

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



北京北辰實業股份有限公司
BEIJING NORTH STAR COMPANY LIMITED

(A sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 588)

2022 THIRD QUARTERLY REPORT

This announcement is made pursuant to the disclosure requirements under Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Beijing North Star Company Limited (the “**Company**”) is required to publish its third quarterly results pursuant to the Regulations on Disclosure of Information on Quarterly Reports for Listed Companies issued by the China Securities Regulatory Commission.

All financial information set out in the 2022 third quarterly report of the Company is unaudited and the relevant financial statements are prepared in accordance with China Accounting Standards for Business Enterprises. The 2022 third quarterly report of the Company will be published in certain newspapers in the People's Republic of China (the “**PRC**”) and on the website of Shanghai Stock Exchange (www.sse.com.cn) on 31 October 2022. The original text of the report is in Chinese.

IMPORTANT NOTICE:

The board of directors, the supervisory committee, directors, supervisors and the senior management of the Company warrant that there are no misrepresentations or misleading statements contained in or material omissions from this quarterly report, and accept joint and several legal responsibility for the truthfulness, accuracy and completeness of the contents of this quarterly report.

The person-in-charge of the Company, the person-in-charge of accounting operations and the person-in-charge of the accounting department (chief accountant), warrant the truthfulness, accuracy and completeness of the financial information in this quarterly report.

Have the third quarterly financial statements been audited

☐

Yes

☒

No

I. MAJOR FINANCIAL DATA

Major accounting data and financial indicators

Unit: Yuan Currency: RMB

Items	For the reporting period	The corresponding period of last year		Increase/decrease for the reporting period as compared with the corresponding period of last year (%)		From the beginning of the year to the end of the reporting period as compared with the corresponding period of last year		Increase/decrease for the period from the beginning of the year to the end of the reporting period as compared with the corresponding period of last year (%)	
		Before adjustment		After adjustment		Before adjustment		After adjustment	
Operating revenue	1,925,727,273	6,949,213,016	6,948,684,026	-72.29	8,766,238,117	17,193,994,904	17,274,202,728	-49.25	
Net profit attributable to the owners of the Company	-279,877,797	37,696,580	35,074,858	-897.94	-787,610,243	302,317,371	312,457,902	-352.07	
Net profit attributable to the owners of the Company after deducting the non-recurring item	-297,663,245	29,885,410	27,258,556	-1,192.00	-826,961,305	272,265,717	282,403,094	-392.83	
Net cash flow from operating activities	Not applicable	Not applicable	Not applicable	Not applicable	3,284,863,750	4,378,136,639	4,387,777,107	-25.14	
Basic earnings per share (RMB per share)	-0.08	-	-	Not applicable	-0.24	0.06	0.06	-500.00	
Diluted earnings per share (RMB per share)	-0.08	-	-	Not applicable	-0.24	0.06	0.06	-500.00	
Weighted average return on net assets (%)	-2.04	0.01	-0.01	Decreased by 2.03 percentage points	-5.78	1.34	1.40	Decreased by 7.18 percentage points	

	As at the end of the reporting period	As at the end of last year		Increase/decrease as at the end of the reporting period as compared with the end of last year (%)
		Before adjustment	After adjustment	After adjustment
Total assets	70,143,998,327	79,704,970,124	79,817,054,022	-12.12
Ownership interest attributable to owners of the Company	<u>13,568,774,017</u>	<u>15,457,365,339</u>	<u>15,508,960,940</u>	<u>-12.51</u>

Note: The “reporting period” refers to the three-month period from the beginning of this quarter to the end of this quarter, the same hereinafter.

Explanation of reasons for retrospective adjustments or restatements

At the 41st meeting of the ninth session of the board of directors of the Company held on 16 June 2022, the Resolution in Relation to Acquisition of 100% Equity Interest in Beijing International Exhibition Center Co., Ltd.* (北京國際展覽中心有限公司) was considered and approved. Capital Convention (Group) Co., Ltd.* (首都會展(集團)有限公司) (hereinafter referred to as “**Capital Convention Group**”), a subsidiary controlled by the Company, acquired 100% equity interest in Beijing International Exhibition Center Co., Ltd.* (北京國際展覽中心有限公司) (hereinafter referred to as “**BIEC**”) which was wholly owned by Beijing North Star Industrial Group Limited Liabilities Company (北京北辰實業集團有限責任公司) (hereinafter referred to as the “**BNSIGC**”), the controlling shareholder of the Company. In the second quarter of 2022, the Company completed the procedures for the transfer of ownership of the above-mentioned equity interest, and BIEC has been consolidated in the Company’s consolidated financial statements.

