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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)

**2020 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 2020 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 2020 first quarterly report of the Company will be published in certain newspapers in the People's Republic of China (the “**PRC**”) on 29 April 2020, and the 2020 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](http://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 Absent directors

<b>Name of absent director</b>	<b>Position of absent director</b>	<b>Reasons for absence</b>	<b>Name of proxy</b>
DONG An-Sheng	Independent Non-executive Director	personal health reason	nil

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 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>
	<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>93,624,822,280</b>	93,811,678,995	-0.20
Net assets attributable to the shareholders of the listed company	<b>17,565,159,961</b>	17,368,057,820	1.13
	<b>From the beginning of the year to the end of the reporting period</b>	<b>From the beginning of last year to the end of last year's reporting period</b>	<b>Increase/ decrease from the corresponding period last year (%)</b>
Net cash flow from operating activities	<b>-660,927,139</b>	-3,061,148,225	78.41
	<b>From the beginning of the year to the end of the reporting period</b>	<b>From the beginning of last year to the end of last year's reporting period</b>	<b>Increase/ decrease from the corresponding period last year (%)</b>
Operating revenue	<b>2,484,153,878</b>	5,042,944,146	-50.74
Net profit attributable to the owners of the listed company	<b>197,102,141</b>	819,720,918	-75.95
Net profit attributable to the owners of the listed company after deducting the non-recurring item	<b>191,722,289</b>	814,516,131	-76.46
Weighted average return on net assets (%)	<b>0.92</b>	5.10	Decreased by 4.18 percentage points
Basic earnings per share (RMB per share)	<b>0.05</b>	0.24	-79.17
Diluted earnings per share (RMB per share)	<b>0.05</b>	0.24	-79.17

## Non-recurring items and amounts

☒ Applicable      ☐ Not applicable

*Unit: Yuan    Currency: RMB*

<b>Item</b>	<b>Amount of the period</b>
Profit or loss on disposal of non-current assets	91,252
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	2,984,716
Other non-operating income and expenses apart from the aforesaid items	4,081,809
Effect on minority interests (after tax)	11,519
Effect on income tax	-1,789,444
Total	<u><u>5,379,852</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 159,193

### 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	687,750,199	20.426	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- state-owned legal person
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	42,000,046	1.247	0	Nil	0	Foreign legal person
ZHONG Yan (鐘燕)	23,500,000	0.698	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)	20,277,940	0.602	0	Nil	0	Unknown
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)	10,424,475	0.310	0	Nil	0	Domestic non- state-owned legal person
Basic endowment insurance fund- portfolio 1204	7,651,840	0.227	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	687,750,199	RMB- denominated ordinary shares	687,750,199
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.	73,573,353	RMB-denominated ordinary shares	73,573,353
Hong Kong Securities Clearing Company Limited	42,000,046	RMB-denominated ordinary shares	42,000,046
ZHONG Yan (鐘燕)	23,500,000	RMB-denominated ordinary shares	23,500,000
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)	20,277,940	RMB-denominated ordinary shares	20,277,940
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)	10,424,475	RMB-denominated ordinary shares	10,424,475
Basic endowment insurance fund-portfolio 1204	7,651,840	RMB- denominated ordinary shares	7,651,840

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**

In early 2020, the sudden outbreak of the Novel Coronavirus Pneumonia Epidemic has caused relatively material impacts on the economy of China in the first quarter of 2020. All industries including the real estate industry and service industry have been subject to impact of different levels. Due to the outbreak of the epidemic and the introduction of relevant precautionary and control measures, the construction, completed and sales areas of the real estate development business, and occupancy rate and lodging rate of investment properties and hotels of the Company would be affected to some extent within the Reporting Period.

From January to March 2020, for real estate development purpose, in respect of land reserve, the Company had no newly increased real estate reserve, the total land reserve of 7,105,400 m<sup>2</sup>, and the equity land reserve of 6,509,600 m<sup>2</sup>; in respect of engineering construction, the Company recorded a new construction area of 263,200 m<sup>2</sup>, representing a year-on-year decrease of 18.89%, a resumed construction area of 6,621,800 m<sup>2</sup>, representing a year-on-year decrease of 7.00%, and there was no newly completed area for the period; in respect of project sales, the Company recorded sales area of 88,100 m<sup>2</sup> and sales amount of RMB1,625 million, representing a year-on-year decrease of 52.45% and 35.86% respectively.

