



北辰实业
BEIJING NORTH STAR

HKEx Stock Code: 0588
SSE Stock Code: 601588



2024 INTERIM
REPORT

INTERIM REPORT

For the six months ended 30 June 2024

- Revenue was RMB3,429,871,000, representing a decrease of 52.81% over the same period of the previous year
- Operating loss was RMB355,699,000, representing a decrease of 147.10% over the same period last year
- Loss attributable to the ordinary shareholders of the Company was RMB769,580,000, representing a decrease of RMB902,546,000 over the same period last year, among others, the after-tax core operating results of the Company's principal business (excluding losses arising from the changes in fair value) recorded losses of RMB586,427,000, representing a decrease of RMB696,127,000 over the same period last year. During the Period, the losses (after taxation) on changes in fair value of investment properties were RMB183,153,000
- Losses per share were RMB0.2286, and profits per share in the same period last year were RMB0.0395
- The board of directors (the "Board") resolved that no interim dividend would be declared in respect of the six months ended 30 June 2024 (six months ended 30 June 2023: nil)



Interim Condensed Consolidated Balance Sheet

	<i>Note</i>	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 <i>RMB'000</i>
ASSETS			
Non-current assets			
Right-of-use assets	7	398,210	414,133
Investment properties	7	16,503,166	16,739,636
Property, plant and equipment	7	2,365,331	2,433,403
Investments accounted for using the equity method		133,567	326,720
Deferred income tax assets		1,230,424	1,160,697
Other receivables and prepayments	9	247,089	403,396
		20,877,787	21,477,985
Current assets			
Properties under development	8	13,142,448	13,617,019
Completed properties held-for-sale		16,246,992	17,407,630
Other inventories		39,093	41,497
Trade and other receivables and prepayments	9	3,079,631	3,174,360
Restricted bank deposits		839,150	931,854
Cash and cash equivalents		7,301,722	8,505,482
		40,649,036	43,677,842
Total assets		61,526,823	65,155,827

Interim Condensed Consolidated Balance Sheet (Continued)

	<i>Note</i>	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 <i>RMB'000</i>
LIABILITIES			
Non-current liabilities			
Long-term borrowings	12	12,593,114	14,984,857
Loans from other parties	11	5,222,127	5,512,543
Employee termination benefit obligations		98,812	100,604
Deferred income tax liabilities		2,222,103	2,232,671
Lease liabilities		466	4,228
Deferred income		34,410	34,778
		20,171,032	22,869,681
Current liabilities			
Trade and other payables	11	6,368,020	7,273,603
Loans/advances from other parties	11	2,171,213	3,431,650
Contract liabilities		1,515,516	2,089,140
Current income tax liabilities		1,656,052	1,659,374
Lease liabilities		26,446	29,493
Current portion of long-term borrowings	12	8,557,614	5,575,026
		20,294,861	20,058,286
Total liabilities		40,465,893	42,927,967
Net assets		21,060,930	22,227,860
EQUITY			
Share capital	10	3,367,020	3,367,020
Other reserves		4,687,438	4,948,137
Retained earnings		10,392,093	11,229,013
Capital and reserves attributable to ordinary shareholders of the Company		18,446,551	19,544,170
Non-controlling interests		2,614,379	2,683,690
Total equity		21,060,930	22,227,860

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Income Statement

	Note	Unaudited Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Revenue	6	3,429,871	7,268,886
Cost of sales		(2,941,989)	(5,977,765)
Gross profit		487,882	1,291,121
Selling and marketing expenses		(150,712)	(196,984)
Administrative expenses		(380,218)	(395,050)
Net provision for impairment losses on financial assets		(133,539)	(58,884)
Other income and (losses)/gains – net	13	(179,112)	115,072
Operating (loss)/profit	13	(355,699)	755,275
Finance income	14	72,307	46,136
Finance expenses	14	(423,279)	(433,577)
Finance expenses – net		(350,972)	(387,441)
Share of net (loss)/profit of investments accounted for using the equity method		(201)	12,150
(Loss)/profit before income tax		(706,872)	379,984
Income tax expense	15	(173,560)	(286,299)
(Loss)/profit for the period		(880,432)	93,685
Attributable to:			
Ordinary shareholders of the Company		(769,580)	132,966
Non-controlling interests		(110,852)	(39,281)
		(880,432)	93,685
(Losses)/earnings per share attributable to ordinary shareholders of the Company (expressed in RMB cents per share) (basic and diluted)	16	(22.86)	3.95

The above interim condensed consolidated income statement should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Comprehensive Income

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
(Loss)/profit for the period	(880,432)	93,685
Other comprehensive income	–	–
Total comprehensive (loss)/income for the period	(880,432)	93,685
Attributable to:		
Ordinary shareholders of the Company	(769,580)	132,966
Non-controlling interests	(110,852)	(39,281)
	(880,432)	93,685

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Changes in Equity

	Unaudited					
	Attributable to ordinary shareholders of the Company				Non- controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Six months ended 30 June 2024						
Balance at 1 January 2024	3,367,020	4,948,137	11,229,013	19,544,170	2,683,690	22,227,860
Loss for the period	-	-	(769,580)	(769,580)	(110,852)	(880,432)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(769,580)	(769,580)	(110,852)	(880,432)
Transactions with owners in their capacity as owners						
2023 final dividends	-	-	(67,340)	(67,340)	-	(67,340)
Acquisitions of subsidiaries without a change in control	-	(260,699)	-	(260,699)	80,898	(179,801)
Disposal of a subsidiary	-	-	-	-	(39,357)	(39,357)
Total transactions with owners in their capacity as owners	-	(260,699)	(67,340)	(328,039)	41,541	(286,498)
Balance at 30 June 2024	3,367,020	4,687,438	10,392,093	18,446,551	2,614,379	21,060,930
Six months ended 30 June 2023						
Balance at 1 January 2023	3,367,020	4,915,444	11,130,486	19,412,950	3,171,143	22,584,093
Profit/(loss) for the period	-	-	132,966	132,966	(39,281)	93,685
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	132,966	132,966	(39,281)	93,685
Transactions with owners in their capacity as owners						
Dividends provided for or paid to non-controlling interests	-	-	-	-	(12,236)	(12,236)
Total transactions with owners in their capacity as owners	-	-	-	-	(12,236)	(12,236)
Balance at 30 June 2023	3,367,020	4,915,444	11,263,452	19,545,916	3,119,626	22,665,542

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Cash Flows

	Note	Unaudited	
		Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
Cash flows from operating activities			
Cash generated from operations		289,286	2,213,767
Interest received		72,307	46,136
Interest paid		(608,976)	(678,863)
Income tax paid		(209,197)	(712,202)
Net cash (used in)/generated from operating activities		(456,580)	868,838
Cash flows from investing activities			
Payments for property, plant and equipment		(16,392)	(40,658)
Payments for investment properties		(68,178)	(91,898)
Loans/funds granted to related parties		–	(384)
Loan repayments from related parties		33,810	112,700
Interests received on loans granted and other investment		33,530	55,740
Proceeds from sale of property, plant and equipment and investment properties		1,162	1,383
Disposal of a subsidiary		(3,072)	–
Deregistration and disposal of joint ventures		35,962	30,569
Net cash generated from investing activities		16,822	67,452
Cash flows from financing activities			
Proceeds from borrowings and issuance of bonds		1,301,639	2,903,931
Issuance of commercial mortgage backed securities ("CMBS")		–	2,854,280
Proceeds from borrowings from BNSIGC	22(ii)	950,000	800,000
Repayments of CMBS		(11,000)	(10,000)
Repayments of borrowings and bonds		(739,712)	(5,214,701)
Proceeds from loans/advances from non-controlling interests		91,370	75,740
Repayments of borrowings from BNSIGC	22(ii)	(2,250,000)	(300,000)
Repayments of loans/advances from non-controlling interests		(104,810)	(126,940)
Proceeds from funds from related parties		13,392	62,900
Repayment of funds from related parties		(8,451)	–
Payment for acquisitions of subsidiaries without a change in control		(4,738)	–
Principal elements of lease payments		(7,672)	(4,449)
Net decrease/(increase) in deposits paid for obtaining borrowings		5,980	(8,980)
Net cash (used in)/generated from financing activities		(764,002)	1,031,781
Net (decrease)/increase in cash and cash equivalents		(1,203,760)	1,968,071
Cash and cash equivalents at beginning of the period		8,505,482	8,388,151
Cash and cash equivalents at end of the period		7,301,722	10,356,222

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Interim Condensed Consolidated Financial Information

1. GENERAL INFORMATION

Beijing North Star Company Limited (the “Company”) is a joint stock limited liability company established in the People’s Republic of China (the “PRC”) on 2 April 1997 as part of the reorganisation (the “Reorganisation”) of a state-owned enterprise known as Beijing North Star Industrial Group Limited Liabilities Company (“BNSIGC”, the ultimate parent of the Company).

Pursuant to the Reorganisation in preparation for the listing of the Company’s H shares on the Main Board of The Stock Exchange of Hong Kong Limited, the Company took over the principal subsidiaries and business undertakings of BNSIGC, together with their related assets and liabilities. On 14 May 1997, the Company completed the global offering of its H share, and the Company was granted the status of a sino-foreign joint venture joint stock limited company on 20 July 1998. The address of the Company’s registered office is No. 8 Bei Chen Dong Road, Chao Yang District, Beijing, the PRC.

On 25 September 2006, the Company issued 1,500,000,000 A shares at RMB2.4 per share and these shares were listed on the Shanghai Stock Exchange on 16 October 2006. Since then, the Company’s shares have been dually listed on the Main Board of The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange.

The Company and its subsidiaries (the “Group”) are primarily engaged in real estate development and convention and exhibition (including hotels) and commercial properties in the PRC.

This interim condensed consolidated financial information is presented in Renminbi, unless otherwise stated. This interim condensed consolidated financial information was approved by the Board of Director of the Company for issue on 28 August 2024.

This interim condensed consolidated financial information has been reviewed, not audited.

2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2024 (the “interim financial information”) has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The interim financial information does not include all the notes of the type normally included in an annual financial statement. Accordingly, this interim financial information should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023 and any public announcements made by the Company during the interim reporting period.

3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of amended standards as set out below.

The Group has applied the following amendments for the first time for the Group’s financial period beginning on 1 January 2024:

- (a) Classification of liabilities as current or non-current – Amendments to HKAS 1
- (b) Non-current liabilities with covenants – Amendments to HKAS 1
- (c) Lease liability in a sale and leaseback – Amendments to Hong Kong Financial Reporting Standard (“HKFRS”) 16
- (d) Supplier finance arrangement – Amendments to HKAS 7 and HKFRS 7

The adoption of these amended standards does not have significant impact on the interim financial information of the Group.

The Group has not early adopted any of the new or amended standards and interpretations which have been published but not yet effective for financial period commencing 1 January 2024. These new or amended standards and interpretation are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

4. ESTIMATES

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgments made by management in applying the Group's material accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements for the year ended 31 December 2023.

5. FINANCIAL RISK MANAGEMENT

5.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk.

This interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

There have been no changes in the risk management policies since year end.

5.2. Liquidity risk

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year <i>RMB'000</i>	Between 1 and 2 years <i>RMB'000</i>	Between 2 and 5 years <i>RMB'000</i>	Over 5 years <i>RMB'000</i>	Total <i>RMB'000</i>
As at 30 June 2024 (Unaudited)					
Borrowings (including interests payable)	9,284,090	3,694,149	2,926,623	8,581,909	24,486,771
Trade and other payables and loans/advances from other parties (including interests) <i>(Note i)</i>	8,592,654	3,866,782	1,594,886	–	14,054,322
Lease liabilities	27,375	498	–	–	27,873
	17,904,119	7,561,429	4,521,509	8,581,909	38,568,966
As at 31 December 2023 (Audited)					
Borrowings (including interests payable)	6,268,341	5,707,329	3,598,367	8,179,795	23,753,832
Trade and other payables and loans/advances from other parties (including interests) <i>(Note i)</i>	10,716,178	245,483	5,519,517	–	16,481,178
Lease liabilities	31,013	4,353	–	–	35,366
	17,015,532	5,957,165	9,117,884	8,179,795	40,270,376

Notes:

- (i) Excluding staff welfare benefits payable, other taxes payable and prepaid rental income from tenants.
- (ii) The table above does not include any potential liabilities which may be arising from the financial guarantee as disclosed in Note 19 to the interim financial information.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Fair value estimation

The different levels regarding fair value determination have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

At 30 June 2024 and 31 December 2023, the Group has no assets that are carried at fair value, except for the investment properties.

Details of the fair value of investment properties have been disclosed in Note 7.

There were no transfers between different levels during the period.

There were no changes in valuation techniques during the period.

The carrying amounts of the Group's financial assets/liabilities approximated their fair values.

The fair value of the financial guarantee is considered not to be significant.

6. SEGMENT INFORMATION

Management has determined the operating segments based on the internal reports reviewed by the Board, being the major body in making operation decisions, for assessing the operating performance and resources allocation.

The Board considers the business from product/service perspectives. From product/service perspectives, management assesses the performance of the segments of real estate development and convention and exhibition (including hotels) and commercial properties. Real estate development is the segment which involves the sales of developed properties; Convention and exhibition (including hotels) and commercial properties is the segment which involves in operation of rental apartments, office buildings, conference centers and hotels.

Other segments of the Group mainly comprise businesses relating to property management and others, the sales of which have not been included within the reportable operating segments, as they are not included within the reports provided to the Board.

The Board assesses the performance of the operating segments based on a measure of adjusted (loss)/profit before income tax based on assumptions that investment properties are measured at cost less accumulated depreciation. This measurement basis mainly excludes the fair value (losses)/gains on investment properties and includes land appreciation taxes and the depreciation and impairment losses of investment properties as if they are measured at cost less accumulated depreciation. Other information provided, except as noted below, to the Board is measured in a manner consistent with the segment information as disclosed in this interim condensed consolidated financial information.

Total segment assets mainly exclude deferred income tax assets at corporate level, corporate cash and other corporate assets, which are managed on a centralised basis; and the investment properties included in the segment assets are the amounts as if they are measured at cost less accumulated depreciation. These are part of the reconciliation to total assets of interim condensed consolidated balance sheet.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

6. SEGMENT INFORMATION (CONTINUED)

Total segment liabilities mainly exclude deferred income tax liabilities, corporate borrowings and other corporate liabilities, all of which are managed on a centralised basis. These are part of the reconciliation to total liabilities of interim condensed consolidated balance sheet.

