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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)

2019 FIRST 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 first 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 2019 first quarterly report of the Company is unaudited and the relevant financial statements are prepared in accordance with China Accounting Standards for Business Enterprises. The main text of the 2019 first quarterly report of the Company will be published in certain newspapers in the People's Republic of China (the “**PRC**”) on 25 April 2019, and the 2019 first quarterly report together with the main text of such report will be published on the website of Shanghai Stock Exchange (www.sse.com.cn). The original text of the report is in Chinese.

I. IMPORTANT NOTICE

- 1.1 The board of directors, the supervisory committee, all 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.
- 1.2 All directors of the Company attended the board meeting to consider this quarterly report.
- 1.3 HE Jiang-Chuan, the person-in-charge of the Company, CUI Wei, the person-in-charge of accounting operations, and GAO Xiao-Jie, person-in-charge of the accounting department (chief accountant), warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.
- 1.4 The first quarterly report of the Company is unaudited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Major financial data

		<i>Unit: Yuan</i>	<i>Currency: RMB</i>
	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 from the end of last year (%)
Total assets	93,393,150,075	91,894,399,862	1.63
Net assets attributable to the shareholders of the Company	16,037,182,992	15,217,462,074	5.39
	From the beginning of the year to the end of the reporting period	From the beginning of last year to the end of last year's reporting period	Increase/ decrease from the corresponding period last year (%)
Net cash flow from operating activities	-3,061,148,225	-411,897,287	N/A
	From the beginning of the year to the end of the reporting period	From the beginning of last year to the end of last year's reporting period	Increase/ decrease from the corresponding period last year (%)
Operating revenue	5,042,944,146	1,727,735,392	191.88
Net profit attributable to the shareholders of the Company	819,720,918	180,163,696	354.99
Net profit attributable to the shareholders of the Company after deducting the non-recurring item	814,516,131	155,618,027	423.41
Weighted average return on net assets (%)	5.10	1.42	Increased by 3.68 percentage points
Basic earnings per share (RMB per share)	0.24	0.05	380.00
Diluted earnings per share (RMB per share)	0.24	0.05	380.00

Non-recurring items and amounts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount of the period
Profit or loss on disposal of non-current assets	-276,382
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	958,660
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the period	2,437,201
Other non-operating income and expenses apart from the aforesaid items	5,009,647
Effect on minority interests (after tax)	-892,058
Effect on income tax	<u>-2,032,281</u>
Total	<u><u>5,204,787</u></u>

2.2 Total number of shareholders and shareholdings of top ten shareholders and top ten holders of circulating shares (or holders of shares not subject to selling restrictions) as at the end of the reporting period

Unit: Share

Total number of shareholders 169,336

Shareholdings of Top Ten Shareholders

Name of shareholders (full name)	Number of shares held as at the end of the period	Percentage (%)	Number of shares subject to selling restrictions	Shares pledged or frozen State of shares	Number	Nature of shareholders
Beijing North Star Industrial Group Limited Liabilities Company (“BNS Group”)	1,161,000,031	34.482	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	686,938,199	20.402	0	Nil	0	Foreign legal person
Wangfujing Group Co., Ltd.	125,300,000	3.721	0	Nil	0	State-owned legal person
Foresea Life Insurance Co., Ltd. – Ju Fu Product (前海人壽保險 股份有限公司—聚富產品)	102,883,233	3.056	0	Nil	0	Others
Zhong Hang Xin Gang Guarantee Co., Ltd.	73,573,353	2.185	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	31,843,171	0.946	0	Nil	0	Foreign legal person
ZHONG Yan (鐘燕)	23,481,500	0.697	0	Nil	0	Unknown
Generali China Life Insurance Co., Ltd.-with-profit products 2 (中意人壽保險有限公司— 分紅產品2)	21,154,211	0.628	0	Nil	0	Others
China Construction Bank Corporation – China-Europe Value Discovery Equity Securities Investment Fund (中國建設銀行股份有限 公司—中歐價值發現股票 型證券投資基金)	15,396,256	0.457	0	Nil	0	Others
Taikang Life Insurance Co., Ltd. -Investment Link- Multi-strategy optimization (泰康人壽保險有限責任 公司—投連—多策略優選)	12,384,175	0.368	0	Nil	0	Others

Top Ten Holders of Shares not Subject to Selling Restrictions

Name of shareholders (full name)	Number of circulating shares not subject to selling restrictions	Class and number of shares	
		Class	Number
Beijing North Star Industrial Group Limited Liabilities Company	1,161,000,031	RMB-denominated ordinary shares	1,161,000,031
HKSCC NOMINEES LIMITED	686,938,199	Overseas listed foreign shares	686,938,199
Wangfujing Group Co., Ltd.	125,300,000	RMB-denominated ordinary shares	125,300,000
Foresea Life Insurance Co., Ltd. – Ju Fu Product (前海人壽保險股份有限 公司－聚富產品)	102,883,233	RMB-denominated ordinary shares	102,883,233
Zhong Hang Xin Gang Guarantee Co., Ltd.	73,573,353	RMB-denominated ordinary shares	73,573,353
Hong Kong Securities Clearing Company Limited	31,843,171	RMB-denominated ordinary shares	31,843,171
ZHONG Yan (鐘燕)	23,481,500	RMB-denominated ordinary shares	23,481,500
Generali China Life Insurance Co., Ltd- with-profit products 2 (中意人壽 保險有限公司－分紅產品2)	21,154,211	RMB-denominated ordinary shares	21,154,211
China Construction Bank Corporation – China-Europe Value Discovery Equity Securities Investment Fund (中國建設 銀行股份有限公司－中歐價值發 現股票型證券投資基金)	15,396,256	RMB-denominated ordinary shares	15,396,256
Taikang Life Insurance Co., Ltd. -Investment Link- Multi-strategy optimization (泰康人壽保險有限 責任公司－投連－多策略優選)	12,384,175	RMB-denominated ordinary shares	12,384,175