From January to March 2020, 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 RMB32,060,700; the gross floor area of office building projects was 448,400 m<sup>2</sup>, realising a total operating revenue of RMB165,805,100; the gross floor area of hotel projects was 284,300 m<sup>2</sup>, realising a total operating revenue of RMB51,564,400; the gross floor area of apartment projects was 184,300 m<sup>2</sup>, realising a total operating revenue of RMB39,337,600.

### 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 2020	31 December 2019	Change	Change rate (%)	Major reasons for the change
Accounts receivable	85,775,965	55,241,187	30,534,778	55.28	Mainly due to the increase in operating receivables of the Company in the period
Prepayments	113,709,548	208,202,163	-94,492,615	-45.39	Mainly due to the transfer of land prepayments to the inventory of the Company in the period
Staff cost	79,105,919	125,184,965	-46,079,046	-36.81	Mainly due to the payment of salaries provided for at the end of the last year by the Company in the period
Bonds payable	3,638,128,903	1,548,298,593	2,089,830,310	134.98	Mainly due to the transfer of non-current liabilities due within one year to bonds payable upon close of the redemption period for the bonds of the Company in the period and the issuance of bonds for the period

Item	January to March 2020	January to March 2019	Change	Change rate (%)	Major reasons for the change
Operating revenue	2,484,153,878	5,042,944,146	-2,558,790,268	-50.74	Mainly due to the year-on-year decrease in settlement area in the period resulting from the impact of settlement cycle on the Company's development properties and the year-on-year decrease in income from investment properties (including hotels) in the period resulting from the impact of the outbreak of the Novel Coronavirus Pneumonia Epidemic



Item	January to March 2020	January to March 2019	Change	Change rate (%)	Major reasons for the change
Operating costs	1,553,000,949	2,927,326,089	-1,374,325,140	-46.95	Mainly due to the decrease in operating revenue of the Company in the period
Taxes and surcharges	270,426,782	578,945,248	-308,518,466	-53.29	Mainly due to the decrease in operating revenue of the Company in the period
Finance expenses	105,432,770	55,113,780	50,318,990	91.30	Mainly due to the increase in borrowings of the Company in the period
Investment income	10,465,814	-268,050	10,733,864	4,004.43	Mainly due to the increase in profits made by joint ventures and associates of the Company in the period
Total profit	329,151,566	1,219,876,804	-890,725,238	-73.02	Mainly due to the decrease in operating revenue of the Company in the period
Income tax expenses	85,005,928	315,772,584	-230,766,656	-73.08	Mainly due to the decrease in total profit of the Company in the period
Net profit attributable to the owners of the parent company	197,102,141	819,720,918	-622,618,777	-75.95	Mainly due to the decrease in profit of the Company in the period
Basic earnings per share	0.05	0.24	-0.19	-79.17	Mainly due to the decrease in net profit attributable to the owners of the Company in the period

Item	January to March 2020	January to March 2019	Change	Change rate (%)	Major reasons for the change
Net cash flow from operating activities	-660,927,139	-3,061,148,225	2,400,221,086	78.41	Mainly due to the decrease in cash paid for the purchase of goods and receipt of services of the Company in the period
Net cash flow from investment activities	-3,024,973	143,107,467	-146,132,440	-102.11	Mainly due to the decrease in cash received from repayment of investing activities of the Company in the period
Net cash flow from financing activities	-2,827,656	374,282,019	-377,109,675	-100.76	Mainly due to the decrease in cash received from borrowings of 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 m<sup>2</sup>, 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 conducted by a third-party asset valuation agency 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: 28 April 2020

## IV. APPENDIX

### 4.1 Financial statements

#### Consolidated Balance Sheet

31 March 2020

Prepared by: Beijing North Star Company Limited

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

Items	31 March 2020	31 December 2019
<b>Current assets:</b>		
Cash and cash equivalents	14,131,154,657	14,811,678,902
Clearing settlement funds		
Placements with banks and other financial institutions		
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable	85,775,965	55,241,187
Receivable financing		
Prepayments	113,709,548	208,202,163
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Other receivables	3,531,216,989	3,963,257,916
Including: Interest receivable		
Dividends receivable		
Financial assets held under resale agreements		
Inventory	61,919,520,852	60,734,105,543
Contract assets		
Assets held for sale		
Non-current assets due within one year	16,019,202	16,019,202
Other current assets	2,925,792,765	3,062,045,448
<b>Total current assets</b>	<b>82,723,189,978</b>	<b>82,850,550,361</b>

