placement of H shares	H股配售	(31,200,000)	—	343,200,000	312,000,000	312,000
As at 31st December 2006	二零零六年十二月三十一日	649,205,700	357,998,300	1,020,756,000	2,027,960,000	2,027,960

The Domestic share and H share rank pari passu in all respects. On 27th January 2005, the Company increased its issue share capital through a placing of 102,660,000 H shares at a price of HK\$2.16 per share.

On 27th October 2006, the Company increased its issued share capital through a placing of 312,000,000 H shares at a price of HK\$2.80 per share.

內資股和H股在所有方面享有同等權益。於二零零五年一月二十七日，本公司按照每股2.16港元之配股價格配售102,660,000股H股以增加其已發行股本。

於二零零六年十月二十七日，本公司按照每股2.80港元之配股價格配售312,000,000股H股以增加其已發行股本。

19. Reserves

19. 儲備

Group

本集團

		Other reserves 其他儲備				
		Capital surplus 資本儲備 RMB'000 人民幣千元	Statutory reserve fund 法定公積金 RMB'000 人民幣千元	Statutory public benefit fund 法定公益金 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Retained earnings 保留溢利 RMB'000 人民幣千元
Balance at 1st January 2005	二零零五年一月一日	312,457	84,314	40,961	437,732	215,028
Profit for the year	本年溢利	—	—	—	—	211,505
Placement of H shares	H股配售	125,551	—	—	125,551	—
2004 final dividend	二零零四年末期股息	—	—	—	—	(120,117)
Transfer from retained earnings	轉撥自保留溢利	—	31,077	154	31,231	(31,231)
Contribution from a promoter	發起人之補償	27,470	—	—	27,470	—
Balance at 31st December 2005	二零零五年十二月三十一日	465,478	115,391	41,115	621,984	275,185
Representing:	相當於：					
Proposed final dividend at 31st December 2005	二零零五年十二月三十一日擬派末期股息					85,798
Retained earnings — others	保留溢利 — 其他					189,387
						275,185
Balance at 1st January 2006	二零零六年一月一日	465,478	115,391	41,115	621,984	275,185
Profit for the year	本年溢利	—	—	—	—	266,009
Placement of H shares	H股配售	549,438	—	—	549,438	—
2005 final dividend	二零零五年末期股息	—	—	—	—	(85,798)
Transfer from retained earnings	轉撥自保留溢利	—	51,848	—	51,848	(51,848)
Reclassification (b)	重分類(b)	—	41,115	(41,115)	—	—
Contribution from a promoter	發起人之補償	28,180	—	—	28,180	—
Fair value gain of available-for-sale financial assets, gross (note 12)	可出售財務資產公平價值的增加總額(附註12)	138,475	—	—	138,475	—
Deferred tax liabilities (note 25)	遞延稅項(附註25)	(45,697)	—	—	(45,697)	—
Balance at 31st December 2006	二零零六年十二月三十一日	1,135,874	208,354	—	1,344,228	403,548
Representing:	相當於：					
Proposed final dividend at 31st December 2006	二零零六年十二月三十一日擬派末期股息					121,678
Retained earnings — others	保留溢利 — 其他					281,870
						403,548

19. Reserves (Continued)

19. 儲備 (續)

Company

本公司

Other reserves 其他儲備

		Capital surplus 資本儲備 RMB'000 人民幣千元	Statutory reserve fund 法定公積金 RMB'000 人民幣千元	Statutory public benefit fund 法定公益金 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Retained earnings 保留溢利 RMB'000 人民幣千元
Balance at 1st January 2005	二零零五年一月一日	312,457	46,335	23,168	381,960	166,162
Profit for the year	本年溢利	—	—	—	—	234,235
Placement of H shares	H股配售	125,551	—	—	125,551	—
2004 final dividend	二零零四年末期股息	—	—	—	—	(120,117)
Transfer from retained earnings	轉撥自保留溢利	—	17,751	—	17,751	(17,751)
Contribution from a promoter	發起人之補償	27,470	—	—	27,470	—
Balance at 31st December 2005	二零零五年十二月三十一日	465,478	64,086	23,168	552,732	262,529
Representing:	相當於:					
Proposed final dividend at 31st December 2005	二零零五年十二月三十一日 攤派末期股息					85,798
Retained earnings — others	保留溢利 — 其他					176,731
						262,529
Balance at 1st January 2006	二零零六年一月一日	465,478	64,086	23,168	552,732	262,529
Loss for the year	本年虧損	—	—	—	—	(18,604)
Placement of H shares	H股配售	549,438	—	—	549,438	—
2005 final dividend	二零零五年末期股息	—	—	—	—	(85,798)
Transfer from retained earnings	轉撥自保留溢利	—	18,194	—	18,194	(18,194)
Reclassification (b)	重分類(b)	—	23,168	(23,168)	—	—
Contribution from a promoter	發起人之補償	28,180	—	—	28,180	—
Fair value gain of available-for-sale financial assets-gross (note 12)	可出售財務資產公平價值的增加 — 總額(附註12)	181,574	—	—	181,574	—
Deferred tax liabilities (note 25)	遞延稅項(附註25)	(59,920)	—	—	(59,920)	—
Balance at 31st December 2006	二零零六年十二月三十一日	1,164,750	105,448	—	1,270,198	139,933
Representing:	相當於:					
Proposed final dividend at 31st December 2006	二零零六年十二月三十一日 攤派末期股息					121,678
Retained earnings — others	保留溢利 — 其他					18,225
						139,933

19. Reserves (Continued)

- (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) In accordance with the amendment of the Company Law of PRC on 27th October 2005 and effective from pursuant to 1st January 2006, and pursuant to the Company’s Articles of Association and the board resolution, the Company decided not to accrue for statutory public benefit fund from the year 2006. In accordance with the “Circular on Accounting Treatment Following the Implementation of Company Law” issued by Ministry of Finance on 15th March 2006, the balance of statutory public benefit fund as at 31st December 2005 should be converted into statutory reserve fund.

19. 儲備 (續)

- (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賬目表所載之除稅後溢利的10%提取法定公積金。法定公積金可用於彌補虧損或轉增資本。
- (b) 根據2005年10月27日修訂並於2006年1月1日起施行的《中華人民共和國公司法》和本公司章程及董事會的決議，本公司從2006年起不再計提法定公益金。根據財政部2006年3月15日發佈的《關於〈公司法〉施行後有關企業財務處理問題的通知》，本公司截至2005年12月31日止的法定公益金貸方結餘，轉作法定公積金管理使用。

20. Trade and other payables

20. 應付賬款及其它應付款項

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Trade payables	應付賬款	23,358	32,914	3,234	3,339
Notes payables	應付票據	16,846	—	—	—
Advances from customers	預收賬款	2,515,277	428,186	743	63,129
Dividends payable	應付股利	55,140	28,980	55,140	28,980
Accrued construction costs	應計建築費用	908,146	345,547	41,074	53,935
Amounts due to fellow subsidiaries	應付同系附屬公司款項	25,706	—	—	—
Amounts due to minority shareholders of subsidiaries	應付附屬公司之少數股東款項	480,010	93,970	—	—
Other payables	其他應付款項	356,012	245,526	203,768	64,718
		4,380,495	1,175,123	303,959	214,101
Less non-current portion:	減非流動部份：				
Amounts due to minority shareholders of subsidiaries	應付附屬公司之少數股東款項	(315,966)	—	—	—
Current portion	流動部份	4,064,529	1,175,123	303,959	214,101

All non-current payables are due within five years from the balance sheet date.