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 Beijing Wangfujing Group Co., Ltd., the third largest shareholder, and BNS Group, 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.

2.3 Total number of holders of preference shares and shareholdings of top ten holders of preference shares and top ten holders of preference shares not subject to selling restrictions as at the end of the reporting period

☐ Applicable ☒ Not applicable

2.4 Brief of the Company's operation in the first quarter

From January to March 2019, for real estate development purpose, in respect of land reserve, the Company achieved newly increased real estate reserve of 147,000 m², representing a year-on-year decrease of 32.75%, total land reserve of 8,489,700 m² and the equity land reserve of 7,586,600 m²; in respect of engineering construction, the Company recorded a new construction area of 324,500 m², representing a year-on-year decrease of 59.79%, a resumed construction area of 7,120,500 m², representing a year-on-year increase of 15.88%, and a completed area of 43,400 m²; in respect of project sales, the Company recorded sales area of 186,000 m² and sales amount of RMB2,533 million, representing a year-on-year decrease of 48.87% and 54.96%, respectively, and its settlement area was 327,000 m² and its settlement amount was RMB4,426 million, representing a year-on-year increase of 432.32% and 291.32%, respectively.

From January to March 2019, as to property holding, the gross floor area of convention center projects was 328,800 m², realising a total operating revenue of RMB144,174,000; the gross floor area of office building projects was 448,400 m², realising a total operating revenue of RMB195,203,000; the gross floor area of hotel projects was 284,300 m², realising a total operating revenue of RMB163,391,000; the gross floor area of apartment projects was 184,300 m², realising a total operating revenue of RMB60,028,000.

III. SIGNIFICANT EVENTS

3.1 Details and reasons for substantial changes in the major accounting statement items and financial indicators of the Company

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	31 March 2019	31 December 2018	Change	Change rate (%)	Major reasons for the change
Non-current assets due within one year	44,336,913	119,114,418	-74,777,505	-62.78	Mainly due to the repayment of loans by associates and joint ventures
Long-term accounts receivable	46,482,350	110,318,370	-63,836,020	-57.87	Mainly due to the advanced repayment of loans by associates and joint ventures
Staff cost	59,995,966	120,727,123	-60,731,157	-50.30	Mainly due to payment of salaries provided for at the end of the last year by the Company
Item	January to March 2019	January to March 2018	Change	Change rate (%)	Major reasons for the change
Operating revenue	5,042,944,146	1,727,735,392	3,315,208,754	191.88	Mainly due to the increase in settlement area of properties developed in the period as a result of the effects of development and settlement period
Operating costs	2,927,326,089	1,053,785,015	1,873,541,074	177.79	Mainly due to the increase in operating revenue in the period
Taxes and surcharges	578,945,248	120,036,414	458,908,834	382.31	Mainly due to the increase in operating revenue in the period
Income tax expenses	315,772,584	67,757,131	248,015,453	366.04	Mainly due to the increase in total profit in the period
Net profit attributable to the shareholders of the parent company	819,720,918	180,163,696	639,557,222	354.99	Mainly due to the increase in profit of the Company in the period
Basic earnings per share	0.24	0.05	0.19	380.00	Mainly due to the increase in the Company's net profit attributable to the shareholders of the parent company in the period

Item	January to March 2019	January to March 2018	Change	Change rate (%)	Major reasons for the change
Net cash flow from operating activities	-3,061,148,225	-411,897,287	-2,649,250,938	N/A	Mainly due to the increase in cash paid by the Company for purchase of goods and receipt of services in the period
Net cash flow from investment activities	143,107,467	284,111,694	-141,004,227	-49.63	Mainly due to the decrease in receipt of cash received from disposal of investments by the Company in the period
Net cash flow from financing activities	374,282,019	-1,567,569,912	1,941,851,931	N/A	Mainly due to the increase in cash received from borrowings of the Company in the period

The Ministry of Finance issued the revised Accounting Standards for Business Enterprises No. 21-Lease (the “**New Lease Standard**”) in 2018 and the Company has implemented the New Lease Standard from 1 January 2019. Upon assessment, the implementation of the New Lease Standard has no material impact on the 2019 first quarterly report of the Group.