Items	31 March 2020	31 December 2019
<b>Non-current assets:</b>		
Loans and advances to customers		
Debt investment		
Other debt investment		
Other receivable	170,483,313	170,483,313
Investments accounted for using the equity method	474,446,357	463,980,546
Other investment in equity instruments		
Other non-current financial assets		
Investment properties	6,361,619,926	6,389,491,417
Fixed assets	2,343,546,338	2,381,778,836
Construction-in-progress	3,720,934	3,573,479
Operational biological assets		
Oil and gas assets		
Right-of-use assets	49,284,297	56,513,165
Intangible assets	12,978,458	15,680,163
Development expenses		
Goodwill		
Long-term deferred expenses	10,294,834	9,934,661
Deferred income tax assets	1,360,026,317	1,340,213,368
Other non-current assets	115,231,528	129,479,686
<b>Total non-current assets</b>	<b>10,901,632,302</b>	<b>10,961,128,634</b>
<b>Total assets</b>	<b>93,624,822,280</b>	<b>93,811,678,995</b>

Items	31 March 2020	31 December 2019
<b>Current liabilities:</b>		
Short-term borrowings	<b>801,063,333</b>	901,135,833
Borrowings from central bank		
Capital borrowed		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	<b>6,902,648,370</b>	6,723,057,465
Accounts received in advance	<b>257,312,402</b>	239,101,670
Contract liabilities	<b>24,068,224,237</b>	24,287,096,476
Financial assets sold under agreements to repurchase		
Absorbing deposit and interbank deposit		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Payroll payable	<b>79,105,919</b>	125,184,965
Taxes payable	<b>2,609,316,595</b>	3,192,584,119
Other payables	<b>3,923,459,823</b>	3,925,630,574
Including: Interest payable		
Dividends payable	<b>17,162,190</b>	17,162,190
Fee and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	<b>8,460,074,489</b>	10,709,332,630
Other current liabilities		
<b>Total current liabilities</b>	<b><u>47,101,205,168</u></b>	<b><u>50,103,123,732</u></b>

Items	31 March 2020	31 December 2019
<b>Non-current liabilities:</b>		
Reserve of insurance contract		
Long-term borrowings	<b>20,985,316,614</b>	20,498,379,889
Bonds payable	<b>3,638,128,903</b>	1,548,298,593
Including: Preferred shares		
Perpetual bond		
Lease liabilities	<b>28,718,433</b>	31,482,614
Other payable	<b>1,434,826,089</b>	1,434,826,089
Employee termination benefit obligation	<b>122,584,311</b>	125,670,954
Accrued liabilities		
Deferred income	<b>1,943,396</b>	1,943,396
Deferred income tax liabilities		
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b><u>26,211,517,746</u></b>	<b><u>23,640,601,535</u></b>
<b>Total liabilities</b>	<b><u>73,312,722,914</u></b>	<b><u>73,743,725,267</u></b>

Items	31 March 2020	31 December 2019
<b>Owners' equity (or shareholders' equity):</b>		
Paid-in capital (or share capital)	3,367,020,000	3,367,020,000
Other equity instruments	2,666,164,034	2,630,379,842
Including: Preferred shares		
Perpetual bond	2,666,164,034	2,630,379,842
Capital reserve	3,648,897,300	3,648,897,300
Less: Treasury shares		
Other comprehensive income	-3,224,494	-3,224,494
Special reserve		
Surplus reserve	1,012,472,728	1,012,472,728
Normal risk provision		
Retained earnings	<u>6,873,830,393</u>	<u>6,712,512,444</u>
<b>Owners' equity (or shareholders' equity) attributable to owners of the Company</b>	<u>17,565,159,961</u>	<u>17,368,057,820</u>
<b>Non-controlling interests</b>	<u>2,746,939,405</u>	<u>2,699,895,908</u>
<b>Total owners' equity (or shareholders' equity)</b>	<u><u>20,312,099,366</u></u>	<u><u>20,067,953,728</u></u>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<u><u>93,624,822,280</u></u>	<u><u>93,811,678,995</u></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>



