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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 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 2019 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 2019 third quarterly report of the Company will also be published on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 29 October 2019 and the main text of such report will be published in certain newspapers in the People's Republic of China (the “**PRC**”) on 30 October 2019. The original text of the report is in Chinese.

## **I. IMPORTANT NOTICE**

- 1.1 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 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 third 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>
	<b>As at the end of the reporting period</b>	<b>As at the end of last year</b>	<b>Increase/decrease as at the end of the reporting period from the end of last year (%)</b>
Total assets	<b>99,755,482,011</b>	91,894,399,862	8.55
Net assets attributable to the shareholders of the Company	<b>17,016,105,452</b>	15,217,462,074	11.82
	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	<b>From the beginning of last year to the end of last year's reporting period (January to September)</b>	<b>Increase/decrease from the corresponding period last year (%)</b>
Net cash flow from operating activities	<b>823,564,491</b>	3,073,252,440	-73.20

	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	From the beginning of last year to the end of last year's reporting period (January to September)	Increase/decrease from the corresponding period last year (%)
Operating revenue	<b>10,072,096,618</b>	10,776,097,317	-6.53
Net profit attributable to the shareholders of the Company	<b>1,304,141,278</b>	1,184,573,061	10.09
Net profit attributable to the shareholders of the Company after deducting the non-recurring item	<b>1,294,731,079</b>	1,123,135,982	15.28
Weighted average return on net assets (%)	<b>8.59</b>	9.09	Decreased by 0.50 percentage point
Basic earnings per share (RMB per share)	<b>0.39</b>	0.35	11.43
Diluted earnings per share (RMB per share)	<b>0.39</b>	0.35	11.43

## Non-recurring items and amounts

☒ Applicable      ☐ Not applicable

*Unit: Yuan    Currency: RMB*

Item	Amount of the period (July to September)	From the beginning of the year to the end of the reporting period (January to September)
Profit or loss on disposal of non-current assets	<b>-112,012</b>	-1,628,406
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	<b>1,211,497</b>	10,355,574
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the period	–	2,287,280
Reversal of provision for impairment of receivables and contract assets subject to individual impairment test	–	276,805
Other non-operating income and expenses apart from the aforesaid items	<b>6,534,429</b>	6,399,485
Effect on minority interests (after tax)	<b>-233,057</b>	-3,857,855
Effect on income tax	<b>-1,908,478</b>	-4,422,684
<b>Total</b>	<b>5,492,379</b>	9,410,199

## 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 161,342

### 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	687,616,199	20.422	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)	98,357,500	2.921	0	Nil	0	Domestic non- stated-owned legal person
Zhong Hang Xin Gang Guarantee Co., Ltd.	73,472,353	2.182	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	42,415,816	1.260	0	Nil	0	Foreign legal person
ZHONG Yan (鐘燕)	23,500,000	0.698	0	Nil	0	Unknown
Dongguan HF Asset Management Company Limited – HF Global Value Optimized Private Fund (東 莞市惠豐資產管理有限公司－ 惠豐全球價值優選私募基金)	17,500,102	0.520	0	Nil	0	Domestic non- stated-owned legal person
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	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)	12,116,068	0.360	0	Nil	0	Unknown

## 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	687,616,199	Overseas listed foreign shares	687,616,199
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)	98,357,500	RMB-denominated ordinary shares	98,357,500
Zhong Hang Xin Gang Guarantee Co., Ltd.	73,472,353	RMB-denominated ordinary shares	73,472,353
Hong Kong Securities Clearing Company Limited	42,415,816	RMB-denominated ordinary shares	42,415,816
ZHONG Yan (鐘燕)	23,500,000	RMB-denominated ordinary shares	23,500,000
Dongguan HF Asset Management Company Limited – HF Global Value Optimized Private Fund (東莞市惠豐資產管理 有限公司－惠豐全球價值優選私募 基金)	17,500,102	RMB-denominated ordinary shares	17,500,102
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
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)	12,116,068	RMB-denominated ordinary shares	12,116,068
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 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 third quarter**

From January to September 2019, for real estate development purpose, in respect of land reserve, the Company achieved newly increased real estate reserve of 264,700 m<sup>2</sup>, total land reserve of 7,462,500 m<sup>2</sup> and the equity land reserve of 6,779,500 m<sup>2</sup>; in respect of engineering construction, the Company recorded a new construction area of 1,217,700 m<sup>2</sup>, representing a year-on-year decrease of 23.85%, a resumed construction area of 8,005,600 m<sup>2</sup>, representing a year-on-year increase of 15.45%, and a completed area of 1,488,200 m<sup>2</sup>, representing a year-on-year increase of 103.86%; in respect of project sales, the Company recorded sales area of 1,020,000 m<sup>2</sup> and sales amount of RMB15,280 million, representing a year-on-year decrease of 33.33% and 36.54%, respectively, and its settlement area was 514,700 m<sup>2</sup> and its settlement amount was RMB8,051 million, representing a year-on-year decrease of 16.34% and 7.69%, respectively.

From January to September 2019, as to property holding, the gross floor area of convention center projects was 328,800 m<sup>2</sup>, realising a total operating revenue of RMB596,240,000; the gross floor area of office building projects was 448,400 m<sup>2</sup>, realising a total operating revenue of RMB519,100,000; the gross floor area of hotel projects was 284,300 m<sup>2</sup>, realising a total operating revenue of RMB563,970,000; the gross floor area of apartment projects was 184,300 m<sup>2</sup>, realising a total operating revenue of RMB204,370,000.