The Group's revenue consists of revenue from sales of developed properties and revenue generated from the operation of convention and exhibition (including hotels) and commercial properties. Revenues recognised during the six months ended 30 June 2024 and 2023 are as follows:

	Unaudited Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Revenue		
Real estate development segment	2,079,049	5,992,742
Convention and exhibition (including hotels) and commercial properties segment	1,248,098	1,191,616
	3,327,147	7,184,358
Other segments	102,724	84,528
	3,429,871	7,268,886

For the six months ended 30 June 2024 and 2023, the Group derives revenue from the deliveries of properties, goods and services over time and at a point in time from the following segments:

	At a point in time RMB'000	Over time RMB'000
Revenue recognised under HKFRS 15 For the six months ended 30 June 2024		
Real estate development segment	2,079,049	–
Convention and exhibition (including hotels) and commercial properties segment	366,750	418,693
Other segments	32,590	70,134
	2,478,389	488,827

	At a point in time RMB'000	Over time RMB'000
Revenue recognised under HKFRS 15 For the six months ended 30 June 2023		
Real estate development segment	5,992,742	–
Convention and exhibition (including hotels) and commercial properties segment	158,584	326,325
Other segments	11,030	73,498
	6,162,356	399,823

Notes to the Interim Condensed Consolidated Financial Information (Continued)

6. SEGMENT INFORMATION (CONTINUED)

Other segments of the Group mainly comprise property management and others, none of which constitutes a separately reportable segment.

Sales between segments are conducted at terms as mutually agreed. The revenue from external parties reported to the Board is measured in a manner consistent with that in the interim condensed consolidated income statement.

The segment information provided to the Board for the reportable segments for the six months ended 30 June 2024 and 2023 is as follows:

Business segment	Real estate development <i>RMB'000</i>	Convention and exhibition (including hotels) and commercial properties <i>RMB'000</i>	Other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2024 (Unaudited)				
Total segment revenue	2,079,049	1,294,139	130,937	3,504,125
Inter-segment revenue	–	(46,041)	(28,213)	(74,254)
Revenue from external customers	2,079,049	1,248,098	102,724	3,429,871
Adjusted (loss)/profit before income tax	(801,340)	198,372	(34,567)	(637,535)
Six months ended 30 June 2023 (Unaudited)				
Total segment revenue	5,992,742	1,239,936	101,613	7,334,291
Inter-segment revenue	–	(48,320)	(17,085)	(65,405)
Revenue from external customers	5,992,742	1,191,616	84,528	7,268,886
Adjusted profit/(loss) before income tax	155,932	205,907	(19,819)	342,020

Notes to the Interim Condensed Consolidated Financial Information (Continued)

6. SEGMENT INFORMATION (CONTINUED)

The segment information as at 30 June 2024 and 31 December 2023 is as follows:

Business segment	Real estate development <i>RMB'000</i>	Convention and exhibition (including hotels) and commercial properties <i>RMB'000</i>	Other segments <i>RMB'000</i>	Total <i>RMB'000</i>
As at 30 June 2024 (Unaudited)				
Total segment assets	35,362,833	10,072,185	162,267	45,597,285
Total segment assets include:				
Investments accounted for using the equity method	123,272	10,295	–	133,567
Additions to non-current assets*	14,300	13,543	1,421	29,264
Total segment liabilities	23,129,991	1,759,791	155,642	25,045,424
Contract liabilities	1,346,654	167,050	1,812	1,515,516
As at 31 December 2023 (Audited)				
Total segment assets	37,133,959	10,359,154	100,054	47,593,167
Total segment assets include:				
Investments accounted for using the equity method	316,431	10,289	–	326,720
Additions to non-current assets*	16,121	189,111	2,513	207,745
Total segment liabilities	24,341,316	1,223,425	284,723	25,849,464
Contract liabilities	1,971,399	112,360	5,381	2,089,140

* Non-current assets do not include investments accounted for using the equity method, deferred income tax assets and other receivables and prepayments.

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the interim financial information. These assets are allocated based on the operations of the segment and the physical location of the assets.

Certain interest-bearing liabilities are not considered to be segment liabilities but rather are managed by the centralised treasury function.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

6. SEGMENT INFORMATION (CONTINUED)

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities.

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Real estate development	1,341,945	3,337,261
Convention and exhibition (including hotels) and commercial properties	112,360	127,072
Other segments	5,381	6,487
	1,459,686	3,470,820

Reportable segment (loss)/profit before income tax is reconciled to the Group's (loss)/profit before income tax as follows:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
(Loss)/profit before income tax for reportable segments	(637,535)	342,020
Corporate overheads	(60,331)	(53,584)
Corporate finance expenses	(13,238)	(168,348)
Corporate finance income	65,951	22,152
Other income and losses – net	(97,576)	(26,545)
Fair value (losses)/gains on investment properties (Note 13)	(245,672)	26,612
Reversal of depreciation and impairment losses of investment properties	203,401	139,032
Land appreciation tax (Note 15)	78,128	98,645
(Loss)/profit before income tax	(706,872)	379,984

Notes to the Interim Condensed Consolidated Financial Information (Continued)

6. SEGMENT INFORMATION (CONTINUED)

Reportable segment assets are reconciled to the Group's assets as follows:

	Unaudited As at 30 June 2024 RMB'000	Audited As at 31 December 2023 RMB'000
Total segment assets	45,597,285	47,593,167
Deferred income tax assets at corporate level	597,020	959,891
Corporate cash	6,187,280	7,226,356
Accumulated fair value gains on investment properties	5,121,629	5,367,301
Reversal of accumulated depreciation and impairment losses of investment properties	3,766,785	3,563,384
Receivables due from joint ventures and associates	205,017	434,792
Other corporate assets	51,807	10,936
Total assets	61,526,823	65,155,827

Reportable segment liabilities are reconciled to the Group's liabilities as follows:

	Unaudited As at 30 June 2024 RMB'000	Audited As at 31 December 2023 RMB'000
Total segment liabilities	25,045,424	25,849,464
Deferred income tax liabilities at corporate level	2,222,103	2,232,671
Corporate borrowings	8,642,004	8,943,140
Other corporate liabilities	4,556,362	5,902,692
Total liabilities	40,465,893	42,927,967

The Company and its subsidiaries were domiciled in the PRC and all the revenue from external customers of the Group for the six months ended 30 June 2024 and 2023 are derived in the PRC.

There are no changes from the last annual financial statements in respect of segmentation or measurement of segment profit or loss.

At 30 June 2024 and 31 December 2023, all the Group's non-current assets (other than deferred income tax assets) were located in the PRC.

The Group has a large number of customers and no significant revenue (in excess of 10% of the Group's revenue) was derived from any specific external customers during the six months ended 30 June 2024 and 2023.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

7. RIGHT-OF-USE ASSETS, PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES

	Right-of-use assets	Unaudited Property, plant and equipment	Investment properties <i>(note)</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Six months ended 30 June 2024			
Opening net book amount as at 1 January 2024	414,133	2,433,403	16,739,636
Fair value losses charged to profit or loss <i>(Note 13)</i>	–	–	(245,672)
Additions	–	16,393	9,372
Disposals	–	(3,153)	(170)
Depreciation	(15,923)	(81,312)	–
Closing net book amount as at 30 June 2024	398,210	2,365,331	16,503,166
Six months ended 30 June 2023			
Opening net book amount as at 1 January 2023	433,030	2,543,658	16,826,279
Fair value gains credited to profit or loss <i>(Note 13)</i>	–	–	26,612
Additions	–	7,632	70,901
Disposals	–	(736)	(1,792)
Depreciation	(16,383)	(82,403)	–
Closing net book amount as at 30 June 2023	416,647	2,468,151	16,922,000

Note:

The investment properties at 30 June 2024 and 31 December 2023 were revalued by an independent and qualified valuer, Greater China Appraisal Limited (“GCAL”).

Notes to the Interim Condensed Consolidated Financial Information (Continued)

7. RIGHT-OF-USE ASSETS, PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES (CONTINUED)

(a) Fair value hierarchy

The fair value measurement information for the investment properties in accordance with HKFRS 13 is given below.

	Fair value measurements using significant unobservable inputs (Level 3)	
	Unaudited	Audited
	As at	As at
	30 June 2024	31 December 2023
	RMB'000	RMB'000
<hr/>		
Recurring fair value measurements		
Investment properties:		
– Office units	6,580,000	6,693,605
– Apartments	2,151,000	2,173,600
– Convention centers	4,130,000	4,091,000
– Shopping malls	3,636,100	3,769,300
– Others	6,066	12,131
	<hr/>	
	16,503,166	16,739,636
	<hr/>	

There were no transfers between Levels 1, 2 and 3 during the period.

(b) Valuation processes of the Group

The Group's investment properties were valued on 30 June 2024 by the GCAL who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued.

The Group's finance department includes a team that review the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the chief financial officer ("CFO"). Discussions of valuation processes and results are held between the CFO, the valuation team and the valuer at least once every six months, in line with the Group's interim and annual reporting dates. As at 30 June 2024 and 31 December 2023, the fair values of the investment properties have been determined by reference to the valuation reports issued by GCAL.

At each reporting date, the finance department:

- Verifies all major inputs to the independent valuation report;
- Assesses property valuations movements when compared to the prior year valuation report; and
- Holds discussions with the independent valuer.

Changes in Level 3 fair values are analysed at each reporting date during the bi-annual valuation discussions between the CFO and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

7. RIGHT-OF-USE ASSETS, PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES (CONTINUED)

(c) Valuation techniques

For office units, apartments (except block A) and shopping malls, the valuations were based on income capitalisation approach (term and reversionary method) which largely used unobservable inputs (e.g. market rent, yield, etc.) and taking into account the significant adjustment on term yield to account for the risk upon reversionary and the estimation in vacancy rate after expiry of current lease.

For convention centers and apartment block A, the valuation was determined using discounted cash flow projections based on significant unobservable inputs. These input include:

Future rental cash inflows	Based on the actual location, type and quality of the properties and supported by the terms of any existing leases, other contracts and external evidence such as current market rents or room rates for similar properties;
Discount rates	Reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
Estimated vacancy rates	Based on current and expected future market conditions after expiry of any current lease;
Maintenance costs	Including necessary investments to maintain functionality of the property for its expected useful life;
Capitalisation rates	Based on actual location, size and quality of the properties and taking into account market data at the valuation date;
Terminal value	Taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

For the investment properties under development, the valuations have assumed that the properties will be renovated and completed in accordance with the latest renovation proposals. In arriving at the market value, it has taken into account the renovation costs relevant to the stage of renovation as at the valuation date and the remainder of the costs and fees to be expended to complete the renovation. In assessing the gross development values, it was based on income capitalisation approach (term and reversionary method) which largely used unobservable inputs (e.g. market rent, yield, etc.). These input include:

Rental income	Based on actual location, size, quality and floor level of the properties and taking into account market data at the valuation date;
Capitalisation rates	Based on actual location, size and quality of the properties and taking into account market data at the valuation date;
Cost to completion	Based on latest renovation plan and relevant costs estimated.

There were no changes to the valuation techniques during the period.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

8. PROPERTIES UNDER DEVELOPMENT

	Unaudited As at 30 June 2024 RMB'000	Audited As at 31 December 2023 RMB'000
Land use rights	8,150,407	8,778,115
Development costs and capitalised expenditure	3,983,477	3,463,306
Finance expenses capitalised	1,415,069	2,053,889
	13,548,953	14,295,310
Less: accumulated impairment losses	(406,505)	(678,291)
	13,142,448	13,617,019

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Unaudited As at 30 June 2024			Audited As at 31 December 2023		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade and other receivables (a)	1,298,877	240,453	1,539,330	1,393,800	395,302	1,789,102
Prepayments for tax, construction cost and others	1,780,754	6,636	1,787,390	1,780,560	8,094	1,788,654
	3,079,631	247,089	3,326,720	3,174,360	403,396	3,577,756

Notes to the Interim Condensed Consolidated Financial Information (Continued)

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(a) Trade and other receivables

	Unaudited As at 30 June 2024			Audited As at 31 December 2023		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade receivables (i)	298,079	–	298,079	256,434	–	256,434
Less: provision for impairment losses of trade receivables	(71,956)	–	(71,956)	(61,235)	–	(61,235)
Trade receivables – net	226,123	–	226,123	195,199	–	195,199
Receivables due from other related parties (Notes ii and 22(viii))	341,726	492,450	834,176	218,052	655,125	873,177
Receivables due from non-controlling interests of subsidiaries (Notes iii and 22(viii))	760,995	–	760,995	859,822	–	859,822
Other receivables	248,547	39,613	288,160	265,199	43,103	308,302
	1,351,268	532,063	1,883,331	1,343,073	698,228	2,041,301
Less: provision for impairment losses of other receivables	(278,514)	(291,610)	(570,124)	(144,472)	(302,926)	(447,398)
Other receivables – net	1,072,754	240,453	1,313,207	1,198,601	395,302	1,593,903
	1,298,877	240,453	1,539,330	1,393,800	395,302	1,789,102

The fair values of trade and other receivables are not materially different from their carrying amounts.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(a) Trade and other receivables (Continued)

(i) *Trade receivables*

The majority of the Group's sales were on cash or advance basis. The remaining amounts are with credit terms of 30 to 90 days.

As at 30 June 2024 and 31 December 2023, the ageing analysis of the trade receivables was as follows:

	Unaudited	Audited
	As at	As at
	30 June 2024	31 December 2023
	RMB'000	RMB'000
Trade receivables		
0 – 30 days	96,485	146,463
31 – 90 days	37,170	16,456
Over 90 days	164,424	93,515
	298,079	256,434

(ii) Receivables due from other related parties include receivables due from the Group's associates and joint ventures.

(iii) The receivables due from non-controlling interests refer to the funds receivable by some subsidiaries of the Company from minority shareholders, which do not bear interest and can be recovered at any time as needed. Certain receivables due from non-controlling interests are deemed as receivables from related parties since the non-controlling interests have significant influence over the related subsidiaries which are material to the Group. At 30 June 2024, the related party portion of receivables due from non-controlling interests was RMB416,500,000 (At 31 December 2023: RMB495,500,000) (Note 22(viii)).