## Balance Sheet of the Parent Company

31 March 2020

Prepared by: Beijing North Star Company Limited

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

Items	31 March 2020	31 December 2019
<b>Current assets:</b>		
Cash and cash equivalents	7,127,392,314	7,104,572,325
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable	61,450,221	43,629,940
Receivable financing		
Prepayments	10,776,419	23,016,688
Other receivables	639,597,601	814,731,959
Including: Interest receivable		
Dividends receivable		
Inventory	1,073,472,895	1,277,927,623
Contract assets		
Assets held for sale		
Non-current assets due within one year	11,627,882,807	7,600,669,775
Other current assets	82,316,060	76,633,814
<b>Total current assets</b>	<b>20,622,888,317</b>	<b>16,941,182,124</b>

Items	31 March 2020	31 December 2019
<b>Non-current assets:</b>		
Debt investment		
Other debt investments		
Other receivable	<b>13,091,653,761</b>	17,118,866,794
Investments in subsidiaries	<b>6,515,696,753</b>	6,515,696,753
Other investment in equity instruments		
Other non-current financial assets		
Investment properties	<b>4,727,074,706</b>	4,754,806,782
Fixed assets	<b>1,066,153,012</b>	1,079,497,258
Construction-in-progress	<b>3,320,305</b>	3,226,744
Operational biological assets		
Oil and gas assets		
Right-of-use assets	<b>21,099,667</b>	25,989,904
Intangible assets	<b>6,597,008</b>	8,770,506
Development expenses		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	<b>271,273,600</b>	271,273,600
Other non-current assets		
<b>Total non-current assets</b>	<b><u>25,702,868,812</u></b>	<b><u>29,778,128,341</u></b>
<b>Total assets</b>	<b><u>46,325,757,129</u></b>	<b><u>46,719,310,465</u></b>

Items	31 March 2020	31 December 2019
<b>Current liabilities:</b>		
Short-term borrowings	801,063,333	901,135,833
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	705,785,438	751,991,843
Accounts received in advance	255,303,446	238,326,411
Contract liabilities	290,119,929	701,930,629
Payroll payable	65,149,408	89,145,393
Taxes payable	552,122,008	680,980,587
Other payables	11,384,486,671	11,256,885,949
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	4,106,864,697	6,250,057,350
Other current liabilities		
<b>Total current liabilities</b>	<b>18,160,894,930</b>	<b>20,870,453,995</b>
<b>Non-current liabilities:</b>		
Long-term borrowings	11,162,429,078	10,975,219,907
Bonds payable	3,638,128,903	1,548,298,593
Including: Preferred shares		
Perpetual bond		
Lease liabilities	9,603,354	10,854,767
Long-term accounts payable		
Employee termination benefit obligation	122,584,311	125,670,954
Accrued liabilities		
Deferred revenue		
Deferred income tax liabilities		
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>14,932,745,646</b>	<b>12,660,044,221</b>
<b>Total liabilities</b>	<b>33,093,640,576</b>	<b>33,530,498,216</b>

Items	31 March 2020	31 December 2019
<b>Owners' equity (or shareholders' equity):</b>		
Paid-in capital (or share capital)	<b>3,367,020,000</b>	3,367,020,000
Other equity instruments	<b>2,666,164,034</b>	2,630,379,842
Including: Preferred shares		
Perpetual bond	<b>2,666,164,034</b>	2,630,379,842
Capital reserve	<b>3,681,309,353</b>	3,681,309,353
Less: Treasury shares		
Other comprehensive income	<b>-3,224,494</b>	-3,224,494
Special reserve		
Surplus reserve	<b>1,012,472,728</b>	1,012,472,728
Retained earnings	<b><u>2,508,374,932</u></b>	<u>2,500,854,820</u>
<b>Total owners' equity (or shareholders' equity)</b>	<b><u><u>13,232,116,553</u></u></b>	<u><u>13,188,812,249</u></u>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b><u><u>46,325,757,129</u></u></b>	<u><u>46,719,310,465</u></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>