所有非流動應付款項均於資產負債日後五年內到期。

The carrying amounts of trade and other payables approximate their fair values.

應付賬款及其他應付款項之公平價值與賬面值相若。

20. Trade and other payables (Continued)

The carrying amounts of trade and other payables are denominated in the following currencies:

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Renminbi	人民幣	3,957,217	1,081,153	303,959	214,101
US dollar	美元	423,278	93,970	—	—
		4,380,495	1,175,123	303,959	214,101

At 31st December 2006, amounts due to minority shareholders of subsidiaries are unsecured, carry interest at prevailing market rates and have no fixed terms of repayment, other than amounting to US\$39,475,000 will expire in 2009.

At 31st December 2005, the amount due to minority shareholder of a subsidiary was unsecured, carried interest at prevailing market rate and had no fixed terms of repayment.

At 31st December 2006, the amounts due to fellow subsidiaries are unsecured, interest free and have no fixed terms of repayment (2005: Not applicable).

20. 應付賬款及其它應付款項 (續)

應付賬款及其他各付款項的賬面金額以下列貨幣為單位：

於二零零六年十二月三十一日，除其中美元39,475,000元將於二零零九年到期外，應付附屬公司之少數股東款項無抵押，按市場利率計息，且無固定償還期。

於二零零五年十二月三十一日，應付附屬公司之少數股東款項無抵押，按市場利率計息，且無固定償還期。

於二零零六年十二月三十一日，應付同系附屬公司款項均無抵押、免息，且無固定償還期(二零零五年：不適用)。

20. Trade and other payables (Continued)

At 31st December 2006 and 2005, the ageing analysis of the trade payables were as follows:

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Within half year	半年以內	6,226	32,115	—	3,339
Over half year and within one year	半年至一年	11,422	766	—	—
Over one year	一年以上	5,710	33	3,234	—
		23,358	32,914	3,234	3,339

20. 應付賬款及其它應付款項 (續)

於二零零六年及二零零五年十二月三十一日，應付賬款之賬齡分析如下：

21. Tax payable

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Business tax payable	應繳營業稅	101,607	105,177	2,028	3,950
Income tax payable	應繳所得稅	217,040	233,814	16,456	33,503
Others	其他	140,667	6,899	285	337
		459,314	345,890	18,769	37,790

21. 應繳稅款

22. Special dividend payable

In accordance with “Provisional regulations concerning the management of state capital and certain accounting treatment for 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 initial shareholders. Accordingly, a special dividend amounting to RMB204,839,000, representing the profit of the Group under PRC generally accepted accounting principles from 1st January 2002 to 31st December 2002 after taking into account the valuation of state assets will be payable to the initial shareholders.

22. 應付特別股息

根據財政部於二零零二年七月二十七日頒佈的《企業公司制改建有關國有資本管理與財務處理的暫行規定》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，須退還國有發起人。因此，本公司將須向發起人支付為數達人民幣204,839,000元的特別股息（相當於本集團按評估值建賬並根據中國普遍採納會計原則計算的二零零二年一月一日至二零零二年十二月三十一日止期間的溢利）。

23. Amounts due to parent company

The amounts are unsecured, interest free and repayable before 30th September 2006 originally. In accordance with the agreement with parent company, the remaining amounts will be wholly paid before 31st December 2007.

23. 應付母公司款項

應付款項代表母公司代表本集團預付的土地出讓金，無抵押，免息，原應於二零零六年九月三十日前償還。根據與母公司的約定，尚未償還的餘額將於二零零七年十二月三十一日前全部償還。

24. Bank loans

24. 銀行貸款

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 RMB'000 二零零六年 人民幣千元	2005 RMB'000 二零零五年 人民幣千元	2006 RMB'000 二零零六年 人民幣千元	2005 RMB'000 二零零五年 人民幣千元
Long-term bank loans, in RMB	長期銀行貸款，人民幣				
— secured	— 有抵押	4,734,261	4,468,136	4,500,000	4,000,000
— unsecured	— 無抵押	400,000	700,000	—	—
		5,134,261	5,168,136	4,500,000	4,000,000
Current portion	流動部分	—	(950,000)	—	(700,000)
		5,134,261	4,218,136	4,500,000	3,300,000
Short-term bank loans, in RMB	短期銀行貸款，人民幣				
— secured	— 有抵押	—	—	—	—
— unsecured	— 無抵押	517,000	—	400,000	—
		517,000	—	400,000	—
Total bank loans	銀行貸款合計	5,651,261	5,168,136	4,900,000	4,000,000
The maturity of the bank loans is as follows:	銀行貸款須於以下期間償還：				
Within 1 year	一年以內	517,000	950,000	400,000	700,000
Between 1 and 2 years	一至兩年	1,834,261	676,030	1,200,000	—
Between 2 and 5 years	兩至五年	—	742,106	—	500,000
Over 5 years	五年以上	3,300,000	2,800,000	3,300,000	2,800,000
		5,651,261	5,168,136	4,900,000	4,000,000

The effective interests rate at the balance sheet date were ranged from 5.15% to 6.16% (2005: 4.03% to 5.85%) per annum.

於二零零六年十二月三十一日，銀行貸款之實際年利率介乎5.15%至6.16%之間（二零零五年：4.03%至5.85%）。

24. Bank loans (Continued)

As at 31st December 2006, long-term bank loans of RMB4,500,000,000 (2005: RMB4,000,000,000) were secured by rights to yields on certain land use rights (gains on the sales of land use rights or other profit obtained from the related land use rights).

As at 31st December 2006, long-term bank loans of RMB234,261,000 (2005: RMB468,136,000) were secured by the properties under development of subsidiaries of the Company.

Unsecured bank loans of RMBNil (2005: current portion of long-term bank loans of RMB250,000,000) were guaranteed by Capital Group, the parent company.

The Group has the following undrawn borrowing facilities:

24. 銀行貸款 (續)

於二零零六年十二月三十一日，長期銀行貸款人民幣4,500,000,000元(二零零五年：人民幣4,000,000,000元)以本集團部分物業之土地使用權之收益權(本集團轉讓該等土地使用權或以其他方式利用該等土地使用權獲得的收益)作為抵押。

於二零零六年十二月三十一日，長期銀行貸款人民幣234,261,000元(二零零五年：人民幣468,136,000元)以本公司附屬公司之開發中物業作為抵押。

無抵押銀行貸款中包括由母公司首創集團擔保的貸款人民幣零元(二零零五年：長期銀行貸款的即期部分人民幣250,000,000元)。

本集團未使用之銀行貸款額度如下：

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Floating rate	浮動利率				
— expiring within one year	— 一年內到期	—	1,200,000	—	1,200,000
— expiring beyond one year	— 一年後到期	23,426	274,387	—	—
		23,426	1,474,387	—	1,200,000

24. Bank loans (Continued)

The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

		6 months or less 6個月或以下	6 - 12 months 6 - 12個月	Total 合計 RMB'000 人民幣千元
At 31st December 2005	於二零零五年十二月三十一日	526,030	4,642,106	5,168,136
At 31st December 2006	於二零零六年十二月三十一日	800,000	4,851,261	5,651,261

There are no fixed interest rates for long-term bank loans, and the fair values of bank loans are not materially different from their book values.

本集團的貸款在利率變動時承擔的風險及合約重新定價日期如下：

長期貸款沒有固定利率，且貸款之公平值與其賬面值沒有重大差異。

The carrying amounts of short-term bank loans approximate their fair values.