3.2 Analysis and explanation on the development of significant events, and impacts and solutions thereof

☐ Applicable ☒ Not applicable

3.3 Overdue commitments that have not yet been fulfilled during the reporting period

☐ Applicable ☒ Not applicable

3.4 Warning and explanation on reasons for accumulated net profits expected to be probably loss from the beginning of the year to the end of the next reporting period or material changes as compared to those of the corresponding period last year

☐ Applicable ☒ Not applicable

Company Name: **Beijing North Star Company Limited**
Legal representative: **HE Jiang-Chuan**
Date: 24 April 2019

IV. APPENDIX

4.1 Financial statements

Consolidated Balance Sheet

31 March 2019

Prepared by: Beijing North Star Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	31 March 2019	31 December 2018
Current assets:		
Cash and cash equivalents	11,818,465,703	13,756,605,779
Clearing settlement funds		
Placements with banks and other financial institutions		
Financial assets held for trading		
Financial asset at fair value through profit or loss		
Derivative financial assets		
Notes and accounts receivable	87,917,494	70,175,196
Including: Notes receivable		
Accounts receivable	87,917,494	70,175,196
Prepayments	2,979,207,541	2,299,731,771
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Other receivables	3,758,349,912	3,289,646,246
Including: Interest receivable	1,304,234	634,504
Dividends receivable		
Financial assets held under resale agreements		
Inventory	62,878,385,647	60,395,550,007
Contract assets		
Assets held for sale		
Non-current assets due within one year	44,336,913	119,114,418
Other current assets	3,094,364,039	3,046,798,731
Total current assets	84,661,027,249	82,977,622,148

Items	31 March 2019	31 December 2018
Non-current assets:		
Loans and advances to customers		
Debt investment		
Available-for-sale financial assets		
Other debt investment		
Held-to-maturity investments		
Long-term accounts receivable	46,482,350	110,318,370
Long-term equity investments	325,067,743	327,772,994
Other investment in equity instruments		
Other non-current financial assets		
Investment properties	4,790,577,465	4,851,536,879
Fixed assets	2,560,349,697	2,583,428,568
Construction-in-progress	4,897,094	3,030,724
Operational biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	11,954,134	12,958,555
Development expenses		
Goodwill		
Long-term deferred expenses	20,205,163	18,458,084
Deferred income tax assets	843,481,773	864,640,179
Other non-current assets	129,107,407	144,633,361
Total non-current assets	8,732,122,826	8,916,777,714
Total assets	93,393,150,075	91,894,399,862

Items	31 March 2019	31 December 2018
Current liabilities:		
Short-term borrowings	1,000,000,000	1,100,000,000
Borrowings from central bank		
Capital borrowed		
Financial liabilities held for trading		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes and accounts payable	6,568,580,953	6,724,934,667
Accounts received in advance	273,311,445	276,384,713
Financial assets sold under agreements to repurchase		
Absorbing deposit and interbank deposit		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Staff cost	59,995,966	120,727,123
Taxes payable	2,999,022,436	2,774,320,675
Other payables	2,737,475,107	2,407,720,993
Including: Interest payable	486,784,683	484,130,991
Dividends payable	17,162,190	17,162,190
Fee and commission payable		
Reinsurance accounts payable		
Contract liabilities	27,446,823,161	28,444,766,135
Liabilities held for sale		
Non-current liabilities due within one year	9,136,425,453	8,263,916,309
Other current liabilities		
Total current liabilities	50,221,634,521	50,112,770,615

Items	31 March 2019	31 December 2018
Non-current liabilities:		
Reserve of insurance contract		
Long-term borrowings	17,038,817,270	16,365,883,345
Bonds payable	3,404,645,146	3,403,061,006
Including: Preferred shares		
Perpetual bond		
Lease liabilities		
Long-term accounts payable	4,842,838,022	5,031,574,000
Long-term staff cost	137,127,179	137,127,179
Accrued liabilities		
Deferred revenue		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	<u>25,423,427,617</u>	<u>24,937,645,530</u>
Total liabilities	<u>75,645,062,138</u>	<u>75,050,416,145</u>

Items	31 March 2019	31 December 2018
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	3,367,020,000	3,367,020,000
Other equity instruments	1,636,141,487	1,613,451,200
Including: Preferred shares		
Perpetual bond	1,636,141,487	1,613,451,200
Capital reserve	3,648,897,300	3,648,897,300
Less: Treasury shares		
Other comprehensive income	-3,843,924	-3,843,924
Surplus reserve	947,726,656	947,726,656
Normal risk provision		
Undistributed profit	<u>6,441,241,473</u>	<u>5,644,210,842</u>
Owners' equity (or shareholders' equity) attributable to owners of the Parent Company	<u>16,037,182,992</u>	<u>15,217,462,074</u>
Minority interests	<u>1,710,904,945</u>	<u>1,626,521,643</u>
Total owners' equity (or shareholders' equity)	<u><u>17,748,087,937</u></u>	<u><u>16,843,983,717</u></u>
Total liabilities and owners' equity (or shareholders' equity)	<u><u>93,393,150,075</u></u>	<u><u>91,894,399,862</u></u>
<i>Legal representative:</i> HE Jiang-Chuan	<i>Person-in-charge of accounting operations:</i> CUI Wei	<i>Person-in-charge of the accounting department:</i> GAO Xiao-Jie