## Consolidated Income Statement

From January to March 2020

Prepared by: Beijing North Star Company Limited

Unit: Yuan    Currency: RMB    Audit Type : Unaudited

Item	First quarter of 2020	First quarter of 2019
<b>I. Total operating revenue</b>	<b>2,484,153,878</b>	5,042,944,146
Including: Operating revenue	<b>2,484,153,878</b>	5,042,944,146
Interest income		
Premiums earned		
Handling charges and commission income		
<b>II. Total operating costs</b>	<b>2,172,722,880</b>	3,828,416,778
Including: Operating costs	<b>1,553,000,949</b>	2,927,326,089
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>270,426,782</b>	578,945,248
Selling expenses	<b>60,960,623</b>	82,571,859
Administrative expenses	<b>182,901,756</b>	184,459,802
Research and development expenses		
Finance expenses	<b>105,432,770</b>	55,113,780
Including: Interest expenses	<b>125,236,851</b>	81,985,122
Interest income	<b>20,203,378</b>	27,369,287

<b>Item</b>	<b>First quarter of 2020</b>	<b>First quarter of 2019</b>
Add: Other income	2,955,366	–
Investment income (loss stated with “-”)	10,465,814	-268,050
Including: Investment income from associates and joint ventures	10,465,814	-2,705,251
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 “-”)		
Net impairment losses on financial assets (loss stated with “-”)	96,977	–
Impairment losses on assets (loss stated with “-”)	–	-74,439
Gains from disposal of assets (loss stated with “-”)		
<b>III. Operating profit (loss stated with “-”)</b>	<b>324,949,155</b>	<b>1,214,184,879</b>
Add: Non-operating income	4,469,892	6,132,617
Less: Non-operating expenses	267,481	440,692
<b>IV. Total profit (total loss stated with “-”)</b>	<b>329,151,566</b>	<b>1,219,876,804</b>
Less: Income tax expenses	85,005,928	315,772,584
<b>V. Net profit (net loss stated with “-”)</b>	<b>244,145,638</b>	<b>904,104,220</b>
(I) Classified according to continuity of operations		
1. Net profit from continuing operations (net loss stated with “-”)	244,769,168	904,201,904
2. Net profit from discontinued operations (net loss stated with “-”)	-623,530	-97,684

Item	First quarter of 2020	First quarter of 2019
(II) Classified according to the ownership		
1. Net profit attributable to the owners of the Parent Company (net loss stated with “-”)	197,102,141	819,720,918
2. Non-controlling interests (net loss stated with “-”)	47,043,497	84,383,302
<b>VI. Other comprehensive income (net of tax)</b>		
(I) Other comprehensive income attributable to the owners of the Parent Company (net of tax)		
1. Other comprehensive income that will not be reclassified into profit or loss		
(1) Changes arising from remeasurement of defined benefit plans		
(2) Other comprehensive income which cannot be reclassified 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		
2. 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) Financial assets reclassified into other comprehensive income		

Item	First quarter of 2020	First quarter of 2019
(4) Provision for credit impairments of other debt investments		
(5) Cash flow hedge reserve		
(6) Exchange differences on foreign currency translation		
(7) Others		
(II) Other comprehensive income attributable to minority interests (net of tax)		
<b>VII. Total comprehensive income</b>	<b>244,145,638</b>	904,104,220
(I) Total comprehensive income attributable to the owners of the Company	<b>197,102,141</b>	819,720,918
(II) Total comprehensive income attributable to Non-controlling interests	<b>47,043,497</b>	84,383,302
<b>VIII. Earnings per share:</b>		
(I) Basic earnings per share (RMB/share)	<b>0.05</b>	0.24
(II) Diluted earnings per share (RMB/share)	<b>0.05</b>	0.24
<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>



## Income Statement of the Parent Company

From January to March 2020

Prepared by: Beijing North Star Company Limited

Unit: Yuan    Currency: RMB    Audit Type: Unaudited

Item	First quarter of 2020	First quarter of 2019
<b>I. Operating revenue</b>	<b>708,660,856</b>	606,582,995
Less: Operating costs	<b>373,673,617</b>	255,039,852
Taxes and surcharges	<b>157,472,147</b>	48,722,370
Selling expenses	<b>20,844,088</b>	18,244,963
Administrative expenses	<b>124,155,627</b>	128,024,354
Research and development expenses		
Finance expenses	<b>-1,375,813</b>	-12,599,417
Including: Interest expenses		
Interest income	<b>1,508,818</b>	12,852,254
Add: Other incomes	<b>1,716,360</b>	–
Investment income (loss stated with “-”)	<b>18,816,570</b>	4,530,374
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 “-”)		
Net impairment losses on financial assets (loss stated with “-”)	<b>-456,964</b>	–
Impairment losses on assets (loss stated with “-”)	–	1,512
Gains from disposal of assets (loss stated with “-”)		