### 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	30 September 2019	31 December 2018	Change	Change rate (%)	Major reasons for the change
Accounts receivable	124,447,583	70,175,196	54,272,387	77.34	Mainly due to the increase in operating receivables from holding properties in the period
Prepayments	104,901,853	2,299,731,771	-2,194,829,918	-95.44	Mainly due to the transfer of prepayments of land premiums at the beginning of the period to the inventory in the period
Non-current assets due within one year	11,940,000	119,114,418	-107,174,418	-89.98	Mainly due to the receipt of receivables from joint ventures in the period
Long-term accounts receivable	151,524,653	110,318,370	41,206,283	37.35	Mainly due to the increase in deposits receivable of the Company in the period
Deferred income tax assets	1,146,117,702	864,640,179	281,477,523	32.55	Mainly due to the increase in deductible temporary differences of the Company in the period
Other payables	4,270,419,486	2,407,720,993	1,862,698,493	77.36	Mainly due to the increase in the amount of tax in items to be resold related to contract liabilities
Long-term borrowings	21,724,533,991	16,365,883,345	5,358,650,646	32.74	Mainly due to the increase in long-term borrowings of the Company in the period

Item	30 September 2019	31 December 2018	Change	Change rate (%)	Major reasons for the change
Other equity instruments	<b>2,611,714,222</b>	1,613,451,200	998,263,022	61.87	Mainly due to the issuance of the first medium term notes of 2019 in the period
Minority interests	<b>2,784,185,284</b>	1,626,521,643	1,157,663,641	71.17	Mainly due to the capitals from minority shareholders of non-wholly-owned subsidiaries of the Company in the period

Item	30 September 2019	31 December 2018	Change	Change rate (%)	Major reasons for the change
Taxes and surcharges	<b>1,062,530,445</b>	688,753,998	373,776,447	54.27	Mainly due to the increase in land appreciation tax in the development of property carry-over projects by the Company in the period
Other income	<b>7,013,156</b>	4,653,315	2,359,841	50.71	Mainly due to the receipt of government grants by the Company in the period
Investment income	<b>37,473,009</b>	97,195,223	-59,722,214	-61.45	Mainly due to the decrease in profits made by joint ventures and associates of the Company in the period
Net profit attributable to the shareholders of the Parent Company	<b>1,304,141,278</b>	1,184,573,061	119,568,217	10.09	Mainly due to the increase in the interest's proportion of carry-over projects of the Company in the period
Net cash flow from operating activities	<b>823,564,491</b>	3,073,252,440	-2,249,687,949	-73.20	Mainly due to the decrease in operating inflow and the increase in the payment of taxes of the Company in the period
Net cash flow from investment activities	<b>161,146,234</b>	1,002,824,013	-841,677,779	-83.93	Mainly due to the decrease in receipt of loan principal of joint ventures and associates by the Company in the period
Net cash flow from financing activities	<b>2,461,131,593</b>	-837,231,966	3,298,363,559	393.96	Mainly due to the issuance of non-public corporate bonds and the first medium term notes of 2019 by the Company in the period

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

☒ Applicable      ☐ Not applicable

In order to enhance the asset integrity and operational stability of the Company, on 27 September 2019, it was considered and approved at the 45th meeting of the eighth session of the Board of the Company that the Company proposed to acquire the land use right of a land parcel in the Asian Games Village held by BNS Group, the controlling shareholder of the Company, in cash. The total area of land parcel in the Asian Games Village is 235,516.67 square meters, and its preliminary appraised value exclusive of tax is approximately RMB4,739 million. According to the conditional Transfer Agreement on Land Use Right entered into between both parties, the final transfer price shall be based on the appraised value as arrived at in the valuation of the land parcel to be transferred by a third-party asset appraisal firm with relevant qualifications and approved by the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality and shall be ultimately confirmed by BNS Group and the Company. The transaction is subject to consideration at the general meeting and H shareholders' class meeting of the Company. For details, please refer to the Announcement on Connected Transaction of Beijing North Star (Announcement No.: Lin 2019-046), the Announcement on Proposed Change of Relevant Undertakings by the Controlling Shareholder of Beijing North Star (Announcement No.: Lin 2019-047), the Announcement on Resolutions of the 45th Meeting of the Eighth Session of the Board of Beijing North Star (Announcement No.: Lin 2019-048) and the Announcement on Resolutions of the Seventh Meeting of the Eighth Session of the Supervisory Committee of Beijing North Star (Announcement No.: Lin 2019-049) published on the website of the Shanghai Stock Exchange on 28 September 2019.

### **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: 29 October 2019

## IV. APPENDIX

### 4.1 Financial statements

#### Consolidated Balance Sheet

30 September 2019

Prepared by: Beijing North Star Company Limited

*Unit: Yuan    Currency: RMB    Audit Type: Unaudited*

Item	30 September 2019	31 December 2018
<b>Current assets:</b>		
Cash at bank and in hand	17,230,769,481	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 receivable		
Accounts receivable	124,447,583	70,175,196
Receivables financing		
Prepayments	104,901,853	2,299,731,771
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Other receivables	3,313,525,410	3,289,646,246
Including: Interest receivable	–	634,504
Dividends receivable		
Financial assets held under resale agreements		
Inventory	66,359,001,893	60,395,550,007
Contract assets		
Assets held for sale		
Non-current assets due within one year	11,940,000	119,114,418
Other current assets	3,618,552,169	3,046,798,731
<b>Total current assets</b>	<b>90,763,138,389</b>	<b>82,977,622,148</b>