Balance Sheet of the Parent Company
31 March 2019

Prepared by: Beijing North Star Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Items	31 March 2019	31 December 2018
Current assets:		
Cash and cash equivalents	5,250,917,127	6,177,679,562
Financial assets held for trading		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes and accounts receivable	72,358,981	60,310,141
Including: Notes receivable		
Accounts receivable	72,358,981	60,310,141
Prepayments	2,835,244,260	2,261,034,756
Other receivables	4,640,227,230	1,123,241,470
Including: Interest receivable	472,530,881	106,842,396
Dividends receivable		
Inventory	1,372,667,515	2,824,339,997
Contract assets		
Assets held for sale		
Non-current assets due within one year	8,588,994,349	8,653,831,854
Other current assets	32,334,709	51,945,078
Total current assets	<u>22,792,744,171</u>	<u>21,152,382,858</u>

Items	31 March 2019	31 December 2018
Non-current assets:		
Debt investment		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity investments		
Long-term accounts receivable	11,326,545,533	11,389,651,615
Long-term equity investments	3,015,302,853	2,849,802,853
Other investment in equity instruments		
Other non-current financial assets		
Investment properties	4,780,633,685	4,841,453,684
Fixed assets	1,136,679,588	1,149,346,800
Construction-in-progress	4,841,232	3,030,724
Operational biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	7,486,190	9,222,928
Development expenses		
Goodwill		
Long-term deferred expenses	249,882	397,748
Deferred income tax assets	194,331,224	197,240,131
Other non-current assets		
Total non-current assets	20,466,070,187	20,440,146,483
Total assets	43,258,814,358	41,592,529,341

Items	31 March 2019	31 December 2018
Current liabilities:		
Short-term borrowings	1,000,000,000	1,100,000,000
Financial liabilities held for trading		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes and accounts payable	847,967,708	1,072,349,810
Accounts received in advance	271,268,061	274,828,696
Contract liabilities	771,039,484	391,159,806
Staff cost	58,480,517	86,953,193
Taxes payable	710,201,776	772,720,192
Other payables	8,894,448,071	7,595,493,312
Including: Interest payable	145,357,391	181,032,520
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	5,029,127,453	2,556,618,309
Other current liabilities		
Total current liabilities	17,582,533,070	13,850,123,318
Non-current liabilities:		
Long-term borrowings	9,957,745,270	12,157,513,345
Bonds payable	3,404,645,146	3,403,061,006
Including: Preferred shares		
Perpetual bond		
Lease liabilities		
Long-term accounts payable	137,127,179	137,127,179
Accrued liabilities		
Deferred revenue		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	13,499,517,595	15,697,701,530
Total liabilities	31,082,050,665	29,547,824,848

Items	31 March 2019	31 December 2018
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	3,367,020,000	3,367,020,000
Other equity instruments	1,636,141,487	1,613,451,200
Including: Preferred shares		
Perpetual bond	1,636,141,487	1,613,451,200
Capital reserve	3,681,309,353	3,681,309,353
Less: Treasury shares		
Other comprehensive income	-3,843,924	-3,843,924
Surplus reserve	947,726,656	947,726,656
Undistributed profit	2,548,410,121	2,439,041,208
Total owners' equity (or shareholders' equity)	<u>12,176,763,693</u>	<u>12,044,704,493</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>43,258,814,358</u>	<u>41,592,529,341</u>
<i>Legal representative:</i> HE Jiang-Chuan	<i>Person-in-charge of accounting operations:</i> CUI Wei	<i>Person-in-charge of the accounting department:</i> GAO Xiao-Jie

Consolidated Income Statement

From January to March 2019

Prepared by: Beijing North Star Company Limited

Unit: Yuan Currency: RMB Audit Type : Unaudited

Item	First quarter of 2019	First quarter of 2018
I. Total operating revenue	5,042,944,146	1,727,735,392
Including: Operating revenue	5,042,944,146	1,727,735,392
Interest income		
Premiums earned		
Handling charges and commission income		
II. Total operating costs	3,828,491,217	1,510,157,756
Including: Operating costs	2,927,326,089	1,053,785,015
Interest expenses		
Handling charges and commission expenses		
Surrender payment		
Net expenditure for compensation payments		
Net provision for insurance deposits		
Policyholder dividend expenses		
Reinsurance costs		
Taxes and surcharges	578,945,248	120,036,414
Selling expenses	82,571,859	98,360,332
Administrative expenses	184,459,802	159,901,926
Research and development expenses		
Finance expenses	55,113,780	82,112,679
Including: Interest expenses	81,985,122	103,201,583
Interest income	27,369,287	22,035,431
Impairment losses on assets	74,439	-4,038,610
Impairment losses on credit		