Since the Company and BIEC were controlled by BNSIGC both before and after BIEC is merged into the Company and such control was not temporary, the aforesaid merger was a business combination under common control. According to the relevant provisions of China Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment, China Accounting Standards for Business Enterprises No. 20 – Business Combination and China Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements, for a business combination under common control, the reporting entity formed after the merger should be deemed to subsist as an integration since the date it came under the control of the ultimate controller. This should be reflected in the consolidated financial statements, which means for the reporting entity composed of the parent and subsidiaries formed after the merger, both its asset size and business performance should be continuously calculated. In preparing consolidated financial statements, no matter the merger occurred in any time in the reporting period, the consolidated income statement and the consolidated cash flow statement should reflect the profits or losses and cash flow of the reporting entity composed of the parent and subsidiaries for the period from the beginning of the period during which such merger occurred to the date of merger. Correspondingly, the item of retained earnings on consolidated balance sheet should reflect the realizable surplus reserve and undistributed profit of the parent and subsidiaries as of the date of merger as if the parent and subsidiaries had been operating as one entity; for a merger of controlling interest under common control, when preparing the consolidated financial statements for the period during which such merger occurred, adjustments should be made to the opening balances recorded on the consolidated balance sheet and the related items on the comparative statements as if the reporting entity after the merger had been existing in the previous period.

Non-recurring items and amounts

Unit: Yuan Currency: RMB

Items	Amount of the reporting period	Amount from the beginning of the year to the end of the reporting period
Profit or loss on disposal of non-current assets	-213,965	-223,095
Government grants recognized through profit or loss of the period, excluding those closely related to the normal operation of the Company and granted on an ongoing basis in fixed amount or fixed quota in accordance with State policies	3,572,496	7,002,138
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the period	18,701,119	37,209,171
Other non-operating income and expenses apart from the aforesaid items	898,712	9,085,515
Less: Effect on income tax	5,739,590	13,268,432
Effect on minority interests (after tax)	-566,676	454,235
Total	17,785,448	39,351,062

Particulars of and reasons for changes in major accounting data and financial indicators

☒ Applicable ☐ Not applicable

Items	Change (%)	Main reason
Operating revenue – for the reporting period	-72.29	Mainly due to the decrease in the settlement income of the real estate development segment of the Company as a result of the impact of macro regulation and development cycle in the period
Operating revenue – from the beginning of the year to the end of the reporting period	-49.25	
Net profit attributable to the owners of the Company – for the reporting period	-897.94	Mainly due to the decrease in the settlement area and the year-on-year decrease in revenue and profits of the real estate development segment of the Company as a result of the impact of macro regulation and development cycle in the period. The convention and exhibition (including hotels) and commercial properties segments were significantly affected by the COVID-19 pandemic. The operations of conference and exhibition, hotel and apartment were at a relatively low level, affecting the profits of the Company
Net profit attributable to the owners of the Company – from the beginning of the year to the end of the reporting period	-352.07	

Items	Change (%)	Main reason
Net profit attributable to the owners of the Company after deducting the non-recurring items – for the reporting period	-1,192.00	Mainly due to the decrease in the net profit attributable to the owners of the Company and the increase in capital occupancy fee
Net profit attributable to the owners of the Company after deducting the non-recurring items – from the beginning of the year to the end of the reporting period	-392.83	listed under non-recurring items in the period
Basic earnings per share (<i>RMB per share</i>) – for the reporting period	Not applicable	Mainly due to the decrease in the net profit attributable to the ordinary shareholders of the Company in the period
Diluted earnings per share (<i>RMB per share</i>) – for the reporting period	Not applicable	
Basic earnings per share (<i>RMB per share</i>) – from the beginning of the year to the end of the reporting period	-500.00	
Diluted earnings per share (<i>RMB per share</i>) –from the beginning of the year to the end of the reporting period	-500.00	

II. INFORMATION OF SHAREHOLDERS

Total number of holders of ordinary shares and number of holders of preference shares with restored voting rights and shareholdings of the top ten shareholders

Unit: Share

Total number of holders of ordinary shares at the end of the reporting period	141,823	Total number of holders of preference shares with restored voting rights at the end of the reporting period (if any)	Not applicable
---	---------	--	----------------