10. SHARE CAPITAL

	Audited	Movement	Unaudited
	As at	during	As at
	31 December	the period	30 June
	2023	RMB'000	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Registered, issued and fully paid (3,367,020,000 shares of RMB1 each)	3,367,020	–	3,367,020

Notes to the Interim Condensed Consolidated Financial Information (Continued)

11. TRADE AND OTHER PAYABLES AND LOANS/ADVANCES FROM OTHER PARTIES

	Unaudited As at 30 June 2024			Audited As at 31 December 2023		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade and other payables (a)	6,368,020	–	6,368,020	7,273,603	–	7,273,603
Loans/advances from other parties (b)	2,171,213	5,222,127	7,393,340	3,431,650	5,512,543	8,944,193
	8,539,233	5,222,127	13,761,360	10,705,253	5,512,543	16,217,796

(a) Trade and other payables

	Unaudited As at 30 June 2024			Audited As at 31 December 2023		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade payables to third parties	4,206,538	–	4,206,538	4,744,431	–	4,744,431
Trade payables to related parties	735,202	–	735,202	1,024,351	–	1,024,351
Prepaid rental income from tenants	96,891	–	96,891	164,171	–	164,171
Dividends payable to non-controlling shareholders of subsidiaries	1,162	–	1,162	1,162	–	1,162
Amounts due to non-controlling shareholders of subsidiaries (Notes i and 22(viii))	66,939	–	66,939	89,361	–	89,361
Amounts due to related parties (Note 22(viii))	15	–	15	728	–	728
Employee termination benefit obligations-current portion	6,703	–	6,703	7,094	–	7,094
Other taxes payable	201,028	–	201,028	261,487	–	261,487
Other payables	1,053,542	–	1,053,542	980,818	–	980,818
	6,368,020	–	6,368,020	7,273,603	–	7,273,603

- (i) Certain amounts due to non-controlling interests are deemed as amounts due to related parties since the non-controlling interests have significant influence over the related subsidiaries which are material to the Group. At 30 June 2024, the related party portion of amounts due to non-controlling interests was RMB114,000 (At 31 December 2023: RMB59,000).

Notes to the Interim Condensed Consolidated Financial Information (Continued)

11. TRADE AND OTHER PAYABLES AND LOANS/ADVANCES FROM OTHER PARTIES (CONTINUED)

(b) Loans/advances from other parties

	Unaudited			Audited		
	As at 30 June 2024			As at 31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loans from non-controlling shareholders of subsidiaries (i)	1,186,055	787,464	1,973,519	1,962,025	98,833	2,060,858
Loans from BNSIGC (Note 22(viii))	23,733	1,578,000	1,601,733	344,871	2,558,000	2,902,871
CMBS issued by the Group (ii)	741,032	2,856,663	3,597,695	755,138	2,855,710	3,610,848
Advances from non-controlling interests	48,274	–	48,274	48,274	–	48,274
Loans/advances from other related parties (Note 22(viii))	172,119	–	172,119	321,342	–	321,342
	2,171,213	5,222,127	7,393,340	3,431,650	5,512,543	8,944,193

- (i) Loans from non-controlling shareholders of subsidiaries (“non-controlling interests”) are all unsecured loans. RMB545,656,000 is repayable by installment within one year, the remaining loans from non-controlling interests are all repayable by installments within two years from the dates of grant of the respective loan amounts (At 31 December 2023: except for loan amounts of RMB104,810,000 which have no fixed terms of repayment, RMB1,752,461,000 is repayable by installment within one year, the remaining loans from non-controlling interests are all repayable by installments within two years from the dates of grant of the respective loan amounts).

Loans from non-controlling interests of RMB1,604,390,000 and RMB282,378,000 bear interests at fixed rates of 6.5% and 7% per annum respectively (At 31 December 2023: RMB1,568,916,000, RMB282,378,000 and RMB104,810,000 bear interests at fixed rates of 6.5%, 7% and 10.5% per annum respectively), and the remaining loans are interest free.

Certain loans from non-controlling interests are deemed as loans from related parties since the non-controlling interests have significant influence over the related subsidiaries which are material to the Group. At 30 June 2024, the related party portion of loans from non-controlling interests was RMB454,745,000 (At 31 December 2023: RMB566,847,000) (Notes 22(iii) and 22(viii)).

- (ii) On 20 December 2018, Beijing North Star Real Estate Group Co. Limited (“NSREG”) issued Tianfeng-North Star Changsha Intercontinental Hotel CMBS (“CMBS-A”) of RMB1,050,000,000, which has a term of 18 years and are divided into senior tranche A, senior tranche B and junior tranche with principal of RMB527,000,000, RMB473,000,000 and RMB50,000,000 respectively. NSREG has purchased all the junior tranches of the CMBS. The senior tranches entered the open exit filing period every three years and were guaranteed by the Group. On 30 November 2021, the coupon rate on senior tranche A was adjusted to 4.2% per annum and the coupon rate on senior tranche B was adjusted to 4.7% per annum. During the six months ended 30 June 2024, the Group repaid part of the CMBS of RMB11,000,000 (six months ended 30 June 2023: RMB10,000,000) according to the payment schedule.

On 29 March 2023, the Company issued China Securities-Tianfeng-North Star Century Center CMBS (“CMBS-B”) of RMB2,861,000,000, which has a term of 18 years and are divided into senior tranches and junior tranches with principal of RMB2,860,000,000 and RMB1,000,000 respectively. The coupon rate on the senior tranches is 5% per annum and the Company has purchased all the junior tranches. The senior tranches entered the open exit filing period every three years and were guaranteed by the Group.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

11. TRADE AND OTHER PAYABLES AND LOANS/ADVANCES FROM OTHER PARTIES (CONTINUED)

- (c) The carrying amounts of the Group's trade and other payables and loans/advances from other parties are denominated in Renminbi.
- (d) The carrying amounts of current portion of trade and other payables and loans/advances from other parties approximate their fair values. The fair values of the non-current portion of loans/advances from other parties are not materially different from their carrying amounts as they bear interests at rates which are comparable to market interest rates for similar instruments.
- (e) As at 30 June 2024 and 31 December 2023, the ageing analysis of the trade payables to third parties based on date of services/goods received was as follows:

	Unaudited As at 30 June 2024 <i>RMB'000</i>	Audited As at 31 December 2023 <i>RMB'000</i>
Trade payables		
0 – 180 days	1,504,272	2,251,550
181 – 365 days	489,252	981,950
Over 365 days	2,948,216	2,535,282
	4,941,740	5,768,782

Notes to the Interim Condensed Consolidated Financial Information (Continued)

12. BORROWINGS

	Unaudited As at 30 June 2024 RMB'000	Audited As at 31 December 2023 RMB'000
Non-current		
Long term borrowings		
– Secured and guaranteed borrowings (a)	13,615,352	13,052,547
– Unsecured bank borrowings	33,510	34,781
– 5-year bonds of 2019 (b)	–	383,279
– 5-year bonds of 2021 (I) (b)	328,912	323,297
– 5-year medium-term notes of 2021 (b)	1,475,038	1,449,301
– 5-year bonds of 2021 (II) (b)	1,360,460	1,336,894
– 5-year medium-term note of 2022 (I) (b)	1,057,599	1,076,309
– 5-year bonds of 2022 (b)	828,613	842,809
– 5-year medium-term note of 2022 (II) (b)	1,470,935	1,445,763
– 3-year bonds of 2023 (I) (b)	603,878	614,903
– 2-year bonds of 2024 (I) (b)	376,431	–
Less: current portion of long-term borrowings	(8,557,614)	(5,575,026)
	12,593,114	14,984,857
Current		
Current portion of long-term borrowings	8,557,614	5,575,026
Total borrowings	21,150,728	20,559,883

(a) Secured and guaranteed borrowings

Secured borrowings

As at 30 June 2024, long term borrowings of RMB13,459,134,000 (At 31 December 2023: RMB12,901,985,000) are secured by certain right-of-use assets, investment properties, hotel properties, properties under development and completed properties held for sale, out of which secured borrowings of RMB11,221,802,000 (At 31 December 2023: RMB10,719,619,000) are secured by the revenue from the investment properties and hotel properties mentioned above within the borrowing period. Secured borrowings of RMB2,205,500,000 (At 31 December 2023: RMB1,472,000,000) are also guaranteed by the Company.

Guaranteed borrowings

As at 30 June 2024, long-term borrowings of RMB140,975,000 (At 31 December 2023: RMB133,405,000) as obtained by the Company are unsecured and guaranteed by subsidiaries.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

12. BORROWINGS (CONTINUED)

- (b) On 16 April 2019, the Company issued corporate bonds with an aggregate principal amount of RMB1,200,000,000. These bonds had a term of 5 years, carried a coupon rate of 4.80% per annum and also were embedded with a put option for the investors to sell back the bonds at the end of the third year. The net proceeds of these bonds were RMB1,190,400,000 (net of issuance costs of RMB9,600,000). On 16 April 2022, certain investors put to sell back 5 year bonds of RMB826,000,000 to Company and the remaining 5 year bonds carried a coupon rate of 3.55% per annum. The interests on these bonds were paid annually and the principal was fully repaid on 12 April 2024.

On 26 July 2021, the Company issued corporate bonds with an aggregate principal amount of RMB319,000,000. The bonds have a term of 5 years, carry a coupon rate of 3.46% per annum and also are embedded with a put option for the investors to sell back the bonds at the end of the third year. The net proceeds of this bond were RMB318,043,000 (net of issuance costs of RMB957,000). The interests on these bonds are paid annually and the principal is fully repayable on 26 July 2026 (if the investors do not exercise the put option as mentioned above). Since 26 July 2024, the coupon rate has been adjusted from 3.46% to 2.96%.

On 21 December 2021, the Company issued corporate bonds with an aggregate principal amount of RMB1,450,000,000. It has a term of 5 years, carries a coupon rate of 3.50% per annum and also is embedded with a put option for the investors to sell back the note at the end of the third year. The net proceeds of the note were RMB1,446,375,000 (net of issuance costs of RMB3,625,000). The interests on the note are paid annually and the principal is fully repayable on 21 December 2026 (if the investors do not exercise the put option as mentioned above).

On 29 December 2021, the Company issued corporate bonds with an aggregate principal amount of RMB1,339,000,000. The bonds have a term of 5 years, carry a coupon rate of 3.46% per annum and also are embedded with a put option for the investors to sell back at the end of the third year. The net proceeds of this bond were RMB1,334,983,000 (net of issuance costs of RMB4,017,000). The interests on these bonds are paid annually and the principal is fully repayable on 29 December 2026 (if the investors do not exercise the put option as mentioned above).

On 25 April 2022, the Company issued medium term note with an aggregate principal amount of RMB1,052,000,000. It has a term of 5 years, carries a coupon rate of 3.60% per annum and also is embedded with a put option for the investors to sell back at the end of the third year. The net proceeds of the note were RMB1,049,686,000 (net of issuance costs of RMB2,314,000). The interests on the note are paid annually and the principal is fully repayable on 25 April 2027 (if the investors do not exercise the put option as mentioned above).

On 28 April 2022, the Company issued corporate bonds with an aggregate principal amount of RMB825,000,000. The bonds have a term of 5 years, carry a coupon rate of 3.50% per annum and also are embedded with a put option for the investors to sell back the bonds at the end of the third year. The net proceeds of these bonds were RMB822,525,000 (net of issuance costs of RMB2,475,000). The interests on these bonds are paid annually and the principal is fully repayable on 28 April 2027 (if the investors do not exercise the put option as mentioned above).

On 22 August 2022, the Company issued medium term note with an aggregate principal amount of RMB1,430,000,000. It has a term of 5 years, carries a coupon rate of 3.48% per annum and also is embedded with a put option for the investors to sell back the note at the end of the third year. The net proceeds of the note were RMB1,426,997,000 (net of issuance costs of RMB3,003,000). The interests on these note are paid annually and the principal is fully repayable on 22 August 2027 (if the investors do not exercise the put option as mentioned above).

On 17 April 2023, the Company issued corporate bonds with an aggregate principal amount of RMB600,000,000. The bonds have a term of 3 years, carry a coupon rate of 3.74% per annum and also is embedded with a put option for the investors to sell back the bonds at the end of the second year. The net proceeds of these bonds were RMB598,800,000 (net of issuance costs of RMB1,200,000). The interests on these bonds are paid annually and the principal is fully repayable on 17 April 2026 (if the investors do not exercise the put option as mentioned above).

On 26 March 2024, the Company issued corporate bonds with an aggregate principal amount of RMB374,000,000. The bonds have a term of 2 years, carry a coupon rate of 3.10% per annum. The net proceeds of these bonds were RMB373,252,000 (net of issuance costs of RMB748,000). The interests on these bonds are paid annually and the principal is fully repayable on 26 March 2026.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

13. OPERATING (LOSS)/PROFIT

The following items have been (charged)/credited to the operating (loss)/profit during the period:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Fair value (losses)/gains on investment properties (charged)/credited to profit or loss (<i>Note 7</i>) *	(245,672)	26,612
Provision of impairment losses for properties under development and completed properties held-for-sale	(478,572)	(191,681)
Net provision for impairment losses on financial assets	(133,539)	(58,884)
(Loss)/gain on deregistration of joint ventures*	(4,490)	20,678
Gain on disposal of a subsidiary*	348	–
Loss on disposal of property, plant and equipment and investment properties*	(471)	(1,145)
Government grants*	1,075	1,260
Investment income*	26,738	29,996
Penalty and compensation and others*	43,360	37,671

* Included in other income and (losses)/gains – net, in the interim condensed consolidated income statement.

The Group has no non-financial assets that have an indefinite life during the period.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. No indicator has been identified for the six months ended 30 June 2024 and 2023.

No properties under development, completed properties held for sale and other inventories were written off during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

14. FINANCE INCOME AND EXPENSES

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Interest expenses	(626,436)	(734,443)
Less: amounts capitalised in properties under development and investment properties	206,150	304,710
Finance expenses	(420,286)	(429,733)
Bank charges and others	(2,993)	(3,844)
	(423,279)	(433,577)
Finance income		
– Interest income	72,307	46,136
Net finance expenses	(350,972)	(387,441)

Notes to the Interim Condensed Consolidated Financial Information (Continued)

15. INCOME TAX EXPENSE

The PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable income tax rate is 25% (2023: 25%).

The Company and certain PRC subsidiaries are also subject to the PRC land appreciation tax which is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditure including costs of land use rights and development and construction expenditure.

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current income tax		
– PRC enterprise income tax	175,727	192,055
– PRC land appreciation tax	78,128	98,645
Deferred income tax credit	(80,295)	(4,401)
	173,560	286,299

16. (LOSSES)/EARNINGS PER SHARE

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to ordinary shareholders of the Company by the number of shares in issue during the six months ended 30 June 2024 and 2023.