Item	First quarter of 2019	First quarter of 2018
Add: Other income		
Investment income (loss stated with “-”)	-268,050	26,875,730
Including: Investment income from associates and joint ventures	-2,705,251	-3,618,257
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 “-”)		
Gains from disposal of assets (loss stated with “-”)		
III. Operating profit (loss stated with “-”)	1,214,184,879	244,453,366
Add: Non-operating income	6,132,617	3,084,609
Less: Non-operating expenses	440,692	550,651
IV. Total profit (total loss stated with “-”)	1,219,876,804	246,987,324
Less: Income tax expenses	315,772,584	67,757,131
V. Net profit (net loss stated with “-”)	904,104,220	179,230,193
(I) Classified according to continuity of operations		
1. Net profit from continuing operations (net loss stated with “-”)	904,201,904	179,230,193
2. Net profit from discontinued operations (net loss stated with “-”)	-97,684	—

Item	First quarter of 2019	First quarter of 2018
(II) Classified according to the ownership		
1. Net profit attributable to the shareholders of the Parent Company (net loss stated with “-”)	819,720,918	180,163,696
2. Non-controlling interests (net loss stated with “-”)	84,383,302	-933,503
VI. Other comprehensive income (net of tax)		
Other comprehensive income attributable to the owners of the Parent Company (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 to 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		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income which can be reclassified to profit and loss under equity method		
2. Changes in fair value of investment in other debt instruments		
3. Gains or losses from changes in fair value of available-for-sale financial assets		

Item	First quarter of 2019	First quarter of 2018
4. Financial assets reclassified into other comprehensive income		
5. Gains or losses from reclassifying held-to-maturity investments to available-for- sale financial assets		
6. Provision for credit impairments of other debt investments		
7. Cash flow hedge reserve (Effective portion of gains or losses arising from cash flow hedges)		
8. Exchange differences on foreign currency translation		
9. Others		
Other comprehensive income attributable to minority interests (net of tax)		
VII. Total comprehensive income	904,104,220	179,230,193
Total comprehensive income attributable to the owners of the Parent Company	819,720,918	180,163,696
Total comprehensive income attributable to minority interests	84,383,302	-933,503
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.24	0.05
(II) Diluted earnings per share (RMB/share)	0.24	0.05
<i>Legal representative:</i> HE Jiang-Chuan	<i>Person-in-charge of accounting operations:</i> CUI Wei	<i>Person-in-charge of the accounting department:</i> Gao Xiao-Jie

Income Statement of the Parent Company

From January to March 2019

Prepared by: Beijing North Star Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	First quarter of 2019	First quarter of 2018
I. Operating revenue	606,582,995	579,028,272
Less: Operating costs	255,039,852	250,756,512
Taxes and surcharges	48,722,370	49,259,529
Selling expenses	18,244,963	19,787,036
Administrative expenses	128,024,354	113,954,661
Research and development expenses		
Finance expenses	-12,599,417	58,748,333
Including: Interest expenses		
Interest income	12,852,254	8,882,301
Impairment losses on assets	-1,512	32,200
Impairment losses on credit		
Add: Other incomes		
Investment income (loss stated with “-”)	4,530,374	—
Including: Investment income from associates and joint ventures		
Gains on net exposure hedges (loss stated with “-”)		
Profit arising from changes in fair value (loss stated with “-”)		
Gains from disposal of assets (loss stated with “-”)		
 II. Operating profit (loss stated with “-”)	 173,682,759	 86,490,001
Add: Non-operating income	2,764,610	2,227,383
Less: Non-operating expenses	368,436	362,659
 III. Total profit (total loss stated with “-”)	 176,078,933	 88,354,725
Less: Income tax expenses	44,019,733	22,088,681

Item	First quarter of 2019	First quarter of 2018
IV. Net profit (net loss stated with “-”)	132,059,200	66,266,044
(I) Net profit from continuing operations (net loss stated with “-”)	132,156,935	66,266,044
(II) Net profit from discontinued operations (net loss stated with “-”)	-97,735	—
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 to 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		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income which can be reclassified to profit and loss under equity method		
2. Changes in fair value of investment in other debt instruments		
3. Gains or losses from changes in fair value of available-for-sale financial assets		
4. Financial assets reclassified into other comprehensive income		

Item	First quarter of 2019	First quarter of 2018
5. Gains or losses from reclassifying held-to-maturity investments to available-for-sale financial assets		
6. Provision for credit impairments of other debt investments		
7. Cash flow hedge reserve (Effective portion of gains or losses arising from cash flow hedges)		
8. Exchange differences on foreign currency translation		
9. Others		
VI. Total comprehensive income	132,059,200	66,266,044
VII. Earnings per share:		
(I) Basic earnings per share (RMB/share)		
(II) Diluted earnings per share (RMB/share)		
<i>Legal representative:</i> HE Jiang-Chuan	<i>Person-in-charge of accounting operations:</i> CUI Wei	<i>Person-in-charge of the accounting department:</i> Gao Xiao-Jie

Consolidated Cash Flow Statements

From January to March 2019

Prepared by: Beijing North Star Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	First quarter of 2019	First quarter of 2018
I. Cash flows from operating activities:		
Cash received from selling goods and rendering services	4,358,409,731	5,098,009,350
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		
Cash received relating to other operating activities	370,241,434	401,778,760
Sub-total of cash inflow from operating activities	4,728,651,165	5,499,788,110