Shareholdings of Top Ten Shareholders

Names of shareholders	Nature of shareholders	Number of Shares held	Shareholding percentage (%)	Number of shares subject to selling restrictions	State of shares	Shares pledged, marked or frozen Number
BNSIGC	State-owned legal person	1,161,000,031	34.482	0	Nil	0
HKSCC NOMINEES LIMITED	Foreign legal person	688,138,199	20.438	0	Nil	0
Wangfujing Group Co., Ltd.	State-owned legal person	125,300,000	3.721	0	Nil	0
Zhong Hang Xin Gang Guarantee Co., Ltd.	State-owned legal person	24,000,000	0.713	0	Nil	0
Yang Liu (楊柳)	Domestic natural person	23,500,000	0.698	0	Nil	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	22,215,326	0.660	0	Nil	0
Qian Zhoujian (錢周健)	Domestic natural person	11,178,294	0.332	0	Nil	0
Industrial and Commercial Bank of China Limited –Southern CSI All-Share Index Real Estate Traded Open-ended Index Stock Investment Fund (中國工商銀行股份有限公司–南方中證全指房地產交易型開放式指數證券投資基金)	Others	10,062,800	0.299	0	Nil	0
Tao Xuezhi (陶學知)	Domestic natural person	9,606,800	0.285	0	Nil	0
Shenzhen Huabo Wanli Private Securities Fund Management Company Limited - Wanli Value No. 1 Private Securities Investment Fund (深圳華博萬里私募證券基金管理有限公司–萬里價值1號私募證券投資基金)	Others	7,557,800	0.224	0	Nil	0

Top Ten Holders of Shares not Subject to Selling Restrictions

Names of shareholders	Number of circulating shares not subject to selling restrictions	Class and number of shares	
		Class	Number
BNSIGC	1,161,000,031	RMB-denominated ordinary shares	1,161,000,031
HKSCC NOMINEES LIMITED	688,138,199	Overseas listed foreign shares	688,138,199
Wangfujing Group Co., Ltd.	125,300,000	RMB-denominated ordinary shares	125,300,000
Zhong Hang Xin Gang Guarantee Co., Ltd.	24,000,000	RMB-denominated ordinary shares	24,000,000
Yang Liu (楊柳)	23,500,000	RMB-denominated ordinary shares	23,500,000
Hong Kong Securities Clearing Company Limited	22,215,326	RMB-denominated ordinary shares	22,215,326
Qian Zhoujian (錢周健)	11,178,294	RMB-denominated ordinary shares	11,178,294
Industrial and Commercial Bank of China Limited –Southern CSI All-Share Index Real Estate Traded Open-ended Index Stock Investment Fund (中國工商銀行股份有限公司–南方中證全指房地產交易型開放式指數證券投資基金)	10,062,800	RMB-denominated ordinary shares	10,062,800
Tao Xuezhi (陶學知)	9,606,800	RMB-denominated ordinary shares	9,606,800
Shenzhen Huabo Wanli Private Securities Fund Management Company Limited - Wanli Value No. 1 Private Securities Investment Fund (深圳華博萬里私募證券基金管理有限公司–萬里價值1號私募證券投資基金)	7,557,800	RMB-denominated ordinary shares	7,557,800

Notes on the connected relationship or parties acting in concert among the above shareholders

HKSCC NOMINEES LIMITED, the second largest shareholder, holds the H Shares of the Company on behalf of various clients; the de facto controller of both Wangfujing Group Co., Ltd., the third largest shareholder, and BNSIGC, the controlling shareholder of the Company, is the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality; whether the remaining shareholders are concert parties for the purpose of the "Administrative Measures for Takeover of Listed Companies" is unknown.

- Explanations on the participation of the top ten shareholders and the top ten holders of shares not subject to selling restrictions in financing securities and refinancing businesses (if any)
1. Qian Zhoujian holds 683,600 shares through the ordinary securities account and 10,494,694 shares through the credit transaction guarantee securities account, totaling 11,178,294 shares.
 2. Tao Xuezhi holds 6,187,200 shares through the ordinary securities account and 3,419,600 shares through the credit transaction guarantee securities account, totaling 9,606,800 shares.

III. OTHER REMINDERS

Other important information about the operations of the Company during the reporting period that should be brought to the attention of investors

☒ Applicable ☐ Not applicable

From January to September 2022, for real estate development purpose, in respect of land reserve, the Company achieved total land reserve of 5,163,800 m² and the equity land reserve of 4,602,800 m², with no newly added real estate reserve; in respect of engineering construction, the Company recorded a new construction area of 355,800 m², an equity area for new construction projects of 303,700 m², a resumed construction area of 4,151,000 m², a completed area of 1,071,900 m² and a completed area attributable to the equity of 890,600 m²; in respect of project sales, the Company recorded sales area of 489,900 m², representing a year-on-year decrease of 38.61%, equity sales area of 423,000 m², representing a year-on-year decrease of 38.57%, sales amount of RMB10,469 million, representing a year-on-year decrease of 26.60%, equity sales amount of RMB8,252 million, representing a year-on-year decrease of 30.60%; and its settlement area was 488,400 m², settlement amount was RMB7,216 million and the area to be booked as at the end of the reporting period was 939,100 m².