短期貸款之賬面值與其公平值相若。

The carrying amount of the bank loans are denominated in the following currencies:

銀行貸款的賬面金額以下列貨幣為單位：

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Renminbi	人民幣	5,417,000	4,700,000	4,900,000	4,000,000
US dollar	美元	234,261	468,136	—	—
		5,651,261	5,168,136	4,900,000	4,000,000

25. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Deferred tax assets/(liabilities):	遞延稅項資產/(負債):				
— To be recovered after more than 12 months	— 超過12個月後收回之遞延稅項資產	(27,944)	17,554	(59,920)	—
— To be recovered within 12 months	— 12個月以內收回之遞延稅項資產	74,074	42,032	14,694	12,091
		46,130	59,586	(45,226)	12,091

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

遞延所得稅資產/(負債)賬目之總變動如下:

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
At 1st January	於一月一日	59,586	52,399	12,091	5,992
Recognised in the income statement (note 31)	於損益表中確認(附註 31)	35,308	7,187	2,603	6,099
Tax charged directly to equity	直接計入權益的稅金	(45,697)	—	(59,920)	—
Acquisition of a subsidiary	收購附屬公司	1,412	—	—	—
Disposal of a subsidiary	處置附屬公司	(4,479)	—	—	—
At 31st December	於十二月三十一日	46,130	59,586	(45,226)	12,091

25. Deferred income tax (Continued)

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of RMB84,994,000 (2005: RMB35,483,000) in respect of losses amounting to RMB257,558,000 (2005: RMB107,524,000) that can be carried forward against future taxable income. These tax losses will expire from 2009 to 2011.

The movement in deferred tax assets without taking into consideration the offsetting of balances within the same tax jurisdiction during the year is as follows:

Deferred tax assets:

		Difference in		Group		Amortisation	Others	Total
		cost base of properties	Tax losses	Unpaid accruals	Provision for impairment of receivables			
		物業成本之差異	稅務虧損	未支付的費用	提撥呆賬準備	土地使用權攤銷	其他	合計
		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 2005	二零零五年一月一日	13,132	7,183	3,756	5,220	16,307	6,801	52,399
Recognised in the income statement	於損益表中確認	—	1,207	1,926	958	3,838	(742)	7,187
At 31st December 2005	二零零五年十二月三十一日	13,132	8,390	5,682	6,178	20,145	6,059	59,586
Recognised in the income statement	於損益表中確認	—	39,471	2,587	—	(2,518)	(4,232)	35,308
Acquisition of a subsidiary	收購附屬公司	—	—	—	—	1,412	—	1,412
Disposal of a subsidiary	處置附屬公司	—	—	—	—	(4,479)	—	(4,479)
At 31st December 2006	二零零六年十二月三十一日	13,132	47,861	8,269	6,178	14,560	1,827	91,827

25. 遞延所得稅 (續)

就結轉的稅損而確認的遞延所得稅資產僅限於有關之稅務利益有可能透過未來應課稅溢利實現的部分。本集團並無就可結轉以抵銷未來應課稅收益的虧損人民幣257,558,000元(二零零五年:人民幣107,524,000元)確認遞延所得稅資產人民幣84,994,000元(二零零五年:人民幣35,483,000元),未來應課稅收益的虧損將於二零零九年至二零一一年屆滿。

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扣前)如下:

遞延稅項資產:

25. Deferred income tax (Continued)

Deferred tax assets:

		Company 本公司			Total 合計
		Unpaid accruals 未支付的費用 RMB'000 人民幣千元	Provision for impairment of receivables 提撥呆賬準備 RMB'000 人民幣千元	Amortisation of land use rights 土地使用 權攤銷 RMB'000 人民幣千元	
At 1st January 2005	二零零五年一月一日	3,756	1,914	322	5,992
Recognised in the income statement	於損益表中確認	1,926	4,264	(91)	6,099
At 31st December 2005	二零零五年十二月 三十一日	5,682	6,178	231	12,091
Recognised in the income statement	於損益表中確認	2,587	—	16	2,603
At 31st December 2006	二零零六年十二月 三十一日	8,269	6,178	247	14,694

Deferred tax liabilities:

		Group 本集團		Company 本公司	
		Fair value gain of available- for-sale financial assets 可出售 財務資產 公平價值的增加 RMB'000 人民幣千元	Total 合計	Fair value gain of available- for-sale financial assets 可出售財務 財務資產 公平價值的增加 RMB'000 人民幣千元	Total 合計
As at 1st January 2006	於二零零六年一月一日	—	—	—	—
Charged directly to equity (note 19)	直接計入權益 (附註19)	(45,697)	(45,697)	(59,920)	(59,920)
As at 31st December 2006	於二零零六年十二月 三十一日	(45,697)	(45,697)	(59,920)	(59,920)

遞延稅項資產：

遞延稅項負債：

26. Retirement benefit obligations

The employees of the subsidiaries of the Group participate in various retirement benefit plans established by Beijing Municipal Labor and Social Insurance Bureau under which the Group was required to make monthly defined contributions to these plans at 20% (2005: 20%) of the employees' basic salary for the year ended 31st December 2006.

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.

27. Other gains — net

26. 退休福利責任

本集團下屬各子公司的僱員參與了北京市勞動和社會保障局開展的各種退休福利計劃，本集團必須每月按照二零零六年僱員基本工資的20%（二零零五年：20%）供款。

除上文提及的支付要求之外，本集團不承擔其他的退休支付，及退休後的僱員或退休人員福利之責任。

27. 其他收益 — 淨額

		Year ended 31st December 截至十二月三十一日止	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Loss on share reform	股權分置改革費用	(30,053)	—
Net gain on disposal of subsidiaries, jointly controlled entities and associates	處置附屬公司、共同 控制實體及聯營公司 收入淨額	72,694	65,066
Excess of acquirer's interest in fair value of identifiable net assets over cost	應佔所收購可辨資產淨值 公平值超過收購成本 之數額	127,480	—
Others	其他	18,997	7,603
		189,118	72,669

28. Expenses by nature

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

28. 按性質列示之費用

包含於銷售成本、銷售及推廣成本和管理費用中的項目分析如下：

		Year ended 31st December 截至十二月三十一日止	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Depreciation	折舊	87,025	45,501
Amortisation	攤銷	21,213	18,354
(Reversal of)/provision for impairments of receivables	(冲回)/提撥呆賬準備	(7,253)	14,658
Employee benefit expenses (included directors' emoluments)	僱員福利開支 (包括董事酬金)	88,150	60,007
Advertising costs	廣告推廣費用	31,771	16,634
Cost of properties and land use rights sold	物業及土地使用權銷售		
— Land use rights	— 土地使用權	212,520	124,200
— Finance cost capitalised in cost of properties	— 物業成本中的資本化利息	22,443	6,512
— Development cost	— 建築成本	1,058,393	502,770
Cost of inventories sold in relation to hotel operation	與酒店業務相關的存貨銷售成本	33,631	16,984
Land appreciation tax	土地增值稅	110,572	39,685
Business taxes and other levies	營業稅及其他稅項	119,605	77,299
Office expenses	辦公費用	20,974	13,344
Auditor's remuneration	核數師酬金	5,480	3,880
Consulting expenses	諮詢費用	14,534	9,323
Commission fee	銷售佣金	15,259	5,909
Energy expenses in relation to hotel operation	與酒店業務相關的能源費用	14,697	7,325
Management fee in relation to hotel operation	與酒店業務相關的管理費用	13,165	2,914
Maintenance expenses	資產保養維修費用	10,318	6,074
Impairment of a hotel property	一項酒店物業的減值	31,000	—
Others	其他	33,237	32,214
Total cost of sales, selling and marketing costs and administrative expenses	銷售成本、銷售及推廣成本和管理費用總額	1,936,734	1,003,587

29. Employee benefit expense

29. 僱員福利開支

		Year ended 31st December 截至十二月三十一日止年度	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Wages and salaries	薪酬工資	91,827	62,890
Social security costs	社會保障成本	20,506	8,588
Retirement benefit costs	退休福利成本		
— defined contribution plans	— 界定供款計劃	12,516	7,932
		124,849	79,410
Less: capitalised in properties under development	減：開發中物業的 資本化金額	(36,699)	(19,403)
		88,150	60,007

Wages and salaries include directors' emoluments.