Diluted (losses)/earnings per share is equal to the basic (losses)/earnings per share since the Company has no potential dilutive ordinary shares during the six months ended 30 June 2024 and 2023.

	Unaudited	
	Six months ended 30 June	
	2024	2023
(Loss)/profit attributable to ordinary shareholders of the Company (RMB'000)	(769,580)	132,966
Number of ordinary shares in issue (thousands)	3,367,020	3,367,020
(Losses)/earnings per share (basic and diluted) (RMB cents per share)	(22.86)	3.95

Notes to the Interim Condensed Consolidated Financial Information (Continued)

17. DIVIDENDS

The final dividend that related to the year ended 31 December 2023 amounting to RMB67,340,000 was approved at the annual general meeting in May 2024. No dividend that related to the year ended 31 December 2022 was proposed.

The Board resolved that no interim dividend will be declared in respect of the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

18. PLEDGED ASSETS

As at 30 June 2024, certain investment properties with fair value of RMB9,695,000,000 (At 31 December 2023: RMB9,776,000,000), right-of-use assets with net book value of RMB246,248,000 (At 31 December 2023: RMB250,559,000), property plant and equipment with net book value of RMB1,462,500,000 (At 31 December 2023: RMB1,344,825,000), properties under development with carrying amount of RMB3,472,147,000 (At 31 December 2023: RMB3,201,015,000), completed properties held for sale with carrying amount of RMB250,433,000. (At 31 December 2023: RMB250,433,000) and trade receivables with carrying amount of RMB4,527,000 (At 31 December 2023: RMB2,202,000) were pledged by the Group as securities for borrowings of RMB13,459,134,000 (At 31 December 2023: RMB12,901,985,000).

19. FINANCIAL GUARANTEES

The Group 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 RMB5,553,911,000 as at 30 June 2024 (At 31 December 2023: RMB7,137,252,000).

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

The Group has not recognised any liabilities in connection with the aforesaid financial guarantee contracts as the directors of the Company are of the view that it is remote for the Group to suffer from any significant losses on these financial guarantee contracts.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

20. COMMITMENTS

- (a) Commitments in respect of development costs attributable to properties under development and investment properties:

	Unaudited As at 30 June 2024 RMB'000	Audited As at 31 December 2023 RMB'000
Properties under development		
– Contracted but not provided for	5,384,264	5,162,143
– Authorised but not contracted for	2,456,374	2,197,717
	7,840,638	7,359,860
Investment properties		
– Contracted but not provided for	1,868	10,247
– Authorised but not contracted for	37,257	3,349
	39,125	13,596

- (b) At 30 June 2024 and 31 December 2023, the Group had future aggregate minimum rental receivables under non-cancellable operating leases as lessor as follows:

	Unaudited As at 30 June 2024 RMB'000	Audited As at 31 December 2023 RMB'000
Rental receivables in respect of investment properties		
Not later than one year	699,924	749,998
Later than one year and not later than five years	874,238	901,478
Later than five years	599,529	593,756
	2,173,691	2,245,232

Notes to the Interim Condensed Consolidated Financial Information (Continued)

21. MAJOR NON-CASH INVESTING OR FINANCING ACTIVITIES

- (i) The recognition of right-of-use assets and lease liabilities for properties and equipment are considered as non-cash investing and financing activities.
- (ii) During the six months ended 30 June 2024, the Group's dividend receivable from a joint venture of RMB27,500,000 (During the six months ended 30 June 2023: RMB32,000,000) have been offset against the fund from the joint venture.
- (iii) During the six months ended 30 June 2024, the Group's fund from a joint venture of RMB125,000,000 has been offset against the net proceeds from the deregistration of the joint venture (During the six months ended 30 June 2023: Nil).

22. RELATED PARTY TRANSACTIONS

The Group is controlled by BNSIGC, which owns 34.48% of the Company's shares. The remaining 65.52% of the shares are widely held.

BNSIGC itself is a state-owned enterprise controlled by the PRC government. For the six months ended 30 June 2024 and 2023, the Group's significant transactions with entities that are controlled, jointly controlled or significantly influenced by the PRC government (collectively the "government controlled entities") mainly included the drawdown of bank borrowings and purchases of certain goods and services from these government controlled entities. The transactions with the government controlled entities were carried out on pricing and settlement terms agreed with counter parties in the ordinary course of business.

For the purpose of related party transaction disclosures, the Group has in place procedures to assist the identification of the immediate ownership structure of its customers and suppliers as to whether they are government controlled entities (including state-owned enterprises). Many government controlled entities have multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatization programmes. Due to the pervasiveness of the Group's real estate development, convention and exhibition (including hotels) and commercial properties transactions with the government controlled entities, their employees, 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 all material related party transactions and balances, of which they are aware of, have been adequately disclosed in this interim financial information.

For the six months ended 30 June 2024, some non-controlling shareholders of certain subsidiaries of the Group had significant influence over the related subsidiaries which were material to the Group, and hence were deemed as a related party of the Group for the purpose of this related party transaction disclosure note. These non-controlling shareholders include:

- Beijing Jinyu Real Estate Development Group Co., Ltd. ("JYDC"), and
- China State Construction Jiuhue Development Group Co., Ltd. ("JHDGC", which has been deemed as a related party from 1 January 2023 as the related subsidiary become material to the Group).

JHDGC was deemed as a related party of the Group from 1 January 2023, hence, China State Construction Engineering Corporation (holding company of JHDGC) and its subsidiaries ("CSCEC") were deemed as related parties of the Group for the same period.

During the six months ended 30 June 2024, the Group acquired the 49% equity interest in a subsidiary, Wuhan Guanggu Creative Culture Science & Technology Park Co., Limited, from the minority shareholders, Wuhan Optics Valley Creative Industry Base Construction Investment Co., Ltd. ("WHJD") and Wuhan Jielong Investment Co., Ltd. ("WHJL"). The share transfer was completed within the period. As such, WHJD and WHJL were no longer related parties of the Group. In addition, Shenzhen Jiangwan Information Consulting Co., Ltd. ("SZJW") became immaterial to the Group. As such, the companies mentioned above were no longer deemed as related parties of the Group for the purpose of this related party transaction disclosure note.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(i) Purchases/provision of services and rental with related parties

In addition to the abovementioned transactions with the government controlled entities and the related party information shown elsewhere in this interim financial information, 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 period and balances arising from related party transactions at the end of the period as indicated:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Provision of services and rental		
Beijing North Star Exhibition Investment Co.,Ltd. ("BNSEIC", controlled by the same ultimate parent company) (internet service and management service income)	1,925	2,494
Beijing Chenxing International Exhibition Co.,Ltd. ("BJCXIEC", a joint venture of BNSIGC) (internet service and management service income)	402	859
BNSIGC (internet service and management service income)	1,620	1,054
Nanjing North Star Yangtze Conventional Co.,Ltd. ("NJYZJ", a joint venture of the Company) (management service income)	2,877	1,958
Beichen Jingxi Science Fiction (Beijing) Convention and Exhibition Co.,Ltd. ("BJSFCEC", a joint venture of the Company) (management service income and exhibition service income)	4,264	2,597
Beijing Beichen Yayun Village Automotive Exchange Market Center ("YVAEX", controlled by the same ultimate parent company) (management service income)	858	974
Purchases of services and rental		
BJSFCEC (purchases of exhibition service)	574	672
BNSIGC (brand royalty fee, rental expense and management service expense)	465	1,483
Beijing Asia Olympic Technology Co.,Ltd. ("KCYA", controlled by the same ultimate parent company) (purchases of various goods and services)	765	925
SZJW* (consulting service fee)	–	472
CSCEC (purchases of construction service)	398,651	352,087

* SZJW was no longer deemed as a related party of the Group for the purpose of this related party transaction disclosure note for the six months ended 30 June 2024.

(a) Provision/purchases of services and rental arrangement are carried out in accordance with the terms as mutually agreed between the parties in concern.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Loans from BNSIGC

	Unaudited Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
At beginning of the period	2,902,871	1,601,907
Proceeds from loans	950,000	800,000
Repayments	(2,250,000)	(300,000)
Interest accrued	33,502	43,154
Interest paid	(34,640)	(42,786)
At end of the period	1,601,733	2,102,275

On 26 October 2022, the Company obtained loans of RMB1,600,000,000 from BNSIGC, which were unsecured and bore interests at a fixed interest rate of 3.90% per annum. During the year ended 31 December 2023 and the six months ended 30 June 2024, the Company repaid RMB1,300,000,000 and RMB300,000,000 respectively.

In January 2023, the Company obtained loans of RMB800,000,000 from BNSIGC, which were unsecured, bore interests at a fixed interest rate of 3.90% per annum, and were repayable by installment within three years. During the six months ended 30 June 2024, the Company fully repaid the loans in advance.

On 28 November 2023, the Company obtained a loan of RMB200,000,000 from BNSIGC, which was unsecured, bore interests at a fixed interest rate of 3.90% per annum, and was repayable by installment within three years. During the six months ended 30 June 2024, the Company fully repaid the loan in advance.

In December 2023, the Company obtained loans of RMB1,600,000,000 from BNSIGC, which are unsecured, bear interests at a fixed interest rate of 3.90% per annum, and are repayable by installment within three years. During the six months ended 30 June 2024, the Company has repaid RMB950,000,000.

For the six months ended 30 June 2024, the Company obtained loans of RMB950,000,000 from BNSIGC, where are unsecured, bear interests at a fixed interest rate of 3.90% per annum, and are repayable within three years.

(iii) Loans from JHDGC

	Unaudited Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
At beginning of the period	444,948	529,935
Proceeds from loans	1,664	43,400
Repayments	–	(124,000)
Interest accrued	14,509	16,554
Interest paid	(6,376)	(20,149)
At end of the period	454,745	445,740

The loans are unsecured, bear interests at a fixed interest rate of 6.50% per annum and are repayable by installment within one year.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(iv) Project cooperation funds to a joint venture and associates

The Group has provided project cooperation funds to its joint venture, Wuhan Jinchenyingchuang Real Estate Co., Limited ("WHJCYC"), and its associates, Guangzhou Guangyue Real Estate Co., Limited ("GZGY") and Beijing Chenxuan Real Estate Co., Limited ("BJCX").

Six months ended 30 June 2024 (Unaudited)	WHJCYC(a) RMB'000	GZGY(b) RMB'000	BJCX RMB'000	Total RMB'000
At 1 January 2024	287,942	585,235	–	873,177
Project cooperation funds granted	–	–	–	–
Repayments of project cooperation funds	–	(33,810)	–	(33,810)
Interest income accrued	8,696	18,968	–	27,664
Interest income received	(13,720)	(19,135)	–	(32,855)
At 30 June 2024	282,918	551,258	–	834,176
Six months ended 30 June 2023 (Unaudited)				
At 1 January 2023	367,190	651,516	23,565	1,042,271
Project cooperation funds granted	384	–	–	384
Repayments of project cooperation funds	(88,200)	(24,500)	–	(112,700)
Interest income accrued	10,551	21,175	–	31,726
Interest income received	(10,773)	(21,336)	(23,565)	(55,674)
At 30 June 2023	279,152	626,855	–	906,007

- (a) The funds to WHJCYC are all unsecured. As at 30 June 2024, balance of RMB264,600,000 bears interests at fixed rate of 6.5% per annum and is repayable in August 2025, and the remaining funds are interest free and have no fixed terms of repayment.
- (b) The funds to GZGY are unsecured, bear interests at fixed rate of 6.5% per annum, balance of RMB376,314,700 is repayable in 2025 and the remaining RMB127,400,000 is repayable in 2026.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(v) Funds from related parties

The Group has received funds from its joint ventures, Wuhan Modern Land North Star Real Estate Co., Limited (“WHML”), Hangzhou Jinhu Real Estate Development Co., Limited (“HZJH”), Wixi North Star Shengyang Real Estate Development Co., Limited (“WXSJ”), BJSFCEC and its associates, Wuxi ChenWan Real Estate Co., Limited (“WXCW”), BJCX and from its non-controlling shareholders of certain subsidiaries of the Group, JYDC, WHJL and WHJD and a joint venture of BNSIGC, BJCXIEC and a subsidiary of BNSIGC, BNSEIC.

Six months ended	WHML	HZJH	BJCX	WXSJ	WXCW	WHJL*	WHJD*	BNSEIC	JYDC	BJCXIEC	BJSFCEC	Total
30 June 2024 (Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	42,000	152,500	96,220	-	22,050	-	-	-	59	-	8,587	321,416
Funds obtained	-	-	-	-	-	-	-	-	274	-	11,728	12,002
Repayment of funds (Note 21)	-	(152,500)	-	-	-	-	-	-	(219)	-	(8,451)	(161,170)
At 30 June 2024	42,000	-	96,220	-	22,050	-	-	-	114	-	11,864	172,248

Six months ended	WHML	HZJH	BJCX	WXSJ	WXCW	WHJL	WHJD	BNSEIC	JYDC	BJCXIEC	BJSFCEC	Total
30 June 2023 (Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	42,000	152,500	-	32,000	22,050	57,077	53,664	1,196	219	23,200	1,115	385,021
Funds obtained	-	-	62,900	-	-	2,851	2,681	-	340	-	33,091	101,863
Repayment of funds	-	-	-	(32,000)	-	-	-	-	(20)	(23,200)	(31,955)	(87,175)
At 30 June 2023	42,000	152,500	62,900	-	22,050	59,928	56,345	1,196	539	-	2,251	399,709

* WHJL and WHJD were no longer deemed as related parties of the Group for the purpose of this related party transaction disclosure note for the six months ended 30 June 2024.

The funds advanced from joint ventures and associates are unsecured, interest free and have no fixed terms of repayment.

Loans from WHJL and WHJD were unsecured, bearing interests at a fixed rate of 10.5% per annum and had no fixed terms of repayment.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(vi) Funds advanced to related parties

Six months ended 30 June 2024 (Unaudited)	SZJW* RMB'000	JYDC RMB'000	Total RMB'000
At 1 January 2024	–	416,500	416,500
Funds granted	–	–	–
Repayments of funds	–	–	–
At 30 June 2024	–	416,500	416,500
Six months ended 30 June 2023 (Unaudited)	SZJW RMB'000	JYDC RMB'000	Total RMB'000
At 1 January 2023	79,000	416,500	495,500
Funds granted	–	–	–
Repayments of funds	–	–	–
At 30 June 2023	79,000	416,500	495,500

* SZJW is no longer deemed as a related party of the Group for the purpose of this related party transaction disclosure note for the six months ended 30 June 2024.