From January to September 2022, as to property holding, the gross floor area of convention center projects was 367,900 m², realising a total operating revenue of RMB223,640,000; the gross floor area of office building projects was 548,400 m², realising a total operating revenue of RMB508,800,000; the gross floor area of hotel projects was 346,800 m², realising a total operating revenue of RMB373,360,000; the gross floor area of apartment projects was 184,300 m², realising a total operating revenue of RMB153,010,000.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Type of audit opinion

☐ Applicable ☒ Not applicable

(II) Financial statements

Consolidated Balance Sheet 30 September 2022

Prepared by: Beijing North Star Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	30 September 2022	31 December 2021
Current assets:		
Cash at bank and in hand	8,795,205,002	14,722,284,187
Clearing settlement funds		
Placements with banks and other financial institutions		
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable	141,013,602	54,340,689
Receivables financing		
Prepayments	58,187,647	58,082,531
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Other receivables	2,193,742,767	2,118,142,404
Including: Interest receivable		
Dividends receivable		
Financial assets held under resale agreements		
Inventory	42,290,233,689	45,726,710,991
Contract assets		
Assets held for sale		
Non-current assets due within one year	790,532,247	269,154,451
Other current assets	2,390,433,369	2,401,164,807
Total current assets	56,659,348,323	65,349,880,060

Items	30 September 2022	31 December 2021
Non-current assets:		
Loans and advances to customers		
Debt investment		
Other debt investment		
Long-term accounts receivable	647,109,236	1,361,231,692
Long-term equity investments	369,585,673	635,735,803
Other investment in equity instruments		
Other non-current financial assets		
Investment properties	8,122,980,348	8,035,674,213
Fixed assets	2,924,738,425	3,036,210,516
Construction-in-progress	4,848,076	6,476,930
Operational biological assets		
Oil and gas assets		
Right-of-use assets	27,479,126	47,389,013
Intangible assets	16,294,415	17,587,570
Development expenses		
Goodwill		
Long-term deferred expenses	26,381,657	32,427,960
Deferred income tax assets	1,305,002,702	1,246,148,280
Other non-current assets	40,230,346	48,291,985
Total non-current assets	13,484,650,004	14,467,173,962
Total assets	70,143,998,327	79,817,054,022

Items	30 September 2022	31 December 2021
Current liabilities:		
Short-term borrowings		
Borrowings from central bank		
Capital borrowed		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	6,697,496,605	7,704,737,070
Accounts received in advance	152,822,695	236,089,004
Contract liabilities	13,023,576,213	12,123,853,347
Financial assets sold under agreements to repurchase		
Absorbing deposit and interbank deposit		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Staff cost	129,422,468	74,546,532
Taxes payable	1,647,218,624	2,254,229,880
Other payables	3,275,221,979	4,242,880,122
Including: Interest payable		
Dividends payable	707,962,190	398,162,190
Fee and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	7,100,326,668	11,631,174,176
Other current liabilities	1,325,363	4,967,159
Total current liabilities	32,027,410,615	38,272,477,290

Items	30 September 2022	31 December 2021
Non-current liabilities:		
Reserve of insurance contract		
Long-term borrowings	13,130,195,614	16,178,115,407
Bonds payable	6,771,925,386	3,696,467,025
Including: Preferred shares		
Perpetual bond		
Lease liabilities	10,599,005	14,543,370
Long-term accounts payable	1,264,727,572	2,148,384,872
Long-term staff cost	100,885,175	107,507,409
Accrued liabilities		
Deferred income	2,575,973	27,747,587
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	21,280,908,725	22,172,765,670
Total liabilities	53,308,319,340	60,445,242,960

Items	30 September 2022	31 December 2021
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	3,367,020,000	3,367,020,000
Other equity instruments	–	1,018,241,096
Including: Preferred shares		
Perpetual bond	–	1,018,241,096
Capital reserve	3,714,698,888	3,790,005,368
Less: Treasury shares		
Other comprehensive income	8,318,506	8,318,506
Special reserve		
Surplus reserve	1,069,219,290	1,069,219,290
Normal risk provision		
Undistributed profit	<u>5,409,517,333</u>	<u>6,256,156,680</u>
Total owners' equity (or shareholders' equity) attributable to owners of the Company	<u>13,568,774,017</u>	<u>15,508,960,940</u>
Minority interests	<u>3,266,904,970</u>	<u>3,862,850,122</u>
Total owners' equity (or shareholders' equity)	<u><u>16,835,678,987</u></u>	<u><u>19,371,811,062</u></u>
Total liabilities and owners' equity (or shareholders' equity)	<u><u>70,143,998,327</u></u>	<u><u>79,817,054,022</u></u>
<i>Person-in-charge of the Company:</i> LI Wei-Dong	<i>Person-in-charge of accounting operations:</i> HU Hao	<i>Person-in-charge of the accounting department:</i> DU Yan