薪酬工資包括董事酬金。

(a) Retirement benefit costs — defined contribution plans

There were no forfeited contributions during the year or available at 31st December 2006 (2005: Nil) to reduce future contributions.

Contributions totaling RMB199,000 (2005: RMB132,000) were included in trade and other payables at the year end.

(a) 退休福利成本 — 界定供款計劃

於二零零六年十二月三十一日或於本年度並無可用之沒收供款可供扣除未來供款(二零零五年：無)。

包括於應付賬款及其他應付款項內的供款合共人民幣199,000元(二零零五年：人民幣132,000元)於年終未付。

29. Employee benefit expense (Continued)

(b) Directors' emoluments

The remuneration of every director for the year ended 31st December 2006 is set out below:

Name of Director 董事姓名	Fees 袍金 RMB'000 人民幣千元	Salary 工資 RMB'000 人民幣千元	Other benefits 其他福利 RMB'000 人民幣千元	Employer's contribution to retirement benefit scheme 退休計劃的僱主供款	Total 合計 RMB'000 人民幣千元
				RMB'000 人民幣千元	
Mr. Liu Xiaoguang 劉曉光	—	2,000	—	19	2,019
Mr. Tan Jun 唐軍	—	2,600	—	19	2,619
Mr. He Guang 何光	—	1,648	412	12	2,072
Mr. Feng Chunqin (ii) 馮春勤(ii)	—	—	—	—	—
Mr. Wang Zhengbin 王正斌	—	—	—	—	—
Ms. Zhu Min 朱敏	—	—	—	—	—
Mr. Muk Kin Yau 麥建裕	—	—	—	—	—
Mr. Kwong Kai Sing, Benny 鄺啟成	200	—	—	—	200
Mr. Ke Jianmin 柯建民	200	—	—	—	200
Mr. Yu Xingbao 俞興保	100	—	—	—	100
Mr. Li Zhaojie (ii) 李兆傑(ii)	100	—	—	—	100
Mr. Yu Changjian 俞昌建	—	—	—	—	—
Mr. Wei Jianping 魏建平	—	220	—	19	239
Mr. Wang Qi 王琪	50	—	—	—	50
Mr. Xu Jianhong 徐建泓	50	—	—	—	50
	700	6,468	412	69	7,649

29. 僱員福利開支 (續)

(b) 董事酬金

二零零六年度各位董事之酬金如下：

29. Employee benefit expense (Continued)

(b) Directors' emoluments (Continued)

The remuneration of every director for the year ended 31st December 2005 is set out below:

Name of Director 董事姓名	Fees 袍金 RMB'000 人民幣千元	Salary 工資 RMB'000 人民幣千元	Other benefits 其他福利 RMB'000 人民幣千元	Employer's contribution to retirement benefit 退休計劃的 僱主供款 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Mr. Liu Xiaoguang 劉曉光	—	2,000	—	30	2,030
Mr. Tan Jun 唐軍	—	2,600	—	132	2,732
Mr. He Guang 何光	—	1,648	412	12	2,072
Mr. Wang Zhengbin 王正斌	—	1,200	—	91	1,291
Mr. Pan Pei (i) 潘沛(i)	—	1,200	—	91	1,291
Ms. Zhu Min 朱敏	—	—	—	—	—
Mr. Muk Kin Yau 麥建裕	—	—	—	—	—
Mr. Peter Yuk Lun Eng (i) 吳毓璘(i)	200	—	—	—	200
Mr. Kwong Kai Sing, Benny 鄺啟成	200	—	—	—	200
Mr. Ke Jianmin 柯建民	200	—	—	—	200
Mr. Yu Xingbao 俞興保	100	—	—	—	100
Mr. Feng Chungin (ii) 馮春勤(ii)	—	—	—	—	—
Mr. Li Zhaojie (ii) 李兆傑(ii)	—	—	—	—	—
Mr. Yu Changjian 俞昌建	—	—	—	—	—
Mr. Wang Qi 王琪	50	—	—	—	50
Mr. Xu Jianhong 徐建泓	50	—	—	—	50
Mr. Wei Jianping 魏建平	—	178	—	44	222
	800	8,826	412	400	10,438

29. 僱員福利開支 (續)

(b) 董事酬金 (續)

二零零五年度各位董事之酬金如下：

29. Employee benefit expense (Continued)

(b) Directors' emoluments (Continued)

Notes:

- (i) Resigned in December 2005.
- (ii) Appointed in December 2005.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 2006 and 2005 were all directors whose emoluments are reflected in the analysis presented above.

- (d) During the year, no emoluments had been paid by the Group to 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. No directors waived or agreed to waive any emoluments during the year.

29. 僱員福利開支 (續)

(b) 董事酬金 (續)

附註：

- (i) 已於2005年12月離職。
- (ii) 委任於2005年12月。

(c) 酬金最高的五位人士

本年度及二零零五年本集團最高薪酬五位人士均為董事，彼等之酬金已如上分析。

- (d) 本集團於本年度內並未支付給董事及收入最高的五位人士任何酬金作為加入本集團的賠償，也沒有董事放棄或表示放棄任何酬金。

30. Finance costs

30. 融資成本

		Year ended 31st December 截至十二月三十一日止	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Interest expenses:	利息費用：		
Bank loans, wholly repayable within five years	須於五年內全部償還的銀行貸款	153,496	142,840
Bank loans, not wholly repayable within five years	毋須於五年內全部償還的銀行貸款	181,650	89,856
Other loans, wholly repayable within five years	須於五年內全部償還的其他貸款	19,361	2,959
		354,507	235,655
Less: Amount capitalised in properties under development, properties under development for sale and construction in progress with capitalisation rate between 5.15% and 6.15% (2005: 4.03% and 5.76%) per annum	減：按資本化年利率5.15%至6.15%（二零零五年：4.03%至5.76%）計入開發中物業，待出售開發中物業及在建工程之利息金額	(164,302)	(87,084)
		190,205	148,571

31. Income tax expenses

No provision for Hong Kong profits tax has been made as the Group has no assessable profits in Hong Kong for the year ended 31st December 2006 (2005: Nil). PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable PRC income tax rate is 33% (2005: 33%).