The funds advanced to related parties are unsecured, interest free and have no fixed terms of repayment.

(vii) Advances to related parties

	BJCXIEC RMB'000	WHML RMB'000	BNSIGC RMB'000	YVAEX RMB'000	Total RMB'000
At 1 January 2024	–	–	–	–	–
Advances during the period	224	13	13	–	250
Repayments	(224)	(13)	(13)	–	(250)
At 30 June 2024	–	–	–	–	–
	BJCXIEC RMB'000	WHML RMB'000	BNSIGC RMB'000	YVAEX RMB'000	Total RMB'000
At 1 January 2023	–	–	–	–	–
Advances during the period	218	18	23	77	336
Repayments	(218)	(18)	(23)	(77)	(336)
At 30 June 2023	–	–	–	–	–

The funds advanced to related parties are unsecured, interest free and have no fixed terms of repayment.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(viii) Balances arising from purchases of goods and services, advances and funds

	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
Trade and other receivables from related parties		
– GZGY	551,258	585,235
– WHJCYC	282,918	287,942
– JYDC	416,500	416,500
– SZJW*	–	79,000
– BNSEIC	1,887	750
– NJYZJ	2,623	346
– BJSFCEC	2,188	1,671
– BNSIGC	247	155
– YVAEX	131	185
	1,257,752	1,371,784
Trade and other payables to related parties		
– BNSIGC	450	713
– KCYA	1,222	3,209
– JYDC	114	59
– BJSFCEC	15	9,136
– CSCEC	733,530	1,020,593
	735,331	1,033,710

Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(viii) Balances arising from purchases of goods and services, advances and funds (Continued)

	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
Loans/advances from related parties		
– BNSIGC	1,601,733	2,902,871
– BJSFCEC	11,849	–
– HZJH	–	152,500
– BJCX	96,220	96,220
– WHJL*	–	62,828
– WHJD*	–	59,071
– WHML	42,000	42,000
– WXCW	22,050	22,050
– JHDGC	454,745	444,948
	2,228,597	3,782,488

* SZJW, WHJL and WHJD are no longer deemed as related parties of the Group for the purpose of this related party transaction disclosure note for the six months ended 30 June 2024.

As at 30 June 2024, loss allowance for receivables from related parties of RMB548,514,000 (At 31 December 2023: RMB425,723,000) have been recognised based on the expected credit loss model.

(ix) Key management compensation

	Unaudited Six months ended 30 June 2024 RMB'000	2023 RMB'000
Salaries and other short-term employee benefits	6,485	9,644
Post-employment benefits	1,092	1,267
	7,577	10,911

Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(x) Lease liabilities

	Unaudited As at 30 June 2024 RMB'000	Audited As at 31 December 2023 RMB'000
BNSIGC (lease liability in respect of the Land)	16,589	16,196

- (a) On 27 September 2019, the Company and BNSIGC have entered into an Asset Transfer Agreement pursuant to which the Company will acquire a piece of land (located in Beijing, the PRC) (the "Land") from BNSIGC.

As of the date of this interim financial information, the proposed acquisition of the Land has not yet been completed because the final transfer price has yet to be approved by Beijing SASAC and the proposed acquisition of the Land has to be approved by the independent shareholders of the Company.

The Group has recognized a right-of-use asset and lease liability based on the transitional period arrangements agreed upon by both parties.

(xi) Dividends received/receivable

The Group's joint venture, HZJH, has declared a dividend of RMB170,920,000 in April 2024, among which dividend of RMB42,730,000 is entitled by the Group.

Supplementary Information

RECONCILIATION OF CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Group has prepared a separate set of consolidated interim financial information for the six months ended 30 June 2024 in accordance with Basic Standard and 38 specific standards of the China Accounting Standards for Business Enterprises issued by Ministry of Finance of the PRC on 15 February 2006, and the Application Guidance for Accounting Standard for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter (“CAS”). The differences between the financial information prepared under the CAS and the HKFRS issued by the Hong Kong Institute of Certified Public Accountants are summarised as follows:

	(Loss)/profit attributable to owners of the Company		Capital and reserves attributable to owners of the Company	
	For the six months ended 30 June		As at 30 June	As at 31 December
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
As stated in accordance with CAS	(738,317)	9,570	11,779,227	12,845,583
Impact of HKFRS adjustments:				
1. Reversal of depreciation and impairment losses of investment properties under CAS	151,890	100,130	2,773,448	2,621,558
2. Fair value adjustment of investment properties under HKFRS	(183,153)	23,266	3,893,876	4,077,029
As stated in accordance with HKFRS (including those attributable to ordinary shareholders of the Company)	(769,580)	132,966	18,446,551	19,544,170

Management Discussion and Analysis

I. DESCRIPTION OF THE INDUSTRY AND PRINCIPAL BUSINESSES OF THE COMPANY DURING THE REPORTING PERIOD

(I) Summary of the Businesses of the Company

The Company's main businesses include convention and exhibition (including hotels) and commercial properties, and real estate development.

Convention and exhibition (including hotels) business relies on Capital Convention Group (“CEGC”) to vigorously integrate convention and exhibition resources, continuously strengthening the extension and expansion of new businesses and new technologies in the convention and exhibition industry. Actively promoting expansion of the whole of convention and exhibition industry, it has become a professional operator of the China International Fair for Trade in Services, a service provider for high-end state affairs and governmental activities, an important carrier for the development of the capital's international convention and exhibition industry, and is committed to building “China's number one convention and exhibition enterprise”.

With the operating model of “Convention and Exhibition + Property”, the Company has continued to enhance integration and industry interaction. The Company relies on Beijing North Star Commercial Management Co., Ltd. (“Beijing North Star Commercial Management”) to carry out professional asset operation and property services management for businesses and assets held by the Company, such as office buildings, apartments and integrated commercial properties which contributes to the building of an asset operation and management model and a standard property management system with North Star's characteristics, thereby forming a new development pattern featuring mutual support, complementary advantages and coordinated development between its convention and exhibition and real estate businesses.

The real estate development business has continued to promote regional cultivation and expansion into new cities in recent years, gradually forming a multi-regional and multi-level development layout on a national scale. Its business covers diversified and multi-grade property development and operation involving residence, apartments, villas, office buildings and commercial properties. As at the end of the Reporting Period, the development projects and land reserves of the Company were located in 15 core cities, including Beijing-Tianjin-Hebei, the Yangtze River Economic Zone, the Sichuan-Chongqing City Cluster, Hainan Free Trade Port and the Greater Bay Area of Guangdong, Hong Kong and Macau, enabling the Company to establish a synergistic development pattern of businesses including residential, industry complex, commercial and property services.

Management Discussion and Analysis (Continued)

(II) Development of the Industry of the Company

In the first half of 2024, as the complexity and severity of the external environment increased significantly, China faced challenges head-on by continuing to deepen domestic structural adjustments, reform, and opening-up. Strengthening macroeconomic control and effectively responding to risks and challenges, China accelerated the cultivation of new growth drivers and steadily advanced high-quality development. The economy has remained generally stable with steady progress, and continued its growing trend, with the growth rate of gross domestic product reaching 5.0% in the first half of the year.

1. *Convention and Exhibition (Including Hotels) and Commercial Properties*

In the first half of 2024, various convention and exhibition enterprises in China actively carried out business innovation and expanded their business by the combination of online and offline exhibitions, online introductory sessions and online press conferences, etc. There has been a growing trend of digital transformation in the convention and exhibition industry, with cross-border exchanges and cooperation being further deepened. The hotel industry has been affected by the weakened business demand in the PRC, reduced consumer budgets, price competition among hotels, and the base effect, leading to declines in both occupancy rates and average hotel room rates. In Beijing's office market, the reduction in new supply, coupled with the sluggish recovery in the demand for new leases, has led to a slight decrease in vacancy rates, while rental prices have continued to decline.



The Complex Services Building Clusters at Asian Games Village

2. *Real Estate Development*

In the first half of 2024, significant changes have taken place in the relationship between supply and demand in the real estate market, which is currently undergoing adjustments. The Central Government has emphasized the importance of real estate and called for measures to prevent and mitigate real estate risks, focusing policies on stabilizing the market and reducing inventory. Local governments have continued to implement city-specific policies, with enhanced efforts in policy optimization. Many regions have swiftly implemented measures such as lowering down payment ratios, removing the lower limit on commercial loan interest rates, and reducing interest rates on provident fund loans. However, the overall new housing market has yet to show any significant improvement, and it will take time for the policies to take effect.

Management Discussion and Analysis (Continued)

Overall, in the first half of the year, the real estate market has remained relatively subdued, with transaction volumes at their lowest levels in the same period in recent years and all tiers of cities experiencing significant year-on-year declines. Driven by the introduction of improved properties, the average transaction price showed a slight structural increase. According to the statistics from the National Bureau of Statistics, in the first half of 2024, the commodity housing sales area in the real estate market of the PRC was 401,141,800 square meters, representing a year-on-year decrease of 21.9%, while the sales of commodity housing amounted to RMB4,126,974,000,000, representing a year-on-year decrease of 26.9%. Hit by the downturn in the national land market, the residential area released for sale, the area sold and the land premium for residential land declined significantly, while the average transaction floor price and the premium rate slightly declined.



Changsha North Star Delta

II. ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

The Company's advantages and core competitiveness are mainly reflected in the comprehensive brand influence of its convention and exhibition business and development and operating capacity of composite real estate. In particular, leading convention and exhibition businesses and professional and branded businesses in the PRC such as hotels, office buildings, apartments and integrated commercial properties in the PRC provide a stable income base for the Company. In recent years, the Company has focused on the convention and exhibition business as its core, using the 'leading' strategy of convention and exhibition business to drive the strategic extension of its real estate and commercial property segments. Various business segments of the Company are interdependent and mutually reinforcing, thus safeguarding the steady and healthy development of the Company.

On the one hand, with nearly 30 years of professional experience in convention and exhibition and hotel operation as well as its international operation and service standards and teams, the Company strengthens and optimizes the convention and exhibition industry chain, continues to promote the layout and expansion of the whole convention and exhibition industry chain in the areas such as organizing conventions and exhibitions, high-end state and governmental activities services support, management output of convention and exhibition venues and hotels, and convention and exhibition research. The Company enhances the core functions of the convention and exhibition business and improves core competitiveness through business expansion, capital operations, and other innovations in business models. Currently, it has become one of the largest operators of convention and exhibition venues in China, with growing brand recognition and influence. In recent years, it has successfully delivered hosting services for an array of national, integrated and international conferences such as the Beijing Olympic Games, APEC summit, G20 Hangzhou Summit, "Belt and Road" Forum for International Cooperation, BRICS Xiamen Summit, the Qingdao Summit of Shanghai Cooperation Organization, Beijing Summit of the Forum on China-Africa Cooperation, CIFTIS, Beijing Winter Olympics, Beijing Paralympic Winter Games, China-Central Asia Summit, Hangzhou Asian Games and Hangzhou Asian Para Games, creating a globally renowned service brand of North Star.

On the other hand, the Company possesses diversified real estate development and operation capabilities, which cover projects of luxury homes, villas, apartments, affordable housing, office buildings, commercial properties, etc. It also has strong professional competence and competitiveness in the development of large-scale and comprehensive real estate projects. Taking into account the current development trend of the industry, the Company actively innovates its development model and advances the integration of "convention and exhibition + real estate" projects.

In addition, fully utilizing the advantages of the "headquarters financing" model and leveraging its good credit standing and risk management ability, the Company has established long-term and stable strategic cooperative relationships with many banks and financial institutions, and boasts remarkable advantages in terms of loan interest rates. In the meantime, the Company has actively developed diversified financing channels such as medium-term notes, corporate bonds and asset securitization to continuously optimize its overall debt structure and maintain its advantage of lower financing costs, thus effectively enhancing the risk aversion capacity of the Company.

Management Discussion and Analysis (Continued)

III. DISCUSSION AND ANALYSIS ON THE COMPANY'S OPERATION

(1) Review of the Company's Operation

In the first half of 2024, the Company actively planned its business development, promoted resource integration and facilitated industry collaboration. The Company strived to grasp operations, pursue reforms, mitigate risks and promote growth, employing various measures to reduce losses. During the Reporting Period, the Company recorded an operating income of RMB3,429,871,000, representing a year-on-year decrease of 52.81%. The Company's loss before tax and loss attributable to ordinary shareholders amounted to RMB706,872,000 and RMB769,580,000, respectively. In particular, the after-tax core operating loss of the Company's main business (excluding losses arising from the changes in fair value) was RMB586,427,000. During the Period, the losses (after taxation) on changes in fair value of investment properties were RMB183,153,000. Losses per share were RMB0.2286.

1. Convention and Exhibition (Including Hotels) and Commercial Properties

In the first half of 2024, the Company continued to make efforts, achieving a steady growth in the convention and exhibition and hotel businesses, while the commercial properties business remained in stable operation, all of which achieved the expected profits for the first half of the year. During the Reporting Period, operating income from the convention and exhibition (including hotels) and commercial properties segment reached RMB1,248,098,000, representing a year-on-year increase of 4.74%, while profit before tax amounted to RMB198,372,000, representing a year-on-year decrease of 3.66%.

1) Convention and Exhibition (Including Hotels)

With the recovery of the convention and exhibition industry, in the first half of 2024, the Company held 674 exhibitions of various types, representing a year-on-year increase of approximately 18%, of which 19 were major exhibitions, attracting 1,422,500 visitors, representing a year-on-year increase of approximately 9%.

Focusing on serving the national strategies and the construction of the core functions of the capital, the Company continued to promote the integration of its convention and exhibition business with the construction of Beijing's city functions as an international exchange center, a science and technology innovation center and an international consumption center. The Company's convention and exhibition business has become an important platform for the national innovation ecosystem.



The "Long-lasting CIFTIS"-2024 China (Beijing)-Norway High-quality Development Seminar held at the China National Convention Center on 12 June 2024



2024 CIFTIS-Brussels Promotional Seminar held in Brussels on 21 June 2024

Successfully completing various major event assurances. The Company has successively organized and completed various service assurances and operation tasks including two meetings for the 14th Beijing Municipal Committee of the Chinese People's Political Consultative Conference, the 2024 Zhongguancun Forum Exhibition, the 2024 Beijing International Food Festival Launch ceremony and food market event, as well as successfully planned and executed the first overseas exhibition of the China-Africa Economic and Trade Expo with the 'Into Kenya' special event, demonstrating the Company's spirit of "Beijing Service" with North Star standard and further enhancing the Company's brand influence.