Consolidated Income Statement
From January to September 2022

Prepared by: Beijing North Star Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	First three quarters of 2022 (January – September)	First three quarters of 2021 (January- September)
I. Total operating revenue	8,766,238,117	17,274,202,728
Including: Operating revenue	8,766,238,117	17,274,202,728
Interest income		
Premiums earned		
Handling charges and commission income		
II. Total operating costs	9,263,256,404	16,103,486,717
Including: Operating costs	7,240,671,394	13,723,861,790
Interest expenses		
Handling charges and commission expenses		
Surrender payment		
Net expenditure for compensation payments		
Net provision for insurance liability deposits		
Policyholder dividend expenses		
Reinsurance costs		
Taxes and surcharges	500,437,061	898,722,615
Selling expenses	320,895,778	387,717,701
Administrative expenses	646,392,263	634,131,383
Research and development expenses		
Finance expenses	554,859,908	459,053,228
Including: Interest expenses	663,176,067	570,775,914
Interest income	114,418,449	115,001,418

Items	First three quarters of 2022 (January – September)	First three quarters of 2021 (January- September)
Add: Other income	11,012,662	23,973,039
Investment income (loss stated with “–”)	33,060,052	112,799,152
Including: Investment income from associates and joint venture	-4,149,119	108,300,016
Gains on derecognition of financial assets measured at amortised cost		
Foreign currency exchange gains (loss stated with “–”)		
Gains on net exposure hedges (loss stated with “–”)		
Profit arising from changes in fair value (loss stated with “–”)		
Impairment losses on credit (loss stated with “–”)	-16,259,065	-22,492,260
Impairment losses on assets (loss stated with “–”)	-264,320,387	-650,103,410
Gains from disposal of assets (loss stated with “–”)	-33,881	-4,096
III. Operating profit (loss stated with “–”)	-733,558,906	634,888,436
Add: Non-operating income	15,070,756	30,373,611
Less: Non-operating expenses	4,449,119	17,757,659
IV. Total profit (total loss stated with “–”)	-722,937,269	647,504,388
Less: Income tax expenses	48,093,806	397,836,495

Items	First three quarters of 2022 (January – September)	First three quarters of 2021 (January- September)
V. Net profit (net loss stated with “–”)		
(I) Classified according to continuity of operations		
1. Net profit from continuing operations (net loss stated with “–”)	-771,031,075	249,667,893
2. Net profit from discontinued operations (net loss stated with “–”)	-771,031,075	249,667,893
(II) Classified according to the ownership		
1. Net profit attributable to the owners of the Company (net loss stated with “–”)	-787,610,243	312,457,902
2. Minority interests (net loss stated with “–”)	16,579,168	-62,790,009
VI. Other comprehensive income (net of tax)		
(I) Other comprehensive income attributable to the owners of the Company (net of tax)		
1. Other comprehensive income that will not be reclassified into profit or loss		
(1) Changes arising from remeasurement of defined benefit plans		
(2) Other comprehensive income which cannot be reclassified into profit and loss under equity method		
(3) Changes in fair value of investment in other equity instruments		
(4) Changes in fair value of the enterprise’s own credit risk		

Items	First three quarters of 2022 (January – September)	First three quarters of 2021 (January- September)
2. Other comprehensive income that will be reclassified into profit or loss		
(1) Other comprehensive income which can be reclassified into profit and loss under equity method		
(2) Changes in fair value of investment in other debt instruments		
(3) Financial assets reclassified into other comprehensive income		
(4) Provision for credit impairments of other debt investments		
(5) Cash flow hedge reserve		
(6) Exchange differences on foreign currency translation		
(7) Others		
(II) Other comprehensive income attributable to minority interests (net of tax)		
VII. Total comprehensive income	-771,031,075	249,667,893
(I) Total comprehensive income attributable to the owners of the Company	-787,610,243	312,457,902
(II) Total comprehensive income attributable to minority shareholders	16,579,168	-62,790,009
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	-0.24	0.06
(II) Diluted earnings per share (RMB/share)	-0.24	0.06
<i>Person-in-charge of the Company:</i> LI Wei-Dong	<i>Person-in-charge of accounting operations:</i> HU Hao	<i>Person-in-charge of the accounting department:</i> DU Yan