Item	30 September 2019	31 December 2018
<b>Non-current assets:</b>		
Loans and advances to customers		
Debt investment		
Available-for-sale financial assets		
Other debt investment		
Held-to-maturity investments		
Long-term accounts receivable	151,524,653	110,318,370
Long-term equity investments	311,628,058	327,772,994
Other investment in equity instruments		
Other non-current financial assets		
Investment properties	4,792,569,669	4,851,536,879
Fixed assets	2,417,922,214	2,583,428,568
Construction-in-progress	6,924,348	3,030,724
Operational biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	10,199,182	12,958,555
Development expenses		
Goodwill		
Long-term deferred expenses	18,518,340	18,458,084
Deferred income tax assets	1,146,117,702	864,640,179
Other non-current assets	136,939,456	144,633,361
<b>Total non-current assets</b>	<b>8,992,343,622</b>	<b>8,916,777,714</b>
<b>Total assets</b>	<b>99,755,482,011</b>	<b>91,894,399,862</b>

Item	30 September 2019	31 December 2018
<b>Current liabilities:</b>		
Short-term borrowings	1,001,208,333	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 payable		
Accounts payable	5,393,227,785	6,724,934,667
Accounts received in advance	303,104,130	276,384,713
Contract liabilities	30,481,091,139	28,444,766,135
Financial assets sold under agreements to repurchase		
Absorbing deposit and interbank deposit		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Staff cost	101,800,281	120,727,123
Taxes payable	2,603,453,953	2,774,320,675
Other payables	4,270,419,486	2,407,720,993
Including: Interest payable	–	484,130,991
Dividends payable	110,217,690	17,162,190
Fee and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	7,236,861,609	8,263,916,309
Other current liabilities		
<b>Total current liabilities</b>	<b>51,391,166,716</b>	<b>50,112,770,615</b>

Item	30 September 2019	31 December 2018
<b>Non-current liabilities:</b>		
Reserve of insurance contract		
Long-term borrowings	<b>21,724,533,991</b>	16,365,883,345
Bonds payable	<b>2,862,421,430</b>	3,403,061,006
Including: Preferred shares		
Perpetual bond		
Lease liabilities		
Long-term accounts payable	<b>3,846,906,959</b>	5,031,574,000
Long-term staff cost	<b>130,162,179</b>	137,127,179
Accrued liabilities		
Deferred revenue		
Deferred income tax liabilities		
Other non-current liabilities		
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<b>Total non-current liabilities</b>	<b>28,564,024,559</b>	24,937,645,530
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<b>Total liabilities</b>	<b>79,955,191,275</b>	75,050,416,145
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Item	30 September 2019	31 December 2018
<b>Owners' equity (or shareholders' equity)</b>		
Paid-in capital (or share capital)	3,367,020,000	3,367,020,000
Other equity instruments	2,611,714,222	1,613,451,200
Including: Preferred shares		
Perpetual bond	2,611,714,222	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
Special reserve		
Surplus reserve	947,726,656	947,726,656
Normal risk provision		
Undistributed profit	6,444,591,198	5,644,210,842
<b>Total owners' equity (or shareholders' equity)</b>		
attributable to owners of the Parent Company	17,016,105,452	15,217,462,074
Minority interests	2,784,185,284	1,626,521,643
<b>Total owners' equity (or shareholders' equity)</b>	<b>19,800,290,736</b>	<b>16,843,983,717</b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>99,755,482,011</b>	<b>91,894,399,862</b>
 <i>Legal representative:</i> <b>HE Jiang-Chuan</b>	 <i>Person-in-charge of accounting operations:</i> <b>CUI Wei</b>	 <i>Person-in-charge of the accounting department:</i> <b>GAO Xiao-Jie</b>



**Balance Sheet of the Parent Company***30 September 2019*

Prepared by: Beijing North Star Company Limited

*Unit: Yuan    Currency: RMB    Audit Type: Unaudited*

<b>Item</b>	<b>30 September 2019</b>	<b>31 December 2018</b>
<b>Current assets:</b>		
Cash at bank and in hand	<b>8,506,243,008</b>	6,177,679,562
Financial assets held for trading		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable		
Accounts receivable	<b>95,789,916</b>	60,310,141
Receivables financing		
Prepayments	<b>15,472,143</b>	2,261,034,756
Other receivables	<b>284,391,863</b>	1,123,241,470
Including: Interest receivable	–	106,842,396
Dividends receivable		
Inventory	<b>1,364,513,020</b>	2,824,339,997
Contract assets		
Assets held for sale		
Non-current assets due within one year	<b>6,958,903,305</b>	8,653,831,854
Other current assets	<b>65,536,031</b>	51,945,078
<b>Total current assets</b>	<b>17,290,849,286</b>	21,152,382,858

Item	30 September 2019	31 December 2018
<b>Non-current assets:</b>		
Debt investment		
Available-for-sale financial assets		
Other debt investment		
Held-to-maturity investments		
Long-term accounts receivable	15,467,059,656	11,389,651,615
Long-term equity investments	6,535,696,753	2,849,802,853
Other investment in equity instruments		
Other non-current financial assets		
Investment properties	4,782,817,343	4,841,453,684
Fixed assets	1,084,118,236	1,149,346,800
Construction-in-progress	6,805,035	3,030,724
Operational biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	4,751,266	9,222,928
Development expenses		
Goodwill		
Long-term deferred expenses	35,697	397,748
Deferred income tax assets	199,267,511	197,240,131
Other non-current assets		
<b>Total non-current assets</b>	<b>28,080,551,497</b>	<b>20,440,146,483</b>
<b>Total assets</b>	<b>45,371,400,783</b>	<b>41,592,529,341</b>