Beijing International Convention Centre successfully completed the service assurances task for the second meeting of the 14th Beijing Municipal Committee of the Chinese People's Political Consultative Conference



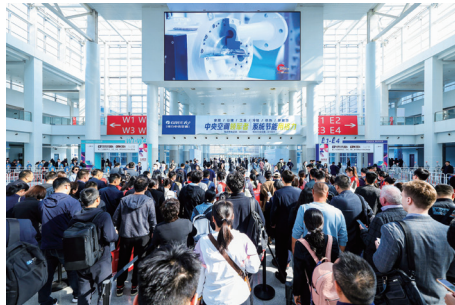
Beijing International Convention Centre successfully completed the service assurances task of Zhongguancun Forum



2024 Beijing International Gourmet Festival Launching Ceremony

Management Discussion and Analysis (Continued)

Actively expanding the upstream business of convention and exhibition. The Company has vigorously advanced the convention and exhibition sponsoring and undertaking business. It has successfully sponsored the China Refrigeration Expo, Bus and Truck Expo, Traffic Engineering Expo, and has undertaken events such as the Beijing Franchise Expo, the 8th Chinese Science Fiction Convention 2024 and the 4th Beijing Sci-Fi Carnival: Fantasy Adventure Season. In particular, the exhibition total area of the 2024 China Refrigeration Expo was over 100,000 square meters, attracting 1,006 companies and 36 overseas professional organizations from 27 countries and regions, with international exhibitors comprising over 20% of participants, and drew a total of over 80,000 visitors, nearly 5,000 of whom were overseas professional visitors. Additionally, the Company actively prepared for major events such as the 2024 Big Data Expo, the Beijing International High-tech Expo, the 2024 SIBOS Financial Annual Meeting and WGC 2025. The Company actively expanded marketing promotion, and newly developed the China Cycling Carnival project and agreed on cooperation intentions for exhibitions such as Pet Carnival Asia and Clean Energy Expo China.



2024 China Refrigeration Expo held at the China International Exhibition Center



2024 Transportation Expo held at the China International Exhibition Center



China-Africa Economic and Trade Expo with the 'Into Kenya' special event



Beijing Franchise Expo

Continuous pushing forward brand management output business. During the Reporting Period, the Company entered into 2 new entrusted management projects and 4 new consultancy projects. To date, the Company has expanded its exhibition venue and hotel management output business into 29 cities across China, covering Beijing-Tianjin-Hebei, Guangdong-Hong Kong-Macao, Chengdu-Chongqing and other important strategic development areas in China, and owns 65 venues and hotel consultancy projects and 56 entrusted venues and hotel management projects, with a total area of 4.70 million square meters of venues under entrusted management, enabling the Company to steadily expand its market share and maintain its leading position in the industry.

Management Discussion and Analysis (Continued)

Table 1: Convention and exhibition venues and hotel projects under entrusted management of the Company to date

No.	Location	Name
1	Beijing City	Beijing Jinhai Lake International Convention & Exhibition Center
2		Shougang Convention & Exhibition Center
3		Main Venue Project of Zhongguancun Forum Permanent Venue
4		Beijing V-Continent Tongzhou Crown Zhenpin Hotel
5	Zhangjiakou City, Hebei Province	Chongli International Convention & Exhibition Center
6		V-Continent Chongli Garden-style Hotel
7		North Star V-Continent Zhangjiakou Crown Hotel
8		North Star V-Continent Wanquan Crown Hotel
9		North Star V-Continent Huai'an Garden-style Hotel
10	Shijiazhuang City, Hebei Province	Shijiazhuang International Convention & Exhibition Center
11	Xiong'an New District, Hebei Province	Xiong'an Convention & Exhibition Center
12		Xiong'an Convention Center Hotel
13	Langfang City, Hebei Province	North Star V-Continent Yongqing Crown Hotel
14		North Star V-Continent Yinfeng Crown Hotel
15	Zhuhai City, Guangdong Province	Zhuhai International Convention & Exhibition Center
16		North Star Zhuhai Jinye V-Continent Crown Hotel
17		Zhuhai V-Continent Athletes Apartment
18	Guangzhou City, Guangdong Province	Convention & Exhibition Project of Permanent Venue of International Finance Forum (IFF)
19	Huizhou City, Guangdong Province	North Star V-Continent Huidong Executive Apartment
20	Fuzhou City, Fujian Province	Fuzhou Digital China Convention & Exhibition Center
21	Nanjing City, Jiangsu Province	Yangtze International Convention Center
22		Yangtze International Convention Center Hotel
23		Nanjing Biotech and Pharmaceutical Valley Business Center Project
24		V-Continent Nanjing Executive Apartment
25		Nanjing V-Continent Crown Hotel
26	Nantong City, Jiangsu Province	Nantong International Convention & Exhibition Center
27		Nantong V-Continent Crown Hotel
28	Lianyungang City, Jiangsu Province	Lianyungang Continental Bridge Convention Center
29		Ancillary hotels for Lianyungang Continental Bridge Convention Center
30	Taizhou City, Jiangsu Province	Taizhou China Medical City Exhibition Center

Management Discussion and Analysis (Continued)

No.	Location	Name
31	Guilin City, Guangxi Zhuang Autonomous Region	Guilin International Convention & Exhibition Center
32		Ancillary hotels for Guilin International Convention & Exhibition Center
33	Yinchuan City, Ningxia Hui Autonomous Region	Ningxia International Hall
34	Nyingchi City, Tibet Autonomous Region	V-Continent Nyingchi Hotel
35	Hangzhou City, Zhejiang Province	Hangzhou International Expo Center
36		Hangzhou International Expo Center North Star Hotel
37	Lishui City, Zhejiang Province	Lishui International Convention & Exhibition Center
38		Ancillary hotels for Lishui International Convention & Exhibition Center
39	Dezhou City, Shandong Province	Dezhou Tianqu Expo Plaza
40	Qingdao City, Shandong Province	Shanghe International Convention Center
41		Qingdao SCODA Pearl International Expo Center Complex (Hall A)
42	Weihai City, Shandong Province	Weihai International Economic and Trade Exchange Center
43		Weihai Chengtou Beichen Hotel
44	Yuncheng City, Shanxi Province	Yuncheng Convention & Exhibition Center
45	Chengdu City, Sichuan Province	Conference Center of Chengdu Airport Industrial Service Zone Construction Project
46		Chengdu Airport Industrial Service Zone Construction Project Conference Center Hotel
47	Chongqing City	Chongqing BBMG V-Continent Crown Hotel
48		Chongqing BBMG V-Continent Crown Executive Apartment
49		Chongqing V-Continent China Communications City Crown Hotel
50	Wuhan City, Hubei Province	North Star V-Continent Wuhan China Communications City Crown Hotel
51	Changsha City, Hunan Province	North Star V-Continent Changsha China Communications International Center Crown Hotel
52	Zhengzhou City, Henan Province	Zhengzhou Central Culture District Culture Exchange Center and Convention Center
53		Ancillary hotels for Zhengzhou Central Culture District Culture Exchange Center and Convention Center
54	Tonghua City, Jilin Province	North Star V-Continent Tonghua Wanfeng Crown Hotel
55		Tonghua V-Continent Canchuang Crown Hotel
56	Yichun City, Jiangxi Province	North Star V-Continent Jiangxi Hongwei Crown Hotel

Management Discussion and Analysis (Continued)

Promoting industry talent cultivation. With the view to enhancing the competitiveness of high-end talents in the convention and exhibition industry and promoting the development of the convention and exhibition industry, the Company signed a professional qualification certification cooperation agreement with the Beijing Municipal Human Resources and Social Security Bureau and ICCA (International Congress and Convention Association), jointly developed the professional certification certificate for Chartered International Business Exhibition Professionals (CIBEP), built a rich and diverse evaluation system for convention and exhibition professionals, and launched Asia's first ICCASkills international conference talent training program.

2) Commercial Properties

The commercial properties business of the Company has continued to drive innovation and enhancement, strengthen market research and analysis, and plan the integration of 'convention, commerce, culture, tourism, and sports' resources in the Asian-Olympic area to promote the construction of a new regional commercial ecosystem. The Company actively participated in the development of "new quality" regional industries, formed a new customer base through multiple channels, and jointly established the "Chaoyang Data Industry Base" with Chaoyang District, Beijing, to leverage the advantages of high-quality office resources to create a data industry cluster, and to assist in the overall development of Beijing's digital industry, thereby laying the foundation for the repositioning of the industrial development of the Asia-Olympic area. In addition, the Company has also collaborated with local street authorities to establish the Asian-Olympic Area Buildings Competitive Alliance, aiming to enhance the overall value of regional assets and achieve mutually beneficial cooperation.



Hui Yuan Apartment

Table 2: Operation and leasing of real estate during the Reporting Period

Unit: 0'000 Currency: RMB

No.	Location	Project	Mode of operation	Construction area of the leased real estate (square meter)	Rental income of the leased real estate	Equity Proportion (%)
1	No. 7 Tian Chen Dong Road, Chao Yang District, Beijing	China National Convention Center	Convention and exhibition	270,800	20,990	100
2	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Beijing International Convention Center	Convention and exhibition	58,000	4,724	100
3	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Bin Plaza	Office building	37,800	2,877	100

Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Construction area of the leased real estate (square meter)	Rental income of the leased real estate	Equity Proportion (%)
4	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Xin Plaza	Office building	40,900	2,522	100
5	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	North Star Times Tower	Office building	131,300	6,874	100
6	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	North Star Century Center	Office building	149,800	8,005	100
7	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Zhen Building Property	Office building	8,400	1,020	100
8	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Beijing Continental Grand Hotel	Hotel	42,000	5,841	100
9	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	National Convention Centre Hotel	Hotel	42,900	4,147	100
10	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	V-Continent Beijing Parkview Wuzhou Hotel	Hotel	60,200	7,466	100
11	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	Intercontinental Beijing Beichen Hotel	Hotel	60,000	7,467	100
12	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Intercontinental Changsha	Hotel	79,200	7,748	100
13	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Yuan Apartment	Apartment	184,300	13,534	100
14	A13 Beiyuan Road, Chao Yang District, Beijing	B5 Commercial Area of North Star Green Garden	Commercial	49,700	1,722	100
15	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Changsha North Star Delta Joy City	Commercial	100,000	6,227	100
16	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Changsha North Star International Convention Centre	Convention and exhibition	39,100	2,949	100
17	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Changsha North Star International Hotel	Hotel	62,500	4,544	100
18	No. 9, Gaoxin 2nd Road, Hongshan District, Wuhan City, Hubei Province	Wuhan Guangguli	Commercial	29,600	695	100
19	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	North Star New Space	Office building	31,000	1,523	100

Notes:

- The B5 Commercial Area of North Star Green Garden has been leased to Beijing Shopin Retail Development Co., Ltd. (北京市上品商業發展有限責任公司) since August 2016.
- Construction area of the leased real estate represents the total construction area of the project.
- The rental income of the leased real estate is the operating income of the project.
- Construction area and operating income of North Star Times Tower have included the construction area and operating income of the Xincheli Shopping Centre commercial project.
- The above-mentioned property items 2, 3, 7, 8, 10 and 13 are erected on land leased from BNSIGC.

Management Discussion and Analysis (Continued)

2. Real Estate Development

In the first half of 2024, the Company adhered to a prudent business strategy and strived to improve its risk prevention ability relating to the real estate development business. Due to the impact of a decrease in settlement area of the real estate development segment, the real estate development segment recorded operating income of RMB2,079,049,000 (including parking spaces) during the Reporting Period, which decreased by 65.31% on a year-on-year basis. Loss before tax amounted to RMB801,340,000. As at the end of the Reporting Period, the Company has entered into 15 cities and achieved a total land reserve of 4,214,400 square meters. During the Reporting Period, the new construction areas, the resumed construction areas and the completed areas were 40,000 square meters, 1,836,100 square meters and 89,900 square meters, respectively.

Seizing opportunities to promote sales. The Company closely monitored changes in real estate policies and market trends, undertook in-depth analysis of the actual situation of each project, and dynamically adjusted marketing strategies to accelerate project disposals. Emphasizing strict performance assessments and strong incentives equally, the Company strived to invigorate its organization. By leveraging both online and offline marketing efforts, the Company continuously strengthened digital marketing and broadened customer acquisition channels. Notably, the Changsha North Star Delta A2 residential project successfully launched with sale prices ranking among the highest in the market, while the Suzhou North Star Guanlan Mansion completed its centralized delivery. During the Reporting Period, the Company achieved contracted sales of RMB2.194 billion (including parking spaces) and contracted sales area of 151,700 square meters.



Changsha North Star Delta



Chongqing North Star
Yuelai Mansion One



Chongqing North Star Xianglu



Model room of Yuejiangyang
in Changsha North Star Delta



Hanjiang Mansion in
Changsha North Star Delta



Night view of Wuhan Guangguli

Optimizing layout to reduce costs. The Company strengthened risk management and control and successfully exited three closing projects. The Company optimized the layout of city centers while cutting unnecessary expenses, enhancing per capita efficiency and lowering operational costs.

Management Discussion and Analysis (Continued)

Table 3: Real estate reserve during the Reporting Period

No.	Region(s) of the land held for development	Land area held for development (square meters)	Planned plot ratio-based gross floor area (square meters)	Whether cooperative development project is involved	Area of cooperative development project (square meters)	Percentage of interest in cooperative development project (%)
1	Wuhan North Star Guangguli	134,800	337,000	No	-	100
2	Langfang North Star Xianglu	56,900	296,800	No	-	100
3	Chongqing • Yuelai Mansion One	167,400	918,000	No	-	100

Notes:

1. Land area held for development represents the gross construction area of undeveloped portion of project land;
2. Planned plot ratio-based gross floor area represents the data calculated with reference to the conditions of assignment at the time of project auction;
3. Area of cooperative development project represents the plot ratio-based gross floor area attributable to the interest held by the Company;
4. During the Reporting Period, total land reserve of the Company was 4,214,400 square meters; equity land reserve was 3,923,800 square meters, with no newly added real estate reserve.