Consolidated Cash Flow Statement

From January to September 2022

Prepared by: Beijing North Star Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	First three quarters of 2022 (January to September)	First three quarters of 2021 (January to September)
I. Cash flows from operating activities:		
Cash received from selling goods and rendering services	9,983,361,550	13,187,409,033
Net increase in deposits from customers and placements from banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from policyholders and investments		
Cash received from interest, handling charges and commissions		
Net increase in placements from banks		
Net increase in fund for repurchases of businesses		
Net cash received from securities trading agency services		
Refund of tax and levies received	317,744,887	232,952,140
Cash received relating to other operating activities	365,811,599	485,816,599
Sub-total of cash inflow from operating activities	10,666,918,036	13,906,177,772

Items	First three quarters of 2022 (January to September)	First three quarters of 2021 (January to September)
Cash paid for purchase of goods and receipt of services	4,211,382,019	6,633,408,423
Net increase in loans and advances to customers		
Net increase in placements with central bank and other financial institution		
Cash paid for claims on original insurance contracts		
Net increase in placements with banks and other financial institutions		
Cash payment for interest, handling charges and commissions		
Cash payment for policyholder dividend		
Cash paid to and paid for employees	761,091,387	764,887,421
Taxes paid	2,147,279,305	1,837,275,587
Cash paid relating to other operating activities	262,301,575	282,829,234
Sub-total of cash outflow from operating activities	<u>7,382,054,286</u>	<u>9,518,400,665</u>
Net cash flow from operating activities	<u>3,284,863,750</u>	<u>4,387,777,107</u>

Items	First three quarters of 2022 (January to September)	First three quarters of 2021 (January to September)
II. Cash flows from investing activities:		
Cash received from disinvestments	497,133,218	35,594,443
Cash received from returns on investments	41,263,363	13,189,646
Net cash received from disposal of fixed assets, intangible assets and other long- term assets	520,841	395,177
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflow from investing activities	538,917,422	49,179,266
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	42,291,301	558,213,724
Cash paid to acquire investment	467,245,329	560,252,030
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities	104,000,000	—
Sub-total of cash outflow from investing activities	613,536,630	1,118,465,754
Net cash flows from investing activities	-74,619,208	-1,069,286,488

Items	First three quarters of 2022 (January to September)	First three quarters of 2021 (January to September)
III. Cash flows from financing activities:		
Cash received from capital contribution	980,000	201,468,481
Including: Cash received from capital contributions by minority interests of subsidiaries	980,000	201,468,481
Cash received from borrowings	1,567,648,483	9,468,163,547
Cash received from issuance of bonds	3,299,207,600	318,043,000
Cash received relating to other financing activities	478,250,000	2,785,473,800
Sub-total of cash inflow from financing activities	5,346,086,083	12,773,148,828
Cash repayments of borrowings	8,889,884,144	13,038,991,210
Cash payments for distribution of dividends and profits or interest expenses	1,449,875,149	1,781,632,260
Including: Dividends and profit paid to minority interests by subsidiaries	20,000,000	176,987,000
Cash paid relating to other financing activities	3,792,289,470	2,574,625,687
Sub-total of cash outflow from financing activities	14,132,048,763	17,395,249,157
Net cash flows from financing activities	-8,785,962,680	-4,622,100,329

Items	First three quarters of 2022 (January to September)	First three quarters of 2021 (January to September)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-5,575,718,138	-1,303,609,710
Add: Balance of cash and cash equivalents at the beginning of the period	<u>12,960,951,786</u>	<u>10,832,104,864</u>
VI. Balance of cash and cash equivalents at the end of the period	<u>7,385,233,648</u>	<u>9,528,495,154</u>
<i>Person-in-charge of the Company:</i> LI Wei-Dong	<i>Person-in-charge of accounting operations:</i> HU Hao	<i>Person-in-charge of the accounting department:</i> DU Yan

Balance Sheet of the Parent Company
30 September 2022

Prepared by: Beijing North Star Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	30 September 2022	31 December 2021
Current assets:		
Cash at bank and in hand	4,365,880,082	7,556,082,137
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable	73,624,570	67,568,853
Receivables financing		
Prepayments	10,188,781	23,061,407
Other receivables	47,347,099	55,141,311
Including: Interest receivable		
Dividends receivable		
Inventory	443,982,774	633,182,019
Contract assets		
Assets held for sale		
Non-current assets due within one year	7,313,629,724	8,376,046,239
Other current assets	22,049,114	58,755,530
Total current assets	12,276,702,144	16,769,837,496