Item	30 September 2019	31 December 2018
<b>Current liabilities:</b>		
Short-term borrowings	1,001,208,333	1,100,000,000
Financial liabilities held for trading		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	762,676,556	1,072,349,810
Accounts received in advance	294,273,187	274,828,696
Contract liabilities	807,864,534	391,159,806
Staff cost	76,487,520	86,953,193
Taxes payable	648,943,450	772,720,192
Other payables	10,085,432,871	7,595,493,312
Including: Interest payable	–	181,032,520
Dividends payable	93,055,500	–
Liabilities held for sale		
Non-current liabilities due within one year	5,276,046,475	2,556,618,309
Other current liabilities		
<b>Total current liabilities</b>	<b>18,952,932,926</b>	<b>13,850,123,318</b>

Item	30 September 2019	31 December 2018
<b>Non-current liabilities:</b>		
Long-term borrowings	10,268,126,467	12,157,513,345
Bonds payable	2,862,421,430	3,403,061,006
Including: Preferred shares		
Perpetual bond		
Lease liabilities		
Long-term accounts payable		
Long-term staff cost	130,162,179	137,127,179
Accrued liabilities		
Deferred revenue		
Deferred income tax liabilities		
Other non-current liabilities		
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<b>Total non-current liabilities</b>	<b>13,260,710,076</b>	<b>15,697,701,530</b>
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<b>Total liabilities</b>	<b>32,213,643,002</b>	<b>29,547,824,848</b>
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Item	30 September 2019	31 December 2018
<b>Owners' equity (or shareholders' equity)</b>		
Paid-in capital (or share capital)	3,367,020,000	3,367,020,000
Other equity instruments	2,611,714,222	1,613,451,200
Including: Preferred shares		
Perpetual bond	2,611,714,222	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
Special reserve		
Surplus reserve	947,726,656	947,726,656
Undistributed profit	2,553,831,474	2,439,041,208
<b>Total owners' equity (or shareholders' equity)</b>	<b>13,157,757,781</b>	<b>12,044,704,493</b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>45,371,400,783</b>	<b>41,592,529,341</b>
<i>Legal representative:</i> <b>HE Jiang-Chuan</b>	<i>Person-in-charge of accounting operations:</i> <b>CUI Wei</b>	<i>Person-in-charge of the accounting department:</i> <b>GAO Xiao-Jie</b>

# Consolidated Income Statement

From January to September 2019

Prepared by: Beijing North Star Company Limited

Unit: Yuan    Currency: RMB    Audit Type: Unaudited

Item	Third quarter of 2019 (July- September)	Third quarter of 2018 (July- September)	The first three quarters of 2019 (January -September)	The first three quarters of 2018 (January- September)
<b>I. Total operating revenue</b>	<b>1,523,090,851</b>	5,305,853,751	<b>10,072,096,618</b>	10,776,097,317
Including: Operating revenue	<b>1,523,090,851</b>	5,305,853,751	<b>10,072,096,618</b>	10,776,097,317
Interest income				
Premiums earned				
Handling charges and commission income				
<b>II. Total operating costs</b>	<b>1,438,646,701</b>	4,276,933,176	<b>8,078,931,837</b>	8,714,550,619
Including: Operating costs	<b>858,675,089</b>	3,445,655,601	<b>5,737,456,434</b>	6,764,260,949
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	<b>88,455,786</b>	349,127,898	<b>1,062,530,445</b>	688,753,998
Selling expenses	<b>128,863,949</b>	132,746,502	<b>322,200,878</b>	349,031,321
Administrative expenses	<b>219,849,519</b>	189,495,961	<b>612,273,977</b>	512,280,809
Research and development expenses				
Finance expenses	<b>142,802,358</b>	159,907,214	<b>344,470,103</b>	400,223,542

Item		Third quarter of 2019 (July- September)	Third quarter of 2018 (July- September)	The first three quarters of 2019 (January -September)	The first three quarters of 2018 (January- September)
	Including: Interest expenses	181,792,271	191,177,227	428,617,156	530,702,614
	Interest income	40,231,158	35,503,478	86,834,459	136,862,935
Add:	Other income	–	4,651,130	7,013,156	4,653,315
	Investment income (loss stated with “-”)	1,408,912	12,597,245	37,473,009	97,195,223
	Including: Investment income from associates and joint ventures	732,177	12,597,245	34,628,748	97,195,223
	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 “-”)	11,636	–	-1,793,352	–
	Impairment losses on assets (loss stated with “-”)	–	6,419	–	-93,522
	Gains from disposal of assets (loss stated with “-”)	7,699	13,147	81,186	78,955
III.	Operating profit (loss stated with “-”)	85,872,397	1,046,188,516	2,035,938,780	2,163,380,669
	Add: Non-operating income	5,348,178	6,113,252	21,138,245	14,168,382
	Less: Non-operating expenses	-2,101,143	2,274,428	13,282,828	3,679,481
IV.	Total profit (total loss stated with “-”)	93,321,718	1,050,027,340	2,043,794,197	2,173,869,570
	Less: Income tax expenses	37,084,492	275,402,142	541,989,278	546,943,693

Item	Third quarter of 2019 (July- September)	Third quarter of 2018 (July- September)	The first three quarters of 2019 (January -September)	The first three quarters of 2018 (January- September)
<b>V. Net profit (net loss stated with “-”)</b>	<b>56,237,226</b>	774,625,198	<b>1,501,804,919</b>	1,626,925,877
(I) Classified according to continuity of operations				
1. Net profit from continuing operations (net loss stated with “-”)	<b>56,312,472</b>	781,082,429	<b>1,502,272,552</b>	1,635,928,956
2. Net profit from discontinued operations (net loss stated with “-”)	<b>-75,246</b>	-6,457,231	<b>-467,633</b>	-9,003,079
(II) Classified according to the ownership				
1. Net profit attributable to the shareholders of the Parent Company (net loss stated with “-”)	<b>19,416,665</b>	546,799,593	<b>1,304,141,278</b>	1,184,573,061
2. Non-controlling interests (net loss stated with “-”)	<b>36,820,561</b>	227,825,605	<b>197,663,641</b>	442,352,816
<b>VI. Other comprehensive income (net of tax)</b>				
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				