Management Discussion and Analysis (Continued)

Table 4: Investment in real estate development during the Reporting Period

Unit: 100 million Currency: RMB

No.	Location	Project	Mode of operation	Projects under construction/Newly commenced projects/Completed projects	Project area (square meter)	Planned plot ratio-based gross floor area (square meter)	Total floor area (square meter)	Floor area under construction (square meter)	Completed area (square meter)	Total investment amount	Actual investment amount during the Reporting Period
1	Haidian, Beijing	Beijing North Star Xianglu	Residence	Completed	142,400	230,000	312,100	-	312,100	28.59	-
2	Changping, Beijing	Beijing North Star Red Oak Villa	Villa	Under construction	287,500	150,000	213,700	40,200	173,500	34.00	0.04
3	Shunyi, Beijing	Beijing Modern North Star Yue MOMA	Self-occupied commercial housing, two-limit housing	Under construction	52,800	109,300	132,500	1,400	131,100	23.47	-
4	Shunyi, Beijing	Beijing North Star • Villa 1900	Residence	Completed	101,200	140,000	213,300	-	213,300	24.45	-
5	Changping, Beijing	Beijing Jinchun Mansion	Residence	Completed	86,600	170,400	280,100	-	280,100	53.17	0.03
6	Menbougou, Beijing	Beijing Longfor North Star Lanjing	Residence	Completed	26,000	66,200	104,100	-	104,100	24.78	0.47
7	Changsha, Hunan	Changsha North Star Delta	Residence, commercial and office building	Under construction	780,000	3,820,000	5,200,000	236,500	4,783,300	407.08	5.99
8	Changsha, Hunan	Changsha North Star Central Park	Residence	Completed	336,300	720,000	927,100	-	927,100	26.03	0.17
9	Changsha, Hunan	Changsha North Star Shiguangji	Residence and commercial	Completed	27,700	107,900	145,400	-	145,400	12.28	0.33
10	Wuhan, Hubei	Wuhan North Star Modern You +	Residence and commercial	Completed	104,700	241,100	313,300	-	313,300	21.00	0.0033
11	Wuhan, Hubei	Wuhan North Star Guangguli	Commercial service	Under construction	84,200	337,000	492,000	-	357,200	25.81	3.42
12	Wuhan, Hubei	Wuhan Blue City	Residence and commercial	Under construction	358,000	716,000	980,100	17,000	745,400	102.68	0.56
13	Wuhan, Hubei	Wuhan Gemdale • North Star China Chic	Residence	Completed	41,800	127,000	178,900	-	178,900	13.51	0.05
14	Wuhan, Hubei	Wuhan North Star Peacock City	Residence	Completed	75,200	172,800	220,400	-	220,400	9.88	0.02
15	Wuhan, Hubei	Hangian Mansion	Residence and commercial	Completed	50,500	126,200	180,900	-	180,900	12.42	0.40
16	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (Lot 067)	Residence and commercial	Under construction	63,200	158,100	227,700	227,700	-	16.38	0.05
17	Wuhan, Hubei	Wuhan North Star Jindiyang Time (Lot 068)	Residence and commercial	Completed	50,500	151,400	212,100	-	212,100	18.72	0.17
18	Hangzhou, Zhejiang	Hangzhou North Star Shustian Project	Residence and commercial	Completed	83,900	235,000	317,500	-	317,500	25.29	0.09
19	Hangzhou, Zhejiang	Hangzhou Guosonglu	Residence	Completed	21,900	48,200	69,900	-	69,900	17.16	0.02
20	Hangzhou, Zhejiang	Hangzhou Lingchao Mansion	Residence	Completed	12,200	25,700	44,400	-	44,400	12.52	0.24
21	Hangzhou, Zhejiang	Hangzhou North Star Chenchun Lancheng	Residence	Under construction	69,000	179,500	276,400	276,400	-	52.18	2.48
22	Ningbo, Zhejiang	Ningbo Beichenfu	Residence	Completed	47,300	137,400	189,700	-	189,700	45.20	0.13
23	Ningbo, Zhejiang	Ningbo Mansion • Jintian	Residence and commercial	Completed	133,000	292,500	404,800	-	404,800	34.33	0.20
24	Yuyao, Zhejiang	Ningbo Xianglu Bay	Residence	Completed	68,700	116,800	166,400	-	166,400	22.43	0.40

Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Projects under construction/Newly commenced projects/Completed projects	Project area (square meter)	Planned plot ratio-based gross floor area (square meter)	Total floor area (square meter)	Floor area under construction (square meter)	Completed area (square meter)	Total investment amount	Actual investment amount during the Reporting Period
25	Suzhou, Jiangsu	Suzhou North Star CIFI Park No. 1 Mansion	Residence and commercial	Completed	178,700	180,500	273,900	-	273,900	17.28	0.0003
26	Suzhou, Jiangsu	Suzhou Guanlan Mansion	Residence and commercial	Completed	170,000	268,800	392,900	84,200	392,900	65.70	2.30
27	Wuxi, Jiangsu	Wuxi Tianyi Jiuzhu	Residence	Completed	88,000	196,000	255,400	-	255,400	28.60	0.0007
28	Chengdu, Sichuan	Chengdu North Star Langshi Nanmen Lvjun	Residence and commercial	Completed	63,600	158,600	237,000	-	237,000	9.83	0.02
29	Chengdu, Sichuan	Chengdu North Star • Xianglu	Residence and commercial	Completed	40,400	96,900	148,300	-	148,300	16.16	-
30	Chengdu, Sichuan	Chengdu North Star • South Lake Xianglu	Residence	Completed	88,000	210,000	297,100	-	297,100	26.25	0.07
31	Chengdu, Sichuan	Chengdu North Star Royal Palace	Residence and commercial	Completed	26,600	79,800	120,000	-	120,000	18.03	0.12
32	Chengdu, Sichuan	Chengdu North Star Luming Mansion	Residence and commercial	Completed	80,100	160,300	227,300	-	227,300	22.00	0.45
33	Meishan, Sichuan	Sichuan North Star Guosongju	Residence and commercial	Completed	59,900	149,800	197,400	-	197,400	16.32	0.63
34	Meishan, Sichuan	Sichuan North Star Longxitai	Residence and commercial	Completed	69,900	84,000	126,600	-	126,600	15.08	-
35	Langfang, Hebei	Langfang North Star Xianglu	Residence and commercial	Under construction	140,700	296,800	414,500	65,800	317,700	31.28	1.01
36	Langfang, Hebei	Langfang North Star Blue City (Lot 2018-4)	Residence	Under construction	82,500	164,800	245,600	245,600	-	24.56	1.39
37	Langfang, Hebei	Langfang Xingchenli (Lot 2019-3)	Commercial	Newly commenced	21,100	52,800	75,400	75,400	-	5.45	-
38	Langfang, Hebei	Langfang North Star (Lot 2020-5)	Residence	Under construction	46,200	92,000	135,400	135,400	-	13.43	0.54
39	Hefei, Anhui	Hefei North Star CIFI Park Mansion • Luzhou	Residence and commercial	Completed	141,700	239,000	356,200	-	356,200	21.07	0.04
40	Yubei, Chongqing	Chongqing • Yuehai Mansion One	Residence and commercial	Under construction	429,100	918,000	1,321,100	251,700	902,000	115.93	2.74
41	Yubei, Chongqing	Chongqing North Star Xianglu	Residence	Under construction	68,200	102,200	150,400	1,000	149,400	24.64	0.54
42	Haikou, Hainan	North Star Mansion in Haikou	Residence and commercial	Completed	106,800	206,000	281,100	-	281,100	36.31	0.52
43	Haikou, Hainan	Haikou North Star Changxiu Shijia	Residence	Completed	30,500	106,800	134,700	-	134,700	12.35	0.32
44	Guangzhou, Guangdong	Guangzhou Lanling Xianglu (Lot 116)	Residence and commercial	Under construction	25,900	77,800	113,700	113,700	-	12.00	0.20
45	Guangzhou, Guangdong	Guangzhou Lanling Xianglu (Lot 114)	Residence and commercial	Under construction	25,100	76,600	110,600	64,200	46,400	9.66	0.41

Notes:

1. Total investment amount represents the estimated total investment amounts for each project;
2. During the Reporting Period, the Company's new construction area was 40,000 square meters; the area for new and resumed construction was 1,836,100 square meters; and the completed area was 89,900 square meters.

Management Discussion and Analysis (Continued)

Table 5: Sales and booked sales of real estate during the Reporting Period

Unit: 0'000 Currency: RMB

No.	Location	Project	Mode of operation	Saleable area (square meter)	Sold (including pre-sold) Area (square meter)	Booked area (square meter)	Booked revenue	Area to be booked at the end of the Reporting Period (square meter)
1	Chao Yang, Beijing	Beijing North Star Green Garden	Residence, commercial and office building	6,291	-	-	389	337
2	Haidian, Beijing	Beijing North Star Xianglu	Residence	-	-	-	3	728
3	Chao Yang, Beijing	Beijing North Star Fudi	Residence and commercial	3,131	-	-	-	-
4	Shunyi, Beijing	Beijing North Star • Villa 1900	Residence	3,959	1,139	1,734	4,680	167
5	Chao Yang, Beijing	Beijing Bihai Fangzhou	Residence	830	-	-	-	1,499
6	Changping, Beijing	Beijing North Star Red Oak Villa	Villa	27,729	-	-	-	620
7	Shunyi, Beijing	Beijing Modern North Star Yue MOMA	Self-occupied commercial housing, two-limit housing	3,243	655	655	-	-
8	Changping, Beijing	Beijing Jinchun Mansion	Residence	85,234	972	972	4,333	-
9	Mentougou, Beijing	Beijing Longfor North Star Lanjing	Residence	5,066	156	-	-	-
10	Changsha, Hunan	Changsha North Star Delta	Residence, commercial and office building	112,065	18,116	46,265	81,236	29,959
11	Changsha, Hunan	Changsha North Star Central Park	Residence	12,040	492	4,449	4,456	4,216
12	Changsha, Hunan	Changsha North Star Shiguangli	Residence and commercial	16,429	6,586	5,121	3,607	5,637
13	Wuhan, Hubei	Wuhan North Star Modern You +	Residence and commercial	662	-	-	-	-
14	Wuhan, Hubei	Wuhan North Star Guangguli	Commercial service	73,613	13,515	13,739	2,333	268
15	Wuhan, Hubei	Wuhan Blue City	Residence and commercial	60,037	3,299	3,154	1,757	586
16	Wuhan, Hubei	Wuhan Gemdale • North Star China Chic	Residence	849	849	849	891	-
17	Wuhan, Hubei	Wuhan North Star Peacock City Hangtian Mansion	Residence	35,865	329	219	-	458
18	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (Lot 067)	Residence and commercial	48,022	12,783	10,679	5,472	2,105
19	Wuhan, Hubei	Wuhan North Star Jindiyang Time	Residence and commercial	34,885	4,726	-	-	-
20	Hangzhou, Zhejiang	Hangzhou North Star Shushan Project	Residence and commercial	7,304	-	190	1,134	-
21	Hangzhou, Zhejiang	Hangzhou Guosongfu	Residence	-	-	-	87	-
22	Hangzhou, Zhejiang	Hangzhou Lingchao Mansion	Residence	800	160	318	1,197	-

Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Saleable area (square meter)	Sold (including pre-sold) Area (square meter)	Booked area (square meter)	Booked revenue	Area to be booked at the end of the Reporting Period (square meter)
23	Hangzhou, Zhejiang	Hangzhou North Star Chenchun Lancheng	Residence	51,053	3,905	-	-	13,066
24	Ningbo, Zhejiang	Ningbo Beichenfu	Residence	7,510	-	-	92	-
25	Ningbo, Zhejiang	Ningbo Mansion • Jintian	Residence and commercial	147	147	147	71	-
26	Yuyao, Zhejiang	Ningbo Xianglu Bay	Residence	19,470	9,844	8,563	14,218	1,281
27	Suzhou, Jiangsu	Suzhou Guanlan Mansion	Residence and commercial	88,769	15,963	22,464	27,808	3,810
28	Chengdu, Sichuan	Chengdu North Star Langshi Nanmen Lvjun	Residence and commercial	1,816	106	106	335	735
29	Chengdu, Sichuan	Chengdu North Star • Xianglu	Residence and commercial	602	-	-	-	-
30	Chengdu, Sichuan	Chengdu North Star • South Lake Xianglu	Residence	7,055	307	516	134	-
31	Chengdu, Sichuan	Chengdu North Star Royal Palace	Residence and commercial	5,459	884	305	385	578
32	Chengdu, Sichuan	Chengdu North Star Luming Mansion	Residence and commercial	11,733	1,024	988	2,301	774
33	Meishan, Sichuan	Sichuan North Star Guosongfu	Residence and commercial	16,653	9,714	9,688	4,797	609
34	Meishan, Sichuan	Sichuan North Star Longxitai	Residence and commercial	68,176	5,167	3,846	2,829	1,874
35	Langfang, Hebei	Langfang North Star Xianglu	Residence and commercial	38,647	6,799	6,950	9,149	236
36	Hefei, Anhui	Hefei North Star CIFI Park Mansion • Luzhou	Residence and commercial	857	-	-	436	-
37	Yubei, Chongqing	Chongqing • Yuelai Mansion One	Residence and commercial	121,225	9,965	1,408	1,602	28,704
38	Yubei, Chongqing	Chongqing North Star Xianglu	Residence	54,717	10,244	12,030	17,868	1,750
39	Haikou, Hainan	North Star Mansion in Haikou	Residence and commercial	43,984	3,560	3,849	9,704	9,746
40	Haikou, Hainan	Haikou North Star Changxiu Shijia	Residence	2,373	100	4,032	4,603	-
41	Guangzhou, Guangdong	Guangzhou Lanting Xianglu (Lot 114)	Residence and commercial	30,893	10,167	-	-	-

Note:

During the Reporting Period, the Company's sales area was 151,672 square meters; sales amount was RMB2,194,000,000; settlement area was 163,234 square meters; settlement amount was RMB2,079,000,000; the area to be booked as at the end of the Reporting Period was 109,745 square meters.

Management Discussion and Analysis (Continued)

3. Financing

The Company has consistently enhanced its cash management and control, improved capital efficiency, optimized its financing structure, expanded financing channels, and secured sufficient and stable funding through various means, with total financing amount to RMB1,302,000,000 during the Reporting Period, which ensured the safety and stability of its capital chain.

Table 6: Financing of the Company during the Reporting Period

Unit: 0'000 Currency: RMB

Total financing amount as at the end of the Period	Overall average financing cost (%)	Interest capitalised
2,457,890	4.18	20,615

(2) Development Strategy of the Company

The Company will align development with safety, overcome difficulties, tackle challenges head-on, and leverage its strategic leadership to actively plan for business growth. It aims to further advance the integration of real estate and commercial management by using the implementation of convention and exhibition strategies as a key breakthrough, thereby elevating its operations to a new level.