Item	First quarter of 2019	First quarter of 2018
Cash paid for purchase of goods and receipt of services	5,689,769,647	4,569,699,840
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 financial assets held for trading		
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	283,651,808	296,535,956
Taxes paid	959,797,030	738,187,050
Cash paid relating to other operating activities	856,580,905	307,262,551
Sub-total of cash outflow from operating activities	<u>7,789,799,390</u>	<u>5,911,685,397</u>
Net cash flow from operating activities	<u>-3,061,148,225</u>	<u>-411,897,287</u>

Item	First quarter of 2019	First quarter of 2018
II. Cash flows from investing activities:		
Cash received from disposal of investments	150,444,335	484,000,000
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long- term assets	133,928	228,376
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	150,578,263	484,228,376
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	7,470,796	4,116,682
Cash paid to acquire investment		196,000,000
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities		
Sub-total of cash outflow from investing activities	7,470,796	200,116,682
Net cash flows from investing activities	143,107,467	284,111,694

Item	First quarter of 2019	First quarter of 2018
III. Cash flows from financing activities:		
Cash received from capital contribution		
Including: Cash received from capital contributions by minority shareholders of subsidiaries		
Cash received from borrowings	3,400,856,600	910,087,261
Cash received from issuance of bonds		
Cash received relating to other financing activities	397,193,910	209,500,000
Sub-total of cash inflow from financing activities	3,798,050,510	1,119,587,261
Cash repayments of borrowings	1,116,725,142	1,739,746,417
Cash payments for distribution of dividends and profits or interest expenses	609,239,580	446,910,756
Including: Dividends and profit paid to minority shareholders by subsidiaries		
Cash paid relating to other financing activities	1,697,803,769	500,500,000
Sub-total of cash outflow from financing activities	3,423,768,491	2,687,157,173
Net cash flows from financing activities	374,282,019	-1,567,569,912
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-2,543,758,739	-1,695,355,505
Add: Balance of cash and cash equivalents at the beginning of the period	11,851,787,876	9,846,707,526
VI. Balance of cash and cash equivalents at the end of the period	9,308,029,137	8,151,352,021

Legal representative:
HE Jiang-Chuan

Person-in-charge of
accounting operations:
CUI Wei

Person-in-charge of the
accounting department:
Gao Xiao-Jie

Statement of Cash Flows of the Parent Company

From January to March 2019

Prepared by: Beijing North Star Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	First quarter of 2019	First quarter of 2018
I. Cash flows from operating activities:		
Cash received from selling goods and rendering services	1,167,030,237	587,362,441
Refund of tax and levies received		
Cash received relating to other operating activities	15,616,864	5,973,360
Sub-total of cash inflow from operating activities	1,182,647,101	593,335,801
Cash paid for purchase of goods and receipt of services	3,201,846,410	477,999,310
Cash paid to and paid for employees	175,899,998	183,216,329
Taxes paid	136,191,176	97,363,138
Cash paid relating to other operating activities	75,593,558	164,800,711
Sub-total of cash outflow from operating activities	3,589,531,142	923,379,488
Net cash flow from operating activities	-2,406,884,041	-330,043,687

Item	First quarter of 2019	First quarter of 2018
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from returns on investments	2,240,590,867	113,750,743
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	133,528	52,215
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>2,240,724,395</u>	<u>113,802,958</u>
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	5,318,393	477,520
Cash paid to acquire investment		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities	<u>582,148,568</u>	<u>1,867,452,521</u>
Sub-total of cash outflow from investing activities	<u>587,466,961</u>	<u>1,867,930,041</u>
Net cash flows from investing activities	<u>1,653,257,434</u>	<u>-1,754,127,083</u>

Item	First quarter of 2019	First quarter of 2018
III. Cash flows from financing activities:		
Cash received from capital contribution		
Cash received from borrowings	555,856,600	444,853,629
Cash received relating to other financing activities		209,500,000
Sub-total of cash inflow from financing activities	555,856,600	654,353,629
Cash repayments of borrowings	383,725,145	811,435,785
Cash payments for distribution of dividends and profits or interest expenses	320,772,397	410,041,479
Cash paid relating to other financing activities	24,500,000	59,500,000
Sub-total of cash outflow from financing activities	728,997,542	1,280,977,264
Net cash flows from financing activities	-173,140,942	-626,623,635
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-926,767,549	-2,710,794,405
Add: Balance of cash and cash equivalents at the beginning of the period	6,167,840,790	6,487,100,146
VI. Balance of cash and cash equivalents at the end of the period	5,241,073,241	3,776,305,741
<i>Legal representative:</i> HE Jiang-Chuan	<i>Person-in-charge of accounting operations:</i> CUI Wei	<i>Person-in-charge of the accounting department:</i> Gao Xiao-Jie

BEIJING NORTH STAR COMPANY LIMITED

FULL TEXT OF 2019 FIRST QUARTERLY REPORT

I. IMPORTANT NOTICE

- 1.1 The board of directors, the supervisory committee, all 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.
- 1.2 All directors of the Company attended the board meeting to consider this quarterly report.
- 1.3 HE Jiang-Chuan, the person-in-charge of the Company, CUI Wei, the person-in-charge of accounting operations, and GAO Xiao-Jie, person-in-charge of the accounting department (chief accountant), warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.
- 1.4 The first quarterly report of the Company is unaudited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Major financial data