Item	Third quarter of 2019 (July- September)	Third quarter of 2018 (July- September)	The first three quarters of 2019 (January -September)	The first three quarters of 2018 (January- September)
(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				
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)				
<b>VII. Total comprehensive income</b>	<b>56,237,226</b>	774,625,198	<b>1,501,804,919</b>	1,626,925,877
Total comprehensive income attributable to the owners of the Parent Company	<b>19,416,665</b>	546,799,593	<b>1,304,141,278</b>	1,184,573,061
Total comprehensive income attributable to minority interests	<b>36,820,561</b>	227,825,605	<b>197,663,641</b>	442,352,816
<b>VIII. Earnings per share:</b>				
(I) Basic earnings per share ( <i>RMB/share</i> )	<b>0.03</b>	0.16	<b>0.39</b>	0.35
(II) Diluted earnings per share ( <i>RMB/share</i> )	<b>0.03</b>	0.16	<b>0.39</b>	0.35

*Legal representative:*  
**HE Jiang-Chuan**

*Person-in-charge of  
accounting operations:*  
**CUI Wei**

*Person-in-charge of the  
accounting department:*  
**GAO Xiao-Jie**

# Income Statement of the Parent Company

From January to September 2019

Prepared by: Beijing North Star Company Limited

Unit: Yuan    Currency: RMB    Audit Type: Unaudited

Item	Third quarter of 2019 (July- September)	Third quarter of 2018 (July- September)	The first three quarters of 2019 (January -September)	The first three quarters of 2018 (January- September)
<b>I. Operating revenue</b>	<b>550,857,470</b>	720,584,533	<b>1,818,891,059</b>	2,007,155,041
Less: Operating costs	<b>197,871,050</b>	263,244,791	<b>693,083,592</b>	778,460,288
Taxes and surcharges	<b>42,724,978</b>	51,577,840	<b>143,590,943</b>	148,924,070
Selling expenses	<b>22,889,981</b>	18,388,322	<b>58,847,801</b>	56,144,339
Administrative expenses	<b>139,602,569</b>	126,083,329	<b>398,381,450</b>	358,613,830
Research and development expenses				
Finance expenses	<b>-12,431,077</b>	-12,990,998	<b>-29,339,589</b>	9,049,904
Including: Interest expenses	-	8,748,447	-	110,493,694
Interest income	<b>12,868,046</b>	25,093,013	<b>30,314,308</b>	105,903,827
Add: Other income	-	394,000	<b>5,050,000</b>	394,000
Investment income (loss stated with "-")	<b>95,843,297</b>	-	<b>281,124,652</b>	-
Including: Investment income from associates and joint ventures				
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 "-")	-	-	<b>-5,387,934</b>	-
Impairment losses on assets (loss stated with "-")	-	-	-	-32,199
Gains from disposal of assets (loss stated with "-")	-	13,148	<b>97,360</b>	49,710

Item	Third quarter of 2019 (July- September)	Third quarter of 2018 (July- September)	The first three quarters of 2019 (January -September)	The first three quarters of 2018 (January- September)
<b>II. Operating profit (loss stated with “-”)</b>	<b>256,043,266</b>	274,688,397	<b>835,210,940</b>	656,374,121
Add: Non-operating income	<b>4,112,646</b>	560,791	<b>10,309,797</b>	4,573,556
Less: Non-operating expenses	<b>7,559,896</b>	1,916,708	<b>9,279,303</b>	2,768,552
<b>III. Total profit (total loss stated with “-”)</b>	<b>252,596,016</b>	273,332,480	<b>836,241,434</b>	658,179,125
Less: Income tax expenses	<b>71,771,640</b>	68,333,120	<b>217,690,245</b>	164,573,454
<b>IV. Net profit (net loss stated with “-”)</b>	<b>180,824,376</b>	204,999,360	<b>618,551,189</b>	493,605,671
(I) Net profit from continuing operations (net loss stated with “-”)	<b>180,999,060</b>	213,261,421	<b>619,113,885</b>	501,576,135
(II) Net profit from discontinued operations (net loss stated with “-”)	<b>-174,684</b>	-8,262,061	<b>-562,696</b>	-7,970,464
<b>V. Other comprehensive income (net of tax)</b>				
(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				

Item	Third quarter of 2019 (July- September)	Third quarter of 2018 (July- September)	The first three quarters of 2019 (January -September)	The first three quarters of 2018 (January- September)
(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				
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				
<b>VI. Total comprehensive income</b>	<b>180,824,376</b>	<b>204,999,360</b>	<b>618,551,189</b>	<b>493,605,671</b>
<b>VII. Earnings per share:</b>				
(I) Basic earnings per share ( <i>RMB/share</i> )				
(II) Diluted earnings per share ( <i>RMB/share</i> )				

<i>Legal representative:</i> <b>HE Jiang-Chuan</b>	<i>Person-in-charge of accounting operations:</i> <b>CUI Wei</b>	<i>Person-in-charge of the accounting department:</i> <b>GAO Xiao-Jie</b>
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## Consolidated Cash Flow Statements