1. Convention and Exhibition (Including Hotels) and Commercial Properties

The Company will focus on serving the overall national plans and the functional construction of the “four centers” of the capital city, and supporting the establishment of Beijing’s international consumption center. It will continuously enhance the strategic framework of the convention and exhibition segment, and fully leverage its role as a driving force within the industry, driving the synergistic growth of hotels, office buildings, apartments, integrated commercial properties and other business types.

In respect of the convention and exhibition business segment, the Company is committed to advancing its “leading” strategy within the segment by focusing on establishing China’s number one convention and exhibition enterprise, facilitating the layout development of the whole industry chain while enhancing the overall capacity of the industry. We will explore various channels and fields to tap into the upstream business of the conference and exhibition sector and plan for potential mergers and acquisitions, in order to strengthen its initiative and leadership within the industry chain. We also aim to intensify our marketing efforts in both domestic and international markets, with a focus on securing high-level conferences and large-scale exhibitions, as well as strengthening partnerships with international convention and exhibition institutions. Furthermore, we will continue to refine our management model to ensure a market-oriented operation, enabling an improved coordination across management, resources, and business operations within the capital city’s convention and exhibition industry.



A view of V-Continent Yongqing Hotel

Management Discussion and Analysis (Continued)

In respect of the commercial properties segment, the Company will leverage Beijing North Star Commercial Management as a platform to foster innovative development and strengthen its business management foundation. Our aim is to establish a leading domestic brand in the operation and management of public construction and park assets. We will concentrate on key business lines, including office buildings, apartments, and commercial properties, while thoroughly exploring the value of assets within industrial and cultural parks. Additionally, we will optimize resource allocation and drive consumption and upgrades within the Asian-Olympic business circle. We will deepen cooperation between government and enterprises, effectively utilize competitive alliances, and strengthen regional synergies to boost brand awareness and influence. We will also strengthen the professional operation and management of our hotel and apartment product lines, initiating ISO system certification for North Star Yue Property. By diversifying its operations, the Company aims to discover new opportunities for revenue and efficiency, while continuing to promote group-oriented operation, specialized management and diversified development of the Company, and to enhance the competitiveness of the industry.

2. Real Estate Development

The Company is committed to maintaining its firm confidence in development and leveraging its strategic strengths to ensure the stable operation of its real estate segment while effectively managing risk prevention, stability, and transformation. We will enhance our tracking and research of market policies, optimize our marketing strategies, and accelerate project disposals to recover capital, ensuring a healthy cycle of revenue and expenditure. Our focus will also be on promoting the leasing and sales of commercial properties to enhance their value and facilitate disposals. The Company will prioritize proactive risk assessment and management and strengthen risk prevention, aiming for early detection and resolution of potential issues. In addition, the Company will integrate its inventory assets, improve asset management efficiency, and continuously refine its organizational structure to reduce costs and boost efficiency. We are also dedicated to exploring innovative real estate development models and optimizing our business layout to support the Company's new industrial framework, ultimately driving high-quality development.

In the second half of 2024, the Company is expected to record resumed construction areas of 1,746,200 square meters and completed areas of 586,500 square meters. The Company aims to achieve sales areas of 639,200 square meters with a targeted contracted amount (including parking spaces) of RMB8.506 billion.



Chengdu North Star Guosongfu



Aerial view of Chengdu Tianluyufu

3. Financing and Capital Expenditure

The Company will enhance its capital planning by fully leveraging the “headquarter financing” model, diversifying financing methods, and broadening financing channels while strengthening liability management and control. Additionally, we will prioritize improving the efficiency of capital utilization, effectively reducing expenditures, and ensuring the quality of collection of sales proceeds to safeguard the cash flow of the Company.

In the second half of 2024, the Company's estimated fixed asset investment is RMB123,000,000, the payment of which will be made according to the construction progress. The source of funds will be internal funds.

Management Discussion and Analysis (Continued)

IV. POTENTIAL RISKS FACED BY THE COMPANY

1. Market Risk

Affected by the expected decline in residents' income and property prices, the real estate market in China has faced great overall downward pressure. Meanwhile, the differentiation among cities has continued and competition for popular cities and certain prime land parcels among real estate enterprises has become intensively fierce. Land transaction prices remain high, driving up development costs. The situation of large proportion of land costs and difficulty in increasing selling price poses certain risks to enterprises in terms of finance and capital position as well as operational stability.

In response to the aforesaid risks, the Company will pay close attention to the development trend of the market, and select cities and regions featuring mature markets, with a favorable investment atmosphere and a relatively reasonable net inflow of population and housing price-to-income ratio. Additionally, the Company will continuously optimize development strategies and maintain an appropriate scale, and be committed to strengthening professional management, shortening the development cycle, accelerating the turnover rate, improving the cash recovery rate, and avoiding market risks.

2. Policy Risk

The development of the real estate industry is closely related to the direction of national policies. Despite the relaxation of current industry policies, with new challenges brought by the continuous deepening of the industrial reform, uncertainties remain. There may be possible further adjustments to subsequent regulatory policies and the credit environment, and real estate companies may face policy risks to a certain extent in areas such as land acquisition, project development and construction, sales, and financing.

In response to the aforesaid risks, the Company will pay close attention to relevant national policies and changes in the macroeconomic environment. The Company will continue to optimize its direction of business development according to the policy orientation based on the actual situation, enhance the sustainable development potential of the real estate development business, and improve its comprehensive competitiveness.

3. Risks of Talent Reserve

As the Company has steadily advanced the convention and exhibition and commercial property businesses in recent years, it has led to soaring demands for all kinds of talents, especially people with professional expertise and senior management personnel. The Company may be exposed to the risk of talent shortage.

In response to the aforesaid risks, the Company will proactively develop a work pattern of "Great Talent" with a focus on the urgently needed talents required for high-quality corporate development. It will strengthen the overall planning for the sources of talent introduction and continue to attract and gather talents through a variety of channels and means, such as the launch of the "Excellence Training Programme", school – enterprise cooperation and market-oriented selection of professional managers. While continuously refining and improving the system and mechanism that are conducive to the growth of young cadres and talents, the Company will step up its efforts in nurturing a pool of young cadres and talents, and enhance the targeted education and training as well as purposeful practical exercises based on the development needs of various sectors and industries, including the convention and exhibition industry, real estate industry and commercial property sector. In addition, consistent efforts will be devoted to boosting the professional competence of dedicated talents in each business line and the integrated management capability of composite cadres in various segments, in an endeavor to build a high-quality and professional cadre talent team.

Management Discussion and Analysis (Continued)

DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE

Financial Resources and Liquidity

As at 30 June 2024, the equity attributable to ordinary shareholders of the Company decreased by 5.62% compared with 31 December 2023. The decrease was mainly due to the loss attributable to the ordinary shareholders of the Company of RMB769,580,000 during the Period.

The Group's bank and other borrowings (excluding bonds) as at 30 June 2024 amounted to RMB13,632,802,000. At the end of the Period, net values of the Group's 5-year corporate bonds, 3-year corporate bonds, 2-year corporate bond and 5-year medium term notes were RMB2,479,049,000, RMB599,267,000, RMB373,342,000 and RMB3,926,836,000, respectively. Net value of the asset-backed securities was RMB3,567,600,000 at the end of the Period.

Current assets of the Group, which mainly comprised cash at bank and on hand, completed properties held for sale and properties under development, amounted to RMB40,649,036,000, whereas the current liabilities amounted to RMB20,294,861,000. As at 30 June 2024, the balance of cash at bank and on hand amounted to RMB7,301,722,000 (excluding restricted bank deposits) and none of the bonds in issue were exposed to redemption and payment risks. During the Period, the Company did not engage in any transaction on financial products or derivative instruments.

As at 30 June 2024, the Group had secured borrowings from banks and other financial institutions of RMB13,459,134,000 with certain right-of-use assets, investment properties, hotels, properties under development and completed properties held for sale as the collaterals. The asset-liability ratio calculated by total liabilities divided by total assets for the Group was 66% as at the end of the Reporting Period (31 December 2023: 66%).

The Group's operations took place within the territory of mainland China and all transactions were settled in Renminbi. Accordingly, there was no exposure to the risk of exchange rate fluctuations.

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. The above mentioned financial guarantees provided in phases had no material impact on the financial position of the Group. As at 30 June 2024, the outstanding amount of financial guarantees provided in phases was RMB5,553,911,000 (31 December 2023: RMB7,137,252,000).

SHARE CAPITAL AND SHAREHOLDERS

Share Capital

The Company's registered capital as at 30 June 2024 totalled 3,367,020,000 shares in issue, comprising:

Domestic-listed circulating A shares	2,660,000,000 shares	Representing 79.002%
Foreign-listed H shares	707,020,000 shares	Representing 20.998%

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, the following person, other than a director, supervisor or chief executive of the Company, had 5% or more interests or short positions in the shares and underlying shares of the relevant class of issued share capital of the Company as recorded in the register of interests in the shares and short positions required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance ("SFO"):

Management Discussion and Analysis (Continued)

Interests and Short Positions in Shares of the Company

Name of shareholder	Nature of interest	Capacity	Class of shares	Number of shares held	Percentage of the relevant class of share capital	Percentage of total share capital
Beijing North Star Industrial Group Limited Liabilities Company	Corporate interest	Beneficial owner	A shares	1,161,000,031	43.65%	34.48%

Save as disclosed above, based on the register required to be kept under Section 336 of Part XV of the SFO, the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 30 June 2024.

INTERESTS OF DIRECTORS AND SUPERVISORS OF THE COMPANY

As at 30 June 2024, none of the directors, supervisors, chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company and 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 the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "Model Code").

CORPORATE GOVERNANCE

The Company has strived to maintain and establish a high level of corporate governance, and the Company has fully complied with all code provisions set out in the "Corporate Governance Code" contained in Appendix C1 of the Listing Rules during the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code. Having made specific enquiries with all directors and supervisors of the Company, the Company confirms that its directors and supervisors have complied with the required standards as set out in the Model Code during the six months ended 30 June 2024.

AUDIT COMMITTEE

The Audit Committee has been established by the Company to review and supervise the financial reporting process and internal control measures of the Company. The Group's unaudited interim results for the six months ended 30 June 2024 have been reviewed by the Audit Committee and the Board. The Audit Committee comprises three independent non-executive directors of the Company, namely, Dr. CHOW Wing-Kin, Anthony, Mr. GAN Pei-Zhong and Mr. CHEN De-Qiu.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Management Discussion and Analysis (Continued)

DESIGNATED DEPOSITS AND DUE FIXED DEPOSITS

As at 30 June 2024, the Group had no designated deposits that were placed with financial institutions in the PRC. All of the Group's cash deposits have been placed with commercial banks in the PRC in compliance with relevant laws and regulations. The Group has not experienced any incidents of not being able to withdraw bank deposits when due.

EMPLOYEES

As at 30 June 2024, the Company had 5,140 employees. Adjustments of employees' remuneration will be made according to the Company's results and profitability and are determined by assessing the correlation between the total salary paid to employees and the economic efficiency of the Company. The policy contributes to the management of the Company's remuneration expenses while employees will be motivated to work hard for good results and development of the Company. Save for the remuneration policies disclosed above, the Company did not maintain any share option scheme for its employees and the employees did not enjoy bonus. The Company regularly provided administrative personnel with trainings on various subjects, including operations management, foreign languages, computer skills, industry know-how and policies and laws, in different forms, such as seminars, site visits and study tours.

STAFF QUARTERS

During the Period, the Company did not provide any staff quarters to its staff.

IMPORTANT EVENTS AFTER THE REPORTING DATE

There were no important events affecting the Company which occurred after 30 June 2024 and up to the date of this interim report.

PUBLICATION OF INTERIM REPORT

The Company's 2024 interim report which sets out all the information required by the Listing Rules will be published on the designated website of the Stock Exchange at <http://www.hkexnews.hk> and on the website of the Company at <http://www.beijings.com.cn> in due course.

DOCUMENT FOR INSPECTION

The original copy of the 2024 interim report, signed by the Chairman, will be available for inspection at the office of the Board, the address of which is:

Beijing North Star Company Limited
12th Floor, Tower A, Hui Xin Building
No. 8 Bei Chen Dong Road
Chao Yang District
Beijing, the PRC

By order of the Board
Beijing North Star Company Limited
LI Wei-Dong
Chairman

Beijing, the PRC
28 August 2024

Corporate Information

Legal name of the Company:	北京北辰實業股份有限公司
English name of the Company:	Beijing North Star Company Limited
Registered address of the Company:	No. 8 Bei Chen Dong Road Chao Yang District, Beijing the PRC
Place of business of the Company:	12th Floor, Tower A, Hui Xin Building No. 8 Bei Chen Dong Road Chao Yang District, Beijing the PRC
Legal representative of the Company:	LI Wei-Dong
Company secretary:	LEE Ka Sze, Carmelo
Person-in-charge on information disclosure:	Hu Hao
Enquiry unit for Company information disclosure:	Work department of the Board

COMPANY INFORMATION ENQUIRY

Address:	12th Floor, Tower A, Hui Xin Building No. 8 Bei Chen Dong Road Chao Yang District, Beijing, the PRC
Postal code:	100101
Telephone:	(8610) 6499 1277, (8610) 6499 1055
Fax:	(8610) 6499 1352
Website:	www.beijingns.com.cn

Corporate Information (Continued)

REGISTRATION

Date and place of first registration:	2 April 1997, Beijing, the PRC
Unified social credit code:	91110000633791930G

AUDITORS

<i>PRC auditor:</i>	Zhongxinghua Certified Public Accountants LLP (Appointed on 16 May 2024)
Address:	20/F, South Tower, Block 1 20 Lize Road, Fengtai District, Beijing
Postal code:	100073
Telephone:	(86) 010-51423818
Fax:	(86) 010-51423816
<i>International auditor:</i>	Cheng & Cheng Limited Certified Public Accountants Registered Public Interest Entity Auditor (Appointed on 16 May 2024)
Address:	Level 35, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong
Telephone:	(852) 3962 0000
Fax:	(852) 2598 8178

Corporate Information (Continued)

LEGAL ADVISERS

<i>PRC lawyer:</i>	Beijing Da Cheng Solicitors Office
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Postal code:	100020
Telephone:	(8610) 5813 7799
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<i>Hong Kong lawyer:</i>	Woo Kwan Lee & Lo
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