	<i>Unit: Yuan Currency: RMB</i>		
	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 from the end of last year (%)
Total assets	93,393,150,075	91,894,399,862	1.63
Net assets attributable to the shareholders of the Company	16,037,182,992	15,217,462,074	5.39
	From the beginning of the year to the end of the reporting period	From the beginning of last year to the end of last year's reporting period	Increase/ decrease from the corresponding period last year (%)
Net cash flow from operating activities	-3,061,148,225	-411,897,287	N/A
	From the beginning of the year to the end of the reporting period	From the beginning of last year to the end of last year's reporting period	Increase/ decrease from the corresponding period last year (%)
Operating revenue	5,042,944,146	1,727,735,392	191.88
Net profit attributable to the shareholders of the Company	819,720,918	180,163,696	354.99
Net profit attributable to the shareholders of the Company after deducting the non-recurring item	814,516,131	155,618,027	423.41
Weighted average return on net assets (%)	5.10	1.42	Increased by 3.68 percentage points
Basic earnings per share (RMB per share)	0.24	0.05	380.00
Diluted earnings per share (RMB per share)	0.24	0.05	380.00

Non-recurring items and amounts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount of the period
Profit or loss on disposal of non-current assets	-276,382
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	958,660
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the period	2,437,201
Other non-operating income and expenses apart from the aforesaid items	5,009,647
Effect on minority interests (after tax)	-892,058
Effect on income tax	-2,032,281
Total	<u><u>5,204,787</u></u>

2.2 Total number of shareholders and shareholdings of top ten shareholders and top ten holders of circulating shares (or holders of shares not subject to selling restrictions) as at the end of the reporting period

Unit: Share

Total number of shareholders 169,336

Shareholdings of Top Ten Shareholders

Name of shareholders (full name)	Number of shares held as at the end of the period	Percentage (%)	Number of shares subject to selling restrictions	State of shares	Shares pledged or frozen Number	Nature of shareholders
Beijing North Star Industrial Group Limited Liabilities Company (“BNS Group”)	1,161,000,031	34.482	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	686,938,199	20.402	0	Nil	0	Foreign legal person
Wangfujing Group Co., Ltd.	125,300,000	3.721	0	Nil	0	State-owned legal person
Foresea Life Insurance Co., Ltd. – Ju Fu Product (前海人壽保險股份有限公司－聚富產品)	102,883,233	3.056	0	Nil	0	Others
Zhong Hang Xin Gang Guarantee Co., Ltd.	73,573,353	2.185	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	31,843,171	0.946	0	Nil	0	Foreign legal person
ZHONG Yan (鐘燕)	23,481,500	0.697	0	Nil	0	Unknown
Generali China Life Insurance Co., Ltd-with-profit products 2 (中意人壽保險有限公司－分紅產品2)	21,154,211	0.628	0	Nil	0	Others
China Construction Bank Corporation – China-Europe Value Discovery Equity Securities Investment Fund (中國建設銀行股份有限公司－中歐價值發現股票型證券投資基金)	15,396,256	0.457	0	Nil	0	Others
Taikang Life Insurance Co., Ltd. -Investment Link-Multi-strategy optimization (泰康人壽保險有限責任公司－投連－多策略優選)	12,384,175	0.368	0	Nil	0	Others

Top Ten Holders of Shares not Subject to Selling Restrictions

Name of shareholders (full name)	Number of circulating shares not subject to selling restrictions	Class and number of shares	
		Class	Number
Beijing North Star Industrial Group Limited Liabilities Company	1,161,000,031	RMB-denominated ordinary shares	1,161,000,031
HKSCC NOMINEES LIMITED	686,938,199	Overseas listed foreign shares	686,938,199
Wangfujing Group Co., Ltd.	125,300,000	RMB-denominated ordinary shares	125,300,000
Foresea Life Insurance Co., Ltd. – Ju Fu Product (前海人壽保險股份有限公司－聚富產品)	102,883,233	RMB-denominated ordinary shares	102,883,233
Zhong Hang Xin Gang Guarantee Co., Ltd.	73,573,353	RMB-denominated ordinary shares	73,573,353
Hong Kong Securities Clearing Company Limited	31,843,171	RMB-denominated ordinary shares	31,843,171
ZHONG Yan (鐘燕)	23,481,500	RMB-denominated ordinary shares	23,481,500
Generali China Life Insurance Co., Ltd.-with-profit products 2 (中意人壽保險有限公司－分紅產品2)	21,154,211	RMB-denominated ordinary shares	21,154,211
China Construction Bank Corporation – China-Europe Value Discovery Equity Securities Investment Fund (中國建設銀行股份有限公司－中歐價值發現股票型證券投資基金)	15,396,256	RMB-denominated ordinary shares	15,396,256
Taikang Life Insurance Co., Ltd. -Investment Link- Multi-strategy optimization (泰康人壽保險有限公司－投連－多策略優選)	12,384,175	RMB-denominated ordinary shares	12,384,175

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 Beijing Wangfujing Group Co., Ltd., the third largest shareholder, and BNS Group, 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.