From January to September 2019

Prepared by: Beijing North Star Company Limited

Unit: Yuan    Currency: RMB    Audit Type: Unaudited

Item	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
<b>I. Cash flows from operating activities:</b>		
Cash received from selling goods and rendering services	14,831,236,517	20,529,541,745
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	381,655,351	355,865,495
<b>Sub-total of cash inflow from operating activities</b>	<b>15,212,891,868</b>	<b>20,885,407,240</b>

<b>Item</b>	<b>First three quarters of 2019 (January to September)</b>	<b>First three quarters of 2018 (January to September)</b>
Cash paid for purchase of goods and receipt of services	<b>9,779,209,871</b>	13,296,848,226
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	<b>770,118,155</b>	750,282,494
Taxes paid	<b>3,165,241,215</b>	2,638,218,075
Cash paid relating to other operating activities	<b>674,758,136</b>	1,126,806,005
<b>Sub-total of cash outflow from operating activities</b>	<b>14,389,327,377</b>	17,812,154,800
<b>Net cash flow from operating activities</b>	<b>823,564,491</b>	3,073,252,440

Item	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments	<b>181,788,834</b>	1,179,710,188
Cash received from returns on investments	<b>53,559,333</b>	–
Net cash received from disposal of fixed assets, intangible assets and other long- term assets	<b>604,007</b>	2,500,382
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
<b>Sub-total of cash inflow from investing activities</b>	<b>235,952,174</b>	<b>1,182,210,570</b>
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	<b>74,805,940</b>	59,386,557
Cash paid to acquire investment	–	120,000,000
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities		
<b>Sub-total of cash outflow from investing activities</b>	<b>74,805,940</b>	<b>179,386,557</b>
<b>Net cash flows from investing activities</b>	<b>161,146,234</b>	<b>1,002,824,013</b>

Item	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
<b>III. Cash flows from financing activities:</b>		
Cash received from capital contribution	<b>1,951,600,000</b>	48,750,000
Including: Cash received from capital contributions by minority shareholders of subsidiaries	<b>960,000,000</b>	48,750,000
Cash received from borrowings	<b>8,843,221,892</b>	9,307,435,039
Cash received from issuance of bonds	<b>1,190,400,000</b>	–
Cash received relating to other financing activities	<b>1,092,170,572</b>	973,600,000
<b>Sub-total of cash inflow from financing activities</b>	<b>13,077,392,464</b>	10,329,785,039
Cash repayments of borrowings	<b>8,298,409,463</b>	9,222,525,175
Cash payments for distribution of dividends and profits or interest expenses	<b>2,089,711,965</b>	1,944,491,830
Including: Dividends and profit paid to minority shareholders by subsidiaries		
Cash paid relating to other financing activities	<b>228,139,443</b>	–
<b>Sub-total of cash outflow from financing activities</b>	<b>10,616,260,871</b>	11,167,017,005
<b>Net cash flows from financing activities</b>	<b>2,461,131,593</b>	-837,231,966



Item	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	3,445,842,318	3,238,844,487
Add: Balance of cash and cash equivalents at the beginning of the period	<u>11,851,787,876</u>	<u>9,846,707,526</u>
VI. Balance of cash and cash equivalents at the end of the period	<u>15,297,630,194</u>	<u>13,085,552,013</u>
<i>Legal representative:</i> <b>HE Jiang-Chuan</b>	<i>Person-in-charge of accounting operations:</i> <b>CUI Wei</b>	<i>Person-in-charge of the accounting department:</i> <b>GAO Xiao-Jie</b>

## Statement of Cash Flows of the Parent Company

From January to September 2019

Prepared by: Beijing North Star Company Limited

Unit: Yuan    Currency: RMB    Audit Type: Unaudited

Item	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
<b>I. Cash flows from operating activities:</b>		
Cash received from selling goods and rendering services	2,394,087,961	2,084,870,613
Refund of tax and levies received		
Cash received relating to other operating activities	228,808,579	381,495,600
<b>Sub-total of cash inflow from operating activities</b>	<b>2,622,896,540</b>	<b>2,466,366,213</b>
Cash paid for purchase of goods and receipt of services	870,191,236	3,436,806,621
Cash paid to and paid for employees	489,651,860	433,194,776
Taxes paid	687,308,594	386,143,066
Cash paid relating to other operating activities	157,125,179	165,371,478
<b>Sub-total of cash outflow from operating activities</b>	<b>2,204,276,869</b>	<b>4,421,515,941</b>
<b>Net cash flow from operating activities</b>	<b>418,619,671</b>	<b>-1,955,149,728</b>

<b>Item</b>	<b>First three quarters of 2019 (January to September)</b>	<b>First three quarters of 2018 (January to September)</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments	<b>12,376,498,345</b>	9,055,542,384
Cash received from returns on investments	<b>1,151,436,631</b>	972,760,870
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>402,896</b>	512,803
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
<b>Sub-total of cash inflow from investing activities</b>	<b><u>13,528,337,872</u></b>	<b><u>10,028,816,057</u></b>
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	<b>54,076,418</b>	9,760,150
Cash paid to acquire investment	<b>11,720,938,493</b>	6,348,566,212
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities		
<b>Sub-total of cash outflow from investing activities</b>	<b><u>11,775,014,911</u></b>	<b><u>6,358,326,362</u></b>
<b>Net cash flows from investing activities</b>	<b><u>1,753,322,961</u></b>	<b><u>3,670,489,695</u></b>