31. 所得稅費用

本集團於本年間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（二零零五年：無）。本集團須按其應課稅溢利繳納中國所得稅。中國所得稅是根據中國相關法律及法規計算。適用中國所得稅率為33%（二零零五年：33%）。

		Year ended 31st December 截至十二月三十一日止年度	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
PRC income tax	中國所得稅		
Current income tax	本年所得稅	111,057	100,102
Overprovision in prior years	以前年度多計提	(65,309)	(54,673)
Deferred income tax	遞延稅項	(35,308)	(7,187)
		10,440	38,242

31. Income tax expenses (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the PRC statutory rate of 33% as follows:

31. 所得稅費用 (續)

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(33%)而計算之理論稅額之差額如下：

		Year ended 31st December 截至十二月三十一日止年度	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Profit before income tax	除稅前溢利	246,799	230,559
Tax calculated at PRC statutory rate of 33%	按中國法定稅率 33%計算所得稅	81,444	76,084
Income not subject to taxation	無須課稅之收入	(42,068)	(8,877)
Share of profits less losses of jointly controlled entities and associates	佔共同控制實體和聯營公司的溢利份額	(24,684)	(33,826)
Expenses not deductible for tax purposes	不可扣稅之支出	11,546	25,394
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	—	(210)
Overprovision in prior years	以前年度多計提	(65,309)	(54,673)
Unrecognised tax losses	沒有確認的稅損	49,511	34,350
Income tax expenses	所得稅費用	10,440	38,242

31. Income tax expenses (Continued)

In 2003, upon the reorganisation and the listing of the Company, a deed of tax indemnity has been entered into between the promoters of the Company (the “Promoters”) and the Group whereby the Promoters undertake to indemnify the Group in respect of, inter alia, certain land appreciation tax (“LAT”) payable in consequence of the disposal of the Group’s existing properties as at 30th April 2003.

In previous years, no provision for LAT had been made as the directors considered that the Group was unlikely to receive demands from the tax authorities for payment of LAT up to the year ended 31st December 2004 which would otherwise have accumulated to approximately RMB156,184,000 attributable to the Group as previously reported.

In 2005 and 2006, the Group has received certain demands from the tax authorities regarding the payment of LAT. Accordingly, the directors provided the LAT exposure based on their latest understanding of LAT regulations from tax authorities, which accumulated to approximately RMB27,470,000 and RMB28,180,000 attributable to the Group after netting off potential income tax saving at 31st December 2005 and 2006 respectively. The whole amount would be compensated by a promoter.

32. Profit attributable to equity holders of the Company

The profit attributable to equity holders of the Company included the loss of the Company of RMB18,604,000 (2005: profit of RMB234,235,000).

31. 所得稅費用 (續)

於二零零三年，在本公司重組及上市過程中，本公司發起人（「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。

以往年度，董事認為本集團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，故並未作出土地增值稅撥備。如以往呈報，截至二零零四年十二月三十一日，於扣除所節省的潛在所得稅後，本集團潛在的應付土地增值稅共計人民幣156,184,000元。

於二零零五年及二零零六年，本集團接獲有關稅務機構就部分項目要求繳納土地增值稅的通知，董事根據本公司對土地增值稅繳納有關要求的瞭解，撥備了土地增值稅，扣除節省的所得稅後金額分別為人民幣27,470,000元及28,180,000元，將由發起人予以賠償。

32. 本公司權益持有人應佔溢利

本公司權益持有人應佔溢利佔本公司賬目中處置的數額為虧損人民幣18,604,000元（二零零五年：溢利人民幣234,235,000元）。

33. Earnings per share (basic and diluted)

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares in issue during the year.

		Year ended 31st December 截至十二月三十一日止年度	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	266,009	211,505
Weighted average number of shares in issue (thousands)	已發行普通股的加權平均數(千)	1,767,960	1,707,405
Earnings per share (basic and diluted) (RMB cents per share)	每股溢利(基本和攤薄)(每股人民幣分)	15.05	12.39

Diluted earnings per share is equal to the basic earnings per share since the Company has no dilutive potential shares as at 31st December 2006 and 2005.

34. Dividends

The dividend paid during the year ended 31st December 2006 was RMB85,798,000 (representing 2005 final dividend of RMB0.05 per share).

A final dividend for the year ended 31st December 2006 of RMB0.06 per share, amounting to a total dividend of RMB121,678,000, was proposed at the Board meeting held on 16th March 2007. These financial statements do not reflect this dividend payable, but it will be reflected as an appropriation of retained earnings for the year ending 31st December 2007.

33. 每股溢利(基本和攤薄)

每股基本溢利是根據本年度權益持有人應佔溢利和本年度已發行在外股份之加權平均股數計算。

		Year ended 31st December 截至十二月三十一日止年度	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	266,009	211,505
Weighted average number of shares in issue (thousands)	已發行普通股的加權平均數(千)	1,767,960	1,707,405
Earnings per share (basic and diluted) (RMB cents per share)	每股溢利(基本和攤薄)(每股人民幣分)	15.05	12.39

本集團在二零零六年及二零零五年並無潛在之攤薄股份，故每股攤薄溢利與每股基本溢利相等。

34. 股息

截至二零零六年十二月三十一日止年度派發股息為人民幣85,798,000元(相當於二零零五年末期股息每股人民幣0.05元)。

於二零零七年三月十六日舉行之董事會會議上，董事會提議擬派二零零六年度末期股息每股人民幣0.06元，合計人民幣121,678,000元，未作為應付股息列示於財務報表，但將影響二零零七年度留存收益。

		Year ended 31st December 截至十二月三十一日止年度	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
2006 Proposed final dividend of RMB0.06 per share (2005: RMB0.05 per share)	二零零六年擬派末期股息，每股人民幣0.06元(二零零五年：每股人民幣0.05元)	121,678	85,798

35. Notes to consolidated cash flow statement

35. 綜合現金流量表附註

(a) Reconciliation of profit before income tax to cash used in operations

(a) 除稅前溢利與來自經營活動之現金流出額之對賬表：

		Year ended 31st December 截至十二月三十一日止年度	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Profit before income tax	稅前溢利	246,799	230,559
(Reversal of)/provisions for impairment of receivables	提撥呆賬準備	(7,253)	14,658
Share of profit of jointly controlled entities	共同控制實體之分佔業績	(32,483)	(15,036)
Share of profit of associates	聯營公司之分佔業績	(42,318)	(87,467)
Loss on share restructure	股權分置改革費用	30,053	—
Net gain on acquisition of a jointly controlled entity	收購一共同控制實體收入淨額	(127,480)	—
Net gain on disposal of subsidiaries, jointly controlled entities and associates	出售附屬公司，共同控制實體及聯營公司淨收益	(72,694)	(65,066)
Depreciation	折舊	87,025	45,501
Amortisation	攤銷	21,213	18,354
Impairment of a hotel property	一項酒店物業的減值	31,000	—
Loss on disposal of property, plant and equipment (note b)	處置物業、廠房和設備虧損(附註 b)	11	26
Interest income	利息收入	(70,467)	(72,776)
Interest expense	利息費用	190,205	148,571
Operating profit before working capital changes	營運資金變動前之經營溢利	253,611	217,324
Increase in restricted bank deposits	受限制銀行存款結餘增加	(36,024)	(513)
Increase in inventories	存貨增加	(3,484)	(9,561)
Decrease in properties held for sale	待出售已落成物業之減少	109,185	72,694
Increase in properties under development	開發中物業之增加	(2,445,798)	(992,989)
Increase in land use rights	土地使用權之增加	(407,500)	(74,249)
(Increase)/decrease in trade and other receivables	應收賬款及其它應收款項(增加)/減少	(334,022)	22,385
Increase in trade and other payables	應付賬款及其它應付款項	3,332,207	370,734
Cash generated from/(used in) operations	經營活動之現金流入/(流出)	468,175	(394,175)

35. Notes to consolidated cash flow statement

(Continued)

(b) In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

		Year ended 31st December 截至十二月三十一日止年度	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Net book amount	賬面淨值	654	4,727
Loss on disposal of property, plant and equipment	出售物業、廠房和設備虧損	(11)	(26)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備收入	643	4,701

(c) Disposal of a subsidiary

35. 綜合現金流量表附註 (續)