2.3 Total number of holders of preference shares and shareholdings of top ten holders of preference shares and top ten holders of preference shares not subject to selling restrictions as at the end of the reporting period

☐ Applicable ☒ Not applicable

2.4 Brief of the Company's operation in the first quarter

From January to March 2019, for real estate development purpose, in respect of land reserve, the Company achieved newly increased real estate reserve of 147,000 m², representing a year-on-year decrease of 32.75%, total land reserve of 8,489,700 m² and the equity land reserve of 7,586,600 m²; in respect of engineering construction, the Company recorded a new construction area of 324,500 m², representing a year-on-year decrease of 59.79%, a resumed construction area of 7,120,500 m², representing a year-on-year increase of 15.88%, and a completed area of 43,400 m²; in respect of project sales, the Company recorded sales area of 186,000 m² and sales amount of RMB2,533 million, representing a year-on-year decrease of 48.87% and 54.96%, respectively, and its settlement area was 327,000 m² and its settlement amount was RMB4,426 million, representing a year-on-year increase of 432.32% and 291.32%, respectively.

From January to March 2019, as to property holding, the gross floor area of convention center projects was 328,800 m², realising a total operating revenue of RMB144,174,000; the gross floor area of office building projects was 448,400 m², realising a total operating revenue of RMB195,203,000; the gross floor area of hotel projects was 284,300 m², realising a total operating revenue of RMB163,391,000; the gross floor area of apartment projects was 184,300 m², realising a total operating revenue of RMB60,028,000.

III. SIGNIFICANT EVENTS

3.1 Details and reasons for substantial changes in the major accounting statement items and financial indicators of the Company

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	31 March 2019	31 December 2018	Change	Change rate (%)	Major reasons for the change
Non-current assets due within one year	44,336,913	119,114,418	-74,777,505	-62.78	Mainly due to the repayment of loans by associates and joint ventures
Long-term accounts receivable	46,482,350	110,318,370	-63,836,020	-57.87	Mainly due to the advanced repayment of loans by associates and joint ventures
Staff cost	59,995,966	120,727,123	-60,731,157	-50.30	Mainly due to payment of salaries provided for at the end of the last year by the Company
Item	January to March 2019	January to March 2018	Change	Change rate (%)	Major reasons for the change
Operating revenue	5,042,944,146	1,727,735,392	3,315,208,754	191.88	Mainly due to the increase in settlement area of properties developed in the period as a result of the effects of development and settlement period
Operating costs	2,927,326,089	1,053,785,015	1,873,541,074	177.79	Mainly due to the increase in operating revenue in the period
Taxes and surcharges	578,945,248	120,036,414	458,908,834	382.31	Mainly due to the increase in operating revenue in the period
Income tax expenses	315,772,584	67,757,131	248,015,453	366.04	Mainly due to the increase in total profit in the period
Net profit attributable to the shareholders of the parent company	819,720,918	180,163,696	639,557,222	354.99	Mainly due to the increase in profit of the Company in the period
Basic earnings per share	0.24	0.05	0.19	380.00	Mainly due to the increase in the Company's net profit attributable to the shareholders of the parent company in the period

Item	January to March 2019	January to March 2018	Change	Change rate (%)	Major reasons for the change
Net cash flow from operating activities	-3,061,148,225	-411,897,287	-2,649,250,938	N/A	Mainly due to the increase in cash paid by the Company for purchase of goods and receipt of services in the period
Net cash flow from investment activities	143,107,467	284,111,694	-141,004,227	-49.63	Mainly due to the decrease in receipt of cash received from disposal of investments by the Company in the period
Net cash flow from financing activities	374,282,019	-1,567,569,912	1,941,851,931	N/A	Mainly due to the increase in cash received from borrowings of the Company in the period

The Ministry of Finance issued the revised Accounting Standards for Business Enterprises No. 21-Lease (the “**New Lease Standard**”) in 2018 and the Company has implemented the New Lease Standard from 1 January 2019. Upon assessment, the implementation of the New Lease Standard has no material impact on the 2019 first quarterly report of the Group.

3.2 Analysis and explanation on the development of significant events, and impacts and solutions thereof

☐ Applicable ☒ Not applicable

3.3 Overdue commitments that have not yet been fulfilled during the reporting period

☐ Applicable ☒ Not applicable

3.4 Warning and explanation on reasons for accumulated net profits expected to be probably loss from the beginning of the year to the end of the next reporting period or material changes as compared to those of the corresponding period last year

☐ Applicable ☒ Not applicable

Company Name: **Beijing North Star Company Limited**
Legal representative: **HE Jiang-Chuan**
Date: 24 April 2019

By order of the Board
BEIJING NORTH STAR COMPANY LIMITED
HE Jiang-Chuan
Chairman

Beijing, the PRC
24 April 2019

As at the date of this announcement, the Board comprises nine directors, of which Mr. HE Jiang-Chuan, Mr. LI Wei-Dong, Ms. LI Yun, Mr. CHEN De-Qi, Ms. ZHANG Wen-Lei and Mr. GUO Chuan are executive directors and Mr. FU Yiu-Man, Mr. DONG An-Sheng and Mr. WU Ge are independent non-executive directors.