<b>Item</b>	<b>First three quarters of 2019 (January to September)</b>	<b>First three quarters of 2018 (January to September)</b>
<b>III. Cash flows from financing activities:</b>		
Cash received from capital contribution	<b>991,600,000</b>	–
Cash received from borrowings	<b>1,067,465,213</b>	4,037,661,046
Cash received from issuance of bonds	<b>1,190,400,000</b>	–
Cash received relating to other financing activities	<b>412,725,874</b>	372,000,000
<b>Sub-total of cash inflow from financing activities</b>	<b>3,662,191,087</b>	<b>4,409,661,046</b>
Cash repayments of borrowings	<b>2,275,255,698</b>	3,664,917,327
Cash payments for distribution of dividends and profits or interest expenses	<b>1,159,283,684</b>	1,405,412,423
Cash paid relating to other financing activities	<b>71,041,219</b>	–
<b>Sub-total of cash outflow from financing activities</b>	<b>3,505,580,601</b>	<b>5,070,329,750</b>
<b>Net cash flows from financing activities</b>	<b>156,610,486</b>	<b>-660,668,704</b>

Item	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		
<b>V. Net increase in cash and cash equivalents</b>	<b>2,328,553,118</b>	<b>1,054,671,263</b>
Add: Balance of cash and cash equivalents at the beginning of the period	<u><b>6,167,840,790</b></u>	<u><b>6,487,100,146</b></u>
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<u><b>8,496,393,908</b></u>	<u><b>7,541,771,409</b></u>

<i>Legal representative:</i>	<i>Person-in-charge of accounting operations:</i>	<i>Person-in-charge of the accounting department:</i>
<b>HE Jiang-Chuan</b>	<b>CUI Wei</b>	<b>GAO Xiao-Jie</b>

**4.2 Adjustments to relevant items in financial statements at the beginning of the year upon the first adoption of new financial instrument standards, new revenue standards and new lease standards**

☐ Applicable ☒ Not applicable

**4.3 Retroactive adjustments to comparative data of previous period by first adoption of new financial instrument standards and new lease standards**

☐ Applicable ☒ Not applicable

**4.4 Auditor's report**

☐ Applicable ☒ Not applicable

**BEIJING NORTH STAR COMPANY LIMITED**  
**TEXT OF THE 2019 THIRD 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 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, the 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 third 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	<b>99,755,482,011</b>	91,894,399,862	8.55
Net assets attributable to the shareholders of the Company	<b>17,016,105,452</b>	15,217,462,074	11.82
	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of last year to the end of last year's reporting period (January to September)	Increase/decrease from the corresponding period last year (%)
Net cash flow from operating activities	<b>823,564,491</b>	3,073,252,440	-73.20
Operating revenue	<b>10,072,096,618</b>	10,776,097,317	-6.53
Net profit attributable to the shareholders of the Company	<b>1,304,141,278</b>	1,184,573,061	10.09
Net profit attributable to the shareholders of the Company after deducting the non- recurring item	<b>1,294,731,079</b>	1,123,135,982	15.28
Weighted average return on net assets (%)	<b>8.59</b>	9.09	Decreased by 0.50 percentage point
Basic earnings per share ( <i>RMB per share</i> )	<b>0.39</b>	0.35	11.43
Diluted earnings per share ( <i>RMB per share</i> )	<b>0.39</b>	0.35	11.43

## Non-recurring items and amounts

☒ Applicable      ☐ Not applicable

Unit: Yuan    Currency: RMB

Item	Amount of the period (July to September)	From the beginning of the year to the end of the reporting period (January to September)
Profit or loss on disposal of non-current assets	-112,012	-1,628,406
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	1,211,497	10,355,574
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the period	–	2,287,280
Reversal of provision for impairment of receivables and contract assets subject to individual impairment test	–	276,805
Other non-operating income and expenses apart from the aforesaid items	6,534,429	6,399,485
Effect on minority interests (after tax)	-233,057	-3,857,855
Effect on income tax	-1,908,478	-4,422,684
<b>Total</b>	<b>5,492,379</b>	<b>9,410,199</b>



## 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 161,342

### 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	687,616,199	20.422	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)	98,357,500	2.921	0	Nil	0	Domestic non- stated-owned legal person
Zhong Hang Xin Gang Guarantee Co., Ltd.	73,472,353	2.182	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	42,415,816	1.260	0	Nil	0	Foreign legal person
ZHONG Yan (鐘燕)	23,500,000	0.698	0	Nil	0	Unknown
Dongguan HF Asset Management Company Limited – HF Global Value Optimized Private Fund (東莞市惠豐資產管理有限 公司－惠豐全球價值優選 私募基金)	17,500,102	0.520	0	Nil	0	Domestic non- stated-owned legal person
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	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)	12,116,068	0.360	0	Nil	0	Unknown

## 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	687,616,199	Overseas listed foreign shares	687,616,199
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)	98,357,500	RMB-denominated ordinary shares	98,357,500
Zhong Hang Xin Gang Guarantee Co., Ltd.	73,472,353	RMB-denominated ordinary shares	73,472,353
Hong Kong Securities Clearing Company Limited	42,415,816	RMB-denominated ordinary shares	42,415,816
ZHONG Yan (鐘燕)	23,500,000	RMB-denominated ordinary shares	23,500,000
Dongguan HF Asset Management Company Limited – HF Global Value Optimized Private Fund (東莞市惠豐資產管理有 限公司–惠豐全球價值優 選私募基金)	17,500,102	RMB-denominated ordinary shares	17,500,102
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
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)	12,116,068	RMB-denominated ordinary shares	12,116,068

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 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 third quarter**

From January to September 2019, for real estate development purpose, in respect of land reserve, the Company achieved newly increased real estate reserve of 264,700 m<sup>2</sup>, total land reserve of 7,462,500 m<sup>2</sup> and the equity land reserve of 6,779,500 m<sup>2</sup>; in respect of engineering construction, the Company recorded a new construction area of 1,217,700 m<sup>2</sup>, representing a year-on-year decrease of 23.85%, a resumed construction area of 8,005,600 m<sup>2</sup>, representing a year-on-year increase of 15.45%, and a completed area of 1,488,200 m<sup>2</sup>, representing a year-on-year increase of 103.86%; in respect of project sales, the Company recorded sales area of 1,020,000 m<sup>2</sup> and sales amount of RMB15,280 million, representing a year-on-year decrease of 33.33% and 36.54%, respectively, and its settlement area was 514,700 m<sup>2</sup> and its settlement amount was RMB8,051 million, representing a year-on-year decrease of 16.34% and 7.69%, respectively.