Items	30 September 2022	31 December 2021
Non-current assets:		
Debt investment		
Other debt investment		
Long-term accounts receivable	16,081,551,239	15,627,255,163
Long-term equity investments	8,343,230,039	8,284,061,809
Other investment in equity instruments		
Other non-current financial assets		
Investment properties	4,586,052,384	4,672,466,591
Fixed assets	1,210,652,583	1,262,847,332
Construction-in-progress	4,848,076	5,585,848
Operational biological assets		
Oil and gas assets		
Right-of-use assets	7,588,061	24,322,751
Intangible assets	3,123,667	4,870,612
Development expenses		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	297,751,944	281,585,901
Other non-current assets		
Total non-current assets	30,534,797,993	30,162,996,007
Total assets	42,811,500,137	46,932,833,503

Items	30 September 2022	31 December 2021
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	630,380,323	655,759,431
Accounts received in advance	131,293,458	234,114,212
Contract liabilities	244,699,877	456,049,840
Staff cost	104,889,917	59,445,430
Taxes payable	705,968,653	641,376,451
Other payables	9,429,986,111	10,588,091,061
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	4,122,171,142	5,734,471,787
Other current liabilities		
Total current liabilities	15,369,389,481	18,369,308,212

Items	30 September 2022	31 December 2021
Non-current liabilities:		
Long-term borrowings	10,246,195,614	12,095,115,407
Bonds payable	6,771,925,386	3,696,467,025
Including: Preferred shares		
Perpetual bond		
Lease liabilities	–	1,512,446
Long-term accounts payable	–	1,405,097,778
Long-term staff cost	100,885,175	107,507,409
Accrued liabilities		
Deferred income	2,575,973	3,127,967
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	17,121,582,148	17,308,828,032
Total liabilities	32,490,971,629	35,678,136,244

Items	30 September 2022	31 December 2021
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	3,367,020,000	3,367,020,000
Other equity instruments	–	1,018,241,096
Including: Preferred shares		
Perpetual bond	–	1,018,241,096
Capital reserve	3,658,025,039	3,667,701,353
Less: Treasury shares		
Other comprehensive income	8,318,506	8,318,506
Special reserve		
Surplus reserve	1,069,219,290	1,069,219,290
Undistributed profit	2,217,945,673	2,124,197,014
Total owners' equity (or shareholders' equity)	10,320,528,508	11,254,697,259
Total liabilities and owners' equity (or shareholders' equity)	42,811,500,137	46,932,833,503
<i>Person-in-charge of the Company:</i> LI Wei-Dong	<i>Person-in-charge of accounting operations:</i> HU Hao	<i>Person-in-charge of the accounting department:</i> DU Yan

Income Statement of the Parent Company

From January to September 2022

Prepared by: Beijing North Star Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	First three quarters of 2022 (January – September)	First three quarters of 2021 (January- September)
I. Operating revenue	1,340,439,272	1,611,086,808
Less: Operating costs	744,939,281	780,709,752
Taxes and surcharges	153,785,391	162,833,154
Selling expenses	60,051,217	75,451,080
Administrative expenses	418,308,575	360,566,372
Research and development expenses		
Finance expenses	-64,358,761	-69,632,098
Including: Interest expenses		
Interest income	67,668,551	71,389,749
Add: Other income	4,511,270	19,277,612
Investment income (loss stated with “-”)	173,851,098	129,520,189
Including: Investment income from associates and joint venture	-4,194,443	-3,918,267
Gains on derecognition of financial assets measured at amortised cost		
Gains on net exposure hedges (loss stated with “-”)		
Profit arising from changes in fair value (loss stated with “-”)		
Impairment losses on credit (loss stated with “-”)	-7,369,909	-9,753,657
Impairment losses on assets (loss stated with “-”)		
Gains from disposal of assets (loss stated with “-”)		

Items	First three quarters of 2022 (January – September)	First three quarters of 2021 (January- September)
II. Operating profit (loss stated with “–”)	198,706,028	440,202,692
Add: Non-operating income	6,757,579	19,358,966
Less: Non-operating expenses	361,776	1,004,611
III. Total profit (total loss stated with “–”)	205,101,831	458,557,047
Less: Income tax expenses	52,324,068	110,708,555
IV. Net profit (net loss stated with “–”)	152,777,763	347,848,492
(I) Net profit from continuing operations (net loss stated with “–”)	152,777,763	347,848,492
(II) Net profit from discontinued operations (net loss stated with “–”)		
V. Other comprehensive income (net of tax)		
(I) Other comprehensive income that will not be reclassified into profit or loss		
1. Changes arising from remeasurement of defined benefit plans		
2. Other comprehensive income which cannot be reclassified into profit and loss under equity method		
3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value of the enterprise’s own credit risk		