(b) 現金流量表中，出售物業、廠房和設備的收入包括：

		Year ended 31st December 截至十二月三十一日止年度	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Net assets disposed of	出售所得資產		540
Property, plant and equipment	物業、廠房和設備		
Properties under development	開發中物業		739,258
Cash and bank balances	現金及銀行存款		610
Trade and other receivables	應收賬款及其他應收款項		62,718
Deferred income tax assets	遞延所得稅資產		4,479
Trade and other payables	應付賬款及其他應付款項		(716,885)
Minority interests	少數股東權益		(23,591)
Gain on disposal of a subsidiary	出售一附屬公司收益		67,129
			72,694
Increase of investment in an associate	一聯營公司投資增加		139,823
			(39,823)
Cash consideration	出售所得款項		100,000

(c) 出售一附屬公司

		Year ended 31st December 截至十二月三十一日止年度	
		2006 二零零六年 RMB'000 人民幣千元	
Net assets disposed of	出售所得資產		540
Property, plant and equipment	物業、廠房和設備		
Properties under development	開發中物業		739,258
Cash and bank balances	現金及銀行存款		610
Trade and other receivables	應收賬款及其他應收款項		62,718
Deferred income tax assets	遞延所得稅資產		4,479
Trade and other payables	應付賬款及其他應付款項		(716,885)
Minority interests	少數股東權益		(23,591)
Gain on disposal of a subsidiary	出售一附屬公司收益		67,129
			72,694
Increase of investment in an associate	一聯營公司投資增加		139,823
			(39,823)
Cash consideration	出售所得款項		100,000

35. Notes to consolidated cash flow statement

(Continued)

(c) Disposal of a subsidiary

Analysis of net inflow of cash and cash equivalents in respect of the disposal of a subsidiary:

		Year ended 31st December 截至十二月三十一日止年度
		2006 二零零六年 RMB'000 人民幣千元
Cash consideration	出售所得款項	100,000
Less: cash and cash equivalents disposed of	減：售出一附屬公司之現金及現金等價物	(610)
Net inflow of cash and cash equivalents in respect of disposal of a subsidiary	出售一附屬公司之現金流入淨額	99,390

36. Business combinations

- (a) On 30th June 2006, the Group acquired 100% of the share capital of Beijing Donghai Investment Development Co., Ltd. that operates investment management. In connection with the acquisition, the Group paid a cash consideration of RMB40,000,000.

The acquisition contributes loss of RMB32,000 to the Group for the period from the date of acquisition to 31st December 2006. If the acquisition had occurred on 1st January 2006, its loss for the year ended 31st December 2006 as attributable to the Group would have been RMB51,000.

35. 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分析：

		Year ended 31st December 截至十二月三十一日止年度
		2006 二零零六年 RMB'000 人民幣千元
Cash consideration	出售所得款項	100,000
Less: cash and cash equivalents disposed of	減：售出一附屬公司之現金及現金等價物	(610)
Net inflow of cash and cash equivalents in respect of disposal of a subsidiary	出售一附屬公司之現金流入淨額	99,390

36. 業務合併

- (a) 於二零零六年六月三十日，本集團購入北京東海聯合投資發展有限公司100%的股權。該公司主要從事投資管理業務，本集團為此次收購支付人民幣40,000,000元的現金對價。

該項收購於收購之日至二零零六年十二月三十一日止期間，對集團應佔虧損的影響為人民幣32,000元。若收購發生在二零零六年一月一日，則載至二零零六年十二月三十一日止年度內的本集團應佔虧損為人民幣51,000元。

36. Business combinations (Continued)

- (a) Details of net assets acquired and excess of acquirer's interest in fair value of identifiable net assets over cost are as follows:

36. 業務合併 (續)

- (a) 購得的淨資產及應佔所收購可辨資產淨值公平值超過收購成本之數額細節如下：

		RMB'000 人民幣千元
Purchase consideration:	收購對價：	
Cash paid	支付現金	40,000
Total purchase consideration	總收購對價	40,000
Fair value of net identifiable assets acquired (see below)	購入可識別淨資產的公平價值 (參見下文)	167,480
Excess of acquirer's interest in fair value of identifiable net assets over cost	應佔所收購可辨資產淨值公平 值超過收購成本之數額	(127,480)

36. Business combinations (Continued)

- (a) The assets and liabilities arising from the acquisition are as follows:

		Acquiree's carrying amount	Fair value
		被收購人賬面價值	公允價值
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash and bank balances	現金及銀行存款	22	22
Property, plant and equipment	物業、廠房和設備	20	20
Trade and other receivables	應收賬款及 其他應收款項	10,950	10,950
Trade and other payables	應付賬款及其他付款項	(19)	(19)
Tax payable	應交稅金	81	81
A jointly controlled entity	共同控制實體	—	156,426
Net assets acquired	所購入可識別淨資產	11,054	167,480
Outflow of cash	現金流出，		
net of cash acquired:	扣除購入之現金：		
— cash consideration	— 現金對價		(40,000)
— cash and cash equivalents in subsidiary acquired	— 收購附屬公司之現金 及現金等價物		(22)
Net cash outflow on acquisition	收購之淨現金流出		(39,978)

- (b) On 30th September 2006, the Group acquired an additional 20% of the attributable interest of Maple Real Estate and this made the Group's attributable interest changed from 50% to 70%. Maple Real Estate operates real estate development. In connection with the acquisition, the Group paid a cash consideration of RMB22,592,000.

The acquisition contributes the attributable profit of RMB120,870,000 to the Group for the period from the date of acquisition to 31st December 2006. If the acquisition had occurred on 1st January 2006, its profit for the year ended 31st December 2006 as attributable to the Group would have been RMB167,839,000.

36. 業務合併 (續)

- (a) 收購產生的資產和負債列示如下：

		Acquiree's carrying amount	Fair value
		被收購人賬面價值	公允價值
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash and bank balances	現金及銀行存款	22	22
Property, plant and equipment	物業、廠房和設備	20	20
Trade and other receivables	應收賬款及 其他應收款項	10,950	10,950
Trade and other payables	應付賬款及其他付款項	(19)	(19)
Tax payable	應交稅金	81	81
A jointly controlled entity	共同控制實體	—	156,426
Net assets acquired	所購入可識別淨資產	11,054	167,480
Outflow of cash	現金流出，		
net of cash acquired:	扣除購入之現金：		
— cash consideration	— 現金對價		(40,000)
— cash and cash equivalents in subsidiary acquired	— 收購附屬公司之現金 及現金等價物		(22)
Net cash outflow on acquisition	收購之淨現金流出		(39,978)

- (b) 於二零零六年九月三十日，本集團購入楓樹置業20%的收益權，使得本集團持有的收益權由50%變更為70%。該公司主要從事房地產開發業務，本集團為此次收購支付人民幣22,592,000元的現金對價。

該項收購於收購之日至二零零六年十二月三十一日止期間，對本集團應佔溢利的影響為人民幣120,870,000元，若收購發生在二零零六年一月一日，則截至二零零六年十二月三十一日止年度的本集團應佔溢利為人民幣167,839,000元。

36. Business combinations (Continued)

(b) Details of net assets acquired and goodwill are as follows:

		RMB'000 人民幣千元
Purchase consideration:	收購對價：	
Cash paid	支付現金	11,815
Purchase payables	尚未支付之轉讓款	10,777
Total purchase consideration	總收購對價	22,592
Fair value of net identifiable assets acquired (see below)	購入可識別淨資產的公平價值 (參見下文)	22,592
Goodwill	商譽	—

The assets and liabilities arising from the acquisition are as follows:

收購產生的資產和負債列示如下：

		Acquiree's carrying amount 被收購人賬面價值 RMB'000 人民幣千元	Fair value 公允價值 RMB'000 人民幣千元
Cash and bank balances	現金及銀行存款	41,380	41,380
Land use rights	土地使用權	93,557	93,557
Properties under development	開發中物業	159,233	159,233
Properties held for sale	待出售已落成物業	197,679	199,761
Property, plant and equipment	物業、廠房和設備	1,163	1,163
Trade and other receivables	應收賬款及 其他應收款項	69,103	69,103
Deferred income tax assets	遞延稅項資產	1,412	1,412
Trade and other payables	應付賬款及其他付款項	(523,376)	(523,376)
Tax payable	應交稅金	(19,641)	(19,641)
Net assets acquired	所購入淨資產	20,510	22,592
Outflow of cash for acquisition, net of cash acquired:	收購之現金流出、 扣除購入之現金		
— cash consideration	— 現金對價		(11,815)
— cash and cash equivalents in subsidiary acquired	— 收購附屬公司之現金 及現金等價物		41,380
Net cash inflow on acquisition	收購之淨現金流入		29,565

37. Financial guarantees

- (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 RMB1,243,183,000 as at 31st December 2006 (2005: RMB677,632,000).

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

- (b) As at 31st December 2006, other than guarantees provided for a long-term bank loan of RMB400,000,000 (2005: RMB450,000,000) granted to a subsidiary of the Company, the Group had no material external guarantee. As at 31st December 2005, the Group also had a guarantee provided to a jointly controlled entity for its short-term bank loan of RMB50,000,000.

37. 財務擔保

- (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。於二零零六年，未清償擔保金額為人民幣1,243,183,000元（二零零五年：人民幣677,632,000元）。

上述擔保情況將於下列情況終止：
(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至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) 於二零零六年十二月三十一日，本集團除對子公司的人民幣400,000,000元（二零零五年：人民幣450,000,000元）長期銀行貸款提供擔保外，本集團不存在其他重大對外擔保。於二零零五年十二月三十一日，本集團還對一合營公司的人民幣50,000,000元短期銀行貸款提供擔保。

38. Commitments

- (a) Capital commitments in respect of development costs attributable to properties under development and land use rights:

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Properties under development	開發中物業				
Contracted but not provided for	已簽約但未撥備	1,029,284	1,580,862	—	—
Authorised but not contracted for	已批准但未簽約	4,524,730	4,531,223	—	—
		5,554,014	6,112,085	—	—
Land use rights	土地使用權				
Contracted but not provided for	已簽約但未撥備	228,619	664,496	—	—
		5,782,633	6,776,581	—	—

- (b) Investment commitments

- (b) 投資承擔

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
A jointly controlled entity	一共同控制實體	156,876	—	156,876	—

38. Commitments (Continued)

(c) At 31st December 2006 and 31st December 2005, the Group and the Company had future aggregate minimum lease payables under non-cancelable operating leases as follows:

38. 承擔 (續)

(c) 於二零零六年及二零零五年十二月三十一日，本集團及本公司根據不可撤消之經營租賃而於未來應付之最低租賃款總額如下：

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Rental payables	應付租金				
Not later than one year	第一年內	1,272	5,715	—	1,102
Later than one year and not later than five years	第二年至第五年內	324	2,303	—	1,929
		1,596	8,018	—	3,031

39. Related party transactions

The Group is controlled by Capital Group (parent company), which aggregately holds 55.69% of the Company's shares directly and indirectly.

The parent company itself is a state-owned enterprise controlled by the PRC government. In accordance with HKAS 24, "Related Party Disclosures", state-owned enterprises and their subsidiaries, other than the parent company, directly or indirectly controlled by the PRC government are also defined as related parties of the Group.

For purpose of related party transaction disclosure, the Group has identified the immediate ownership structure of its customers and suppliers as to whether they are state-owned enterprises. Many state-owned enterprises have multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatisation programmes. Due to the pervasiveness of the Group's retail transactions with the entities' employees on corporate business, their key management personnel and close family members, and other related parties, there is no feasible way to track such transactions and ensure the completeness of certain disclosures. Nevertheless, management believes that meaningful information relative to related party transactions has been disclosed.

In addition to the related party information shown elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the year and balances arising from related party transactions at the end of the year.

39. 關聯方交易

本集團受首創集團(以下簡稱母公司)所控制，母公司通過直接和間接方式共持有本公司55.69%的股權。

母公司是受中國政府控制的國有企業。根據香港會計準則24號(HKAS24)〔關聯方披露〕規定，除控股公司外，其他所有受中國政府直接或間接控制的國有企業及其附屬公司都將被認定是集團的關聯方。

為了充分披露關聯方交易，本集團通過瞭解客戶及供應商的股權結構，來協助判斷其是否為國有企業。但是很多國有企業擁有多層次的公司架構，並且股權結構隨著公司轉讓和私有化進程在不斷變更。由於本集團對其他企業的僱員、關鍵管理人員及近親、及其它關聯方的零售業務瞭解並不深入，要完全追蹤並揭示所有這樣的交易是不可行的。但是，本集團管理層確信所有關於關聯方交易的具有重大意義的資訊都得到了披露。

除了在綜合財務報表其他地方披露的關聯方資料，以下是期間內本集團和關聯方之間在正常經營活動中產生的重大關聯方交易匯總，及其產生的相應關聯方年末餘額：

39. Related party transactions (Continued)

39. 關聯方交易 (續)

(i) Related party transactions

(i) 關聯方交易

	Related party 關聯方	Nature of transaction 交易性質	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
(a)	Jointly controlled entities 共同控制實體	Interest income 利息收入	22,023	31,549
(b)	Parent company 母公司	Interest income 利息收入	12,654	14,928
(c)	An associate 聯營公司	Interest income 利息收入	2,860	3,478
(d)	Associates 聯營公司	Commission fee (i) 佣金(i)	(17,167)	(3,542)
(e)	Minority shareholder of a subsidiary 附屬公司之少數股東	Interest income 利息收入	—	4,145
(f)	Minority shareholder of a subsidiary 附屬公司之少數股東	Interest expense 利息費用	(17,329)	(2,930)
(g)	State-owned enterprises 國有控股企業	Interest income 利息收入	19,314	12,521
		Sales of goods and services 銷售貨品及服務	125,550	711,219
		Purchase of goods and services 購買貨品及服務	(495,055)	(557,670)
		Drawdown of loans 接受貸款	(2,117,000)	(3,150,000)
		Repayment of loans 償還貸款	1,200,000	2,018,000
		Interest expense 利息費用	(300,644)	(204,201)

39. Related party transactions (Continued)

(i) Related party transactions (Continued)

Note:

- (i) The commission fee payable to the associates was charged ranging from 1.4% to 1.7% (2005: 1.6% to 1.7%) based on property sales price.

The Group does not have a system to identify the related parties within its retail customers, therefore the sales of goods disclosed above does not include the retail sales to related parties. The Group does not believe it is meaningful to disclose the retail sales to related parties as the sales terms, including pricing, with these related parties are similar as the ones with non-related parties.