From January to September 2019, as to property holding, the gross floor area of convention center projects was 328,800 m<sup>2</sup>, realising a total operating revenue of RMB596,240,000; the gross floor area of office building projects was 448,400 m<sup>2</sup>, realising a total operating revenue of RMB519,100,000; the gross floor area of hotel projects was 284,300 m<sup>2</sup>, realising a total operating revenue of RMB563,970,000; the gross floor area of apartment projects was 184,300 m<sup>2</sup>, realising a total operating revenue of RMB204,370,000.

### 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	30 September 2019	31 December 2018	Change	Change rate (%)	Major reasons for the change
Accounts receivable	124,447,583	70,175,196	54,272,387	77.34	Mainly due to the increase in operating receivables from holding properties in the period
Prepayments	104,901,853	2,299,731,771	-2,194,829,918	-95.44	Mainly due to the transfer of prepayments of land premiums at the beginning of the period to the inventory in the period
Non-current assets due within one year	11,940,000	119,114,418	-107,174,418	-89.98	Mainly due to the receipt of receivables from joint ventures in the period
Long-term accounts receivable	151,524,653	110,318,370	41,206,283	37.35	Mainly due to the increase in deposits receivable of the Company in the period
Deferred income tax assets	1,146,117,702	864,640,179	281,477,523	32.55	Mainly due to the increase in deductible temporary differences of the Company in the period
Other payables	4,270,419,486	2,407,720,993	1,862,698,493	77.36	Mainly due to the increase in the amount of tax in items to be resold related to contract liabilities
Long-term borrowings	21,724,533,991	16,365,883,345	5,358,650,646	32.74	Mainly due to the increase in long-term borrowings of the Company in the period
Other equity instruments	2,611,714,222	1,613,451,200	998,263,022	61.87	Mainly due to the issuance of the first medium term notes of 2019 in the period
Minority interests	2,784,185,284	1,626,521,643	1,157,663,641	71.17	Mainly due to the capitals from minority shareholders of non-wholly-owned subsidiaries of the Company in the period

Item	30 September 2019	31 December 2018	Change	Change rate (%)	Major reasons for the change
Taxes and surcharges	<b>1,062,530,445</b>	688,753,998	373,776,447	54.27	Mainly due to the increase in land appreciation tax in the development of property carry-over projects by the Company in the period
Other income	<b>7,013,156</b>	4,653,315	2,359,841	50.71	Mainly due to the receipt of government grants by the Company in the period
Investment income	<b>37,473,009</b>	97,195,223	-59,722,214	-61.45	Mainly due to the decrease in profits made by joint ventures and associates of the Company in the period
Net profit attributable to the shareholders of the Parent Company	<b>1,304,141,278</b>	1,184,573,061	119,568,217	10.09	Mainly due to the increase in the interest's proportion of carry-over projects of the Company in the period
Net cash flow from operating activities	<b>823,564,491</b>	3,073,252,440	-2,249,687,949	-73.20	Mainly due to the decrease in operating inflow and the increase in the payment of taxes of the Company in the period
Net cash flow from investment activities	<b>161,146,234</b>	1,002,824,013	-841,677,779	-83.93	Mainly due to the decrease in receipt of loan principal of joint ventures and associates by the Company in the period
Net cash flow from financing activities	<b>2,461,131,593</b>	-837,231,966	3,298,363,559	393.96	Mainly due to the issuance of non-public corporate bonds and the first medium term notes of 2019 by the Company in the period

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

☒ Applicable      ☐ Not applicable

In order to enhance the asset integrity and operational stability of the Company, on 27 September 2019, it was considered and approved at the 45th meeting of the eighth session of the Board of the Company that the Company proposed to acquire the land use right of a land parcel in the Asian Games Village held by BNS Group, the controlling shareholder of the Company, in cash. The total area of land parcel in the Asian Games Village is 235,516.67 square meters, and its preliminary appraised value exclusive of tax is approximately RMB4,739 million. According to the conditional Transfer Agreement on Land Use Right entered into between both parties, the final transfer price shall be based on the appraised value as arrived at in the valuation of the land parcel to be transferred by a third-party asset appraisal firm with relevant qualifications and approved by the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality and shall be ultimately confirmed by BNS Group and the Company. The transaction is subject to consideration at the general meeting and H shareholders' class meeting of the Company. For details, please refer to the Announcement on Connected Transaction of Beijing North Star (Announcement No.: Lin 2019-046), the Announcement on Proposed Change of Relevant Undertakings by the Controlling Shareholder of Beijing North Star (Announcement No.: Lin 2019-047), the Announcement on Resolutions of the 45th Meeting of the Eighth Session of the Board of Beijing North Star (Announcement No.: Lin 2019-048) and the Announcement on Resolutions of the Seventh Meeting of the Eighth Session of the Supervisory Committee of Beijing North Star (Announcement No.: Lin 2019-049) published on the website of the Shanghai Stock Exchange on 28 September 2019.

**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: 29 October 2019

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

Beijing, the PRC, 29 October 2019

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