Items	First three quarters of 2022 (January – September)	First three quarters of 2021 (January- September)
(II) Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income which can be reclassified into profit and loss under equity method		
2. Changes in fair value of investment in other debt instruments		
3. Financial assets reclassified into other comprehensive income		
4. Provision for credit impairments of other debt investments		
5. Cash flow hedge reserve		
6. Exchange differences on foreign currency translation		
7. Others		
VI. Total comprehensive income	152,777,763	347,848,492
VII. Earnings per share:		
(I) Basic earnings per share (RMB/share)		
(II) Diluted earnings per share (RMB/share)		
<i>Person-in-charge of the Company:</i> LI Wei-Dong	<i>Person-in-charge of accounting operations:</i> HU Hao	<i>Person-in-charge of the accounting department:</i> DU Yan

Cash Flow Statements of the Parent Company

From January to September 2022

Prepared by: Beijing North Star Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	First three quarters of 2022 (January to September)	First three quarters of 2021 (January to September)
I. Cash flows from operating activities:		
Cash received from selling goods and rendering services	1,151,504,629	1,647,989,653
Refund of tax and levies received	15,087,485	58,652,746
Cash received relating to other operating activities	132,316,274	165,422,611
Sub-total of cash inflow from operating activities	1,298,908,388	1,872,065,010
Cash paid for purchase of goods and receipt of services	305,645,822	397,706,158
Cash paid to and paid for employees	416,333,529	420,699,470
Taxes paid	211,665,927	257,591,545
Cash paid relating to other operating activities	75,183,239	95,159,916
Sub-total of cash outflow from operating activities	1,008,828,517	1,171,157,089
Net cash flow from operating activities	290,079,871	700,907,921

Items	First three quarters of 2022 (January to September)	First three quarters of 2021 (January to September)
II. Cash flows from investing activities:		
Cash received from disinvestments	11,460,767,456	13,376,010,694
Cash received from returns on investments	864,398,489	613,663,966
Net cash received from disposal of fixed assets, intangible assets and other long- term assets	418,022	108,041
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflow from investing activities	<u>12,325,583,967</u>	<u>13,989,782,701</u>
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	21,750,069	230,365,017
Cash paid to acquire investment	11,192,635,460	16,048,703,812
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities	104,000,000	–
Sub-total of cash outflow from investing activities	<u>11,318,385,529</u>	<u>16,279,068,829</u>
Net cash flows from investing activities	<u>1,007,198,438</u>	<u>-2,289,286,128</u>

Items	First three quarters of 2022 (January to September)	First three quarters of 2021 (January to September)
III. Cash flows from financing activities:		
Cash received from capital contribution		
Cash received from borrowings	1,567,648,483	8,368,163,547
Cash received from issuance of bonds	3,299,207,600	318,043,000
Cash received relating to other financing activities	400,000,000	2,500,000,000
Sub-total of cash inflow from financing activities	5,266,856,083	11,186,206,547
Cash repayments of borrowings	5,280,884,144	9,492,719,505
Cash payments for distribution of dividends and profits or interest expenses	939,425,522	777,705,133
Cash paid relating to other financing activities	3,525,347,754	177,275,615
Sub-total of cash outflow from financing activities	9,745,657,420	10,447,700,253
Net cash flows from financing activities	-4,478,801,337	738,506,294
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-3,181,523,028	-849,871,913
Add: Balance of cash and cash equivalents at the beginning of the period	7,531,453,072	7,494,495,702
VI. Balance of cash and cash equivalents at the end of the period	4,349,930,044	6,644,623,789
<i>Person-in-charge of the Company:</i> LI Wei-Dong	<i>Person-in-charge of accounting operations:</i> HU Hao	<i>Person-in-charge of the accounting department:</i> DU Yan

**ADJUSTMENTS TO FINANCIAL STATEMENTS AT THE BEGINNING
OF THE YEAR UPON THE FIRST ADOPTION OF NEW ACCOUNTING
STANDARDS OR INTERPRETATION OF STANDARDS FROM 2022**

☐ Applicable ☒ Not applicable

By order of the Board
BEIJING NORTH STAR COMPANY LIMITED
GUO Chuan
Executive Director and Company Secretary

Beijing, the PRC, 28 October 2022

As at the date of this announcement, the Board comprises eight directors, of which Mr. LI Wei-Dong, Ms. LI Yun, Mr. YANG Hua-Sen, Ms. ZHANG Wen-Lei and Mr. GUO Chuan are executive directors and Dr. CHOW Wing-Kin, Anthony, Mr. GAN Pei-Zhong and Mr. CHEN De-Qiu are independent non-executive directors.