39. 關聯方交易 (續)

(i) 關聯方交易 (續)

附註：

- (i) 應付聯營公司的佣金是按物業售價的1.4%至1.7%計算(二零零五年：1.6%至1.7%)。

集團沒有一個完整的體系來確認零售客戶中的關聯方，因此上面銷售收入事項中不包括跟其關聯方的零售收入，集團認為零售收入中與關聯方交易的定價及其它條款和非關聯方的相似，因此把跟關聯方的零售收入作為關聯方交易事項反映沒有意義。

39. Related party transactions (Continued)

39. 關聯方交易 (續)

(ii) Related party balances

(ii) 關聯方餘額

		As at 31st December 十二月三十一日	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
(a)	Bank deposits State-owned banks	銀行存款 國有銀行	
		3,685,625	1,701,799
(b)	Trade receivables State-owned enterprises	應收賬款 國有控股企業	
		31,927	323,790
(c)	Bank loans State-owned banks	銀行貸款 國有銀行	
		5,417,000	4,450,000
(d)	Amount due from a promoter	應付發起人款項	
		55,650	27,470
(e)	Amounts due to parent company	應付母公司 款項	
		174,741	174,741
(f)	Other receivables, net State-owned enterprises	其他應收款項淨值 國有控股企業	
		36,296	21,300
(g)	Trade payables State-owned enterprises	應付賬款 國有控股企業	
		—	38,244
(h)	Other payables State-owned enterprises	其他應付款項 國有控股企業	
		5,974	5,134
(i)	Advance from customers State-owned enterprises	預收賬款 國有控股企業	
		1,054,339	138,190

39. Related party transactions (Continued)

(ii) Related party balances (Continued)

Apart from bank deposits and bank loans, the amounts receivables and payables are unsecured, interest free and have no fixed terms of repayment as at 31st December 2006 and 2005 other than amounting to RMB89,811,000 with interest at prevailing market rate and repayable with one year in 2005.

At 31st December 2006, the balance of the Group's provisions for impairment of receivables from related parties is RMB14,005,000 (2005: RMB24,605,000), the Group's reversal of provisions for impairment of receivables charged to income statement for the year ended 31st December 2006 amounted to RMB10,600,000 (2005: provision for impairment of RMB13,615,000).

(iii) Key management compensation

39. 關聯方交易 (續)

(ii) 關聯方餘額 (續)

除銀行存款與銀行貸款，應收應付款項於二零零六年十二月三十一日及二零零五年十二月三十一日均無抵押，免息且無固定償還期，除二零零五年人民幣89,811,000元按市場利率計息，將於一年內償還。

於二零零六年十二月三十一日，本集團對此類應收款項提撥的呆賬準備為人民幣14,005,000元(二零零五年：人民幣24,605,000元)，沖回二零零六年十二月三十一日止年度損益表的呆賬準備為人民幣10,600,000元(二零零五年：計入減值撥備人民幣13,615,000元)。

(iii) 重要管理層薪酬

		Year ended 31st December 截至十二月三十一日止年度	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Salaries and other short-term employee benefits	薪水及其它短期僱員福利	9,937	13,038
Post-employment benefits	離職後福利	107	420

39. Related party transactions (Continued)

(iv) Guarantee

At 31st December 2006, the Group guaranteed a short-term bank loan of one jointly controlled entity in the amounts of RMBNil (2005: RMB50,000,000).

At 31st December 2006, there were RMBNil long-term bank loans guaranteed by parent company (2005: RMB250,000,000 for bank loans).

(v) In 2005 and 2006, the Group has received certain demands from the tax authorities regarding the payment of LAT. Accordingly, the directors reconsidered and provided the LAT exposure based on their latest understanding of LAT regulations from tax authorities, which accumulated to approximately RMB27,470,000 and RMB28,180,000 respectively attributable to the Group after netting off potential income tax saving at 31st December 2005 and 2006. The whole amount would be compensated by a promoter according to the deed of tax indemnity prepared between the Promoters and the Group in the year 2003.

(vi) 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\$60,000,000, which shall include the registered capital of US\$30,000,000. 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.

39. 關聯方交易 (續)

(iv) 擔保

於二零零六年十二月三十一日，本集團對共同控制實體的短期貸款人民幣零元提供擔保(二零零五年：人民幣50,000,000元)。

於二零零六年十二月三十一日，本集團的銀行貸款中有人民幣零元的長期貸款由母公司擔保(二零零五年：銀行貸款人民幣250,000,000元)。

(v) 於二零零五年及二零零六年，本集團接獲有關稅務機構就部分項目要求繳納土地增值稅的通知，董事根據本公司對土地增值稅繳納有關要求的瞭解，重新估計並撥備了土地增值稅，扣除節省的所得稅後金額為人民幣27,470,000元及人民幣28,180,000元，根據二零零三年發起人與本集團訂立的稅項賠償保證契約，這部分金額將由發起人予以賠償。

(vi) 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60,000,000美元，其中包括30,000,000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。

40. Subsequent events

- (a) On 27th October 2006, the directors of the Company announced that the Company entered into the Reco Pearl Subscription Agreement with Reco Pearl Private Limited ("Reco Pearl") in relation to the subscription of up to 376,222,000 H shares comprising the Reco Pearl Subscription Shares and the PRC National Social Security Fund Shares at a price of HK\$2.80 per H shares.

On 9th January 2007, the directors of the Company announced the results of the resolutions put forward at the Domestic Shareholders Class Meeting, H Shareholders Class Meeting, and EGM of the Company. The resolutions which to approve, confirm and ratify the above Subscription Agreement signed with Reco Pearl and to approve the increase in registered capital were duly passed as special resolutions.

- (b) On February 2007, the Group acquired 50% of the share capital of Shenyang Jitian Real Estate Company Limited which operates real estate development. The Group paid a cash consideration of RMB156,876,000.

40. 期後事項

- (a) 於二零零六年十月二十七日，首創置業股份有限公司董事宣佈，本公司與Reco Pearl Private Limited (「Reco Pearl」)訂立Reco Pearl認購協議，按每股H股2.8港元之認購價由Reco Pearl認購股份及社保基金股份所組成之最多376,222,000股H股。

於二零零七年一月九日，本公司董事會公佈內資股類別股東大會、H股類別股東大會及監時股東大會上所提呈決議案的結果，會議通過特別決議案，批准、確認及追認上述與Reco Pearl訂立之認購協議，批准增加註冊資本。

- (b) 於二零零七年二月，本集團購入沈陽吉天置業有限公司50%的股權。該公司主要從事房地產開發業務，本集團為此支付人民幣156,876,000元的現金對價。

40. Subsequent events (Continued)

(b) (Continued)

		RMB'000 人民幣千元
Purchase consideration:	收購對價：	
Cash paid	支付現金	156,876
Total purchase consideration	總收購對價	156,876
Fair value of net identifiable assets acquired (see below)	購入可識別淨資產的公平價值 (參見下文)	156,876
Goodwill	商譽	—

The assets and liabilities arising from the acquisition are as follows:

收購產生的資產和負債列示如下：

		Acquiree's carrying amount 被收購人賬面價值 RMB'000 人民幣千元	Fair value 公允價值 RMB'000 人民幣千元
Cash and bank balances	現金及銀行存款	36,971	36,971
Property, plant and equipment	物業、廠房和設備	423	423
Trade and other receivables	應收賬款及 其他應收款項	101,434	101,434
Properties under development for sale	待出售開發中物業	315,127	318,210
Deferred income tax assets	遞延稅項資產	241	241
Long-term bank loans	長期銀行貸款	(300,000)	(300,000)
Trade and other payables	應付賬款及其他付款項	(403)	(403)
Net identified assets acquired	所購入可識別淨資產	153,793	156,876
Outflow of cash	現金流出，		
net of cash acquired:	扣除購入之現金：		
— cash consideration	— 現金對價		(156,876)
— cash and cash equivalents in subsidiary acquired	— 收購附屬公司之現金 及現金等價物		36,971
Net cash outflow on acquisition	收購之淨現金流出		(119,905)



 **首創置業股份有限公司**
BEIJING CAPITAL LAND LTD.

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