Item	First quarter of 2020	First quarter of 2019
<b>II. Operating profit (loss stated with “-”)</b>	<b>53,967,156</b>	<b>173,682,759</b>
Add: Non-operating income	<b>3,866,390</b>	<b>2,764,610</b>
Less: Non-operating expenses	<b>94,475</b>	<b>368,436</b>
<b>III. Total profit (total loss stated with “-”)</b>	<b>57,739,071</b>	<b>176,078,933</b>
Less: Income tax expenses	<b>14,434,767</b>	<b>44,019,733</b>
<b>IV. Net profit (net loss stated with “-”)</b>	<b>43,304,304</b>	<b>132,059,200</b>
(I) Net profit from continuing operations (net loss stated with “-”)	<b>43,927,834</b>	<b>132,156,935</b>
(II) Net profit from discontinued operations (net loss stated with “-”)	<b>-623,530</b>	<b>-97,735</b>
<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	First quarter of 2020	First quarter of 2019
(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. Financial assets reclassified into other comprehensive income		
4. Provision for credit impairments of other debt investments		
5. Cash flow hedge reserve		
6. Exchange differences on foreign currency translation		
7. Others		
<b>VI. Total comprehensive income</b>	<b>43,304,304</b>	132,059,200
<b>VII. Earnings per share:</b>		
(I) Basic earnings per share (RMB/share)		
(II) Diluted earnings per share (RMB/share)		
<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 Cash Flow Statements

*From January to March 2020*

Prepared by: Beijing North Star Company Limited

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

Item	First quarter of 2020	First quarter of 2019
<b>I. Cash flows from operating activities:</b>		
Cash received from selling goods and rendering services	2,336,184,768	4,358,409,731
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	550,913,801	370,241,434
<b>Sub-total of cash inflow from operating activities</b>	<b>2,887,098,569</b>	<b>4,728,651,165</b>

<b>Item</b>	<b>First quarter of 2020</b>	<b>First quarter of 2019</b>
Cash paid for purchase of goods and receipt of services	<b>2,183,693,436</b>	5,689,769,647
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>234,812,864</b>	283,651,808
Taxes paid	<b>824,585,133</b>	959,797,030
Cash paid relating to other operating activities	<b>304,934,275</b>	856,580,905
<b>Sub-total of cash outflow from operating activities</b>	<b><u>3,548,025,708</u></b>	<b><u>7,789,799,390</u></b>
<b>Net cash flow from operating activities</b>	<b><u>-660,927,139</u></b>	<b><u>-3,061,148,225</u></b>

Item	First quarter of 2020	First quarter of 2019
<b>II. Cash flows from investing activities:</b>		
Cash received from repayment of investments	–	150,444,335
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	169,327	133,928
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>169,327</b>	<b>150,578,263</b>
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	3,194,300	7,470,796
Cash paid to acquire investment		
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>3,194,300</b>	<b>7,470,796</b>
<b>Net cash flows from investing activities</b>	<b>-3,024,973</b>	<b>143,107,467</b>

Item	First quarter of 2020	First quarter of 2019
<b>III. Cash flows from financing activities:</b>		
Cash received from capital contribution		
Including: Cash received from capital contributions by minority shareholders of subsidiaries		
Cash received from borrowings	<b>684,492,944</b>	3,400,856,600
Cash received from issuance of bonds	<b>595,200,000</b>	—
Cash received relating to other financing activities	<b>225,099,700</b>	<u>397,193,910</u>
<b>Sub-total of cash inflow from financing activities</b>	<b><u>1,504,792,644</u></b>	<b><u>3,798,050,510</u></b>
Cash repayments of borrowings	<b>967,478,773</b>	1,116,725,142
Cash payments for distribution of dividends and profits or interest expenses	<b>473,891,527</b>	609,239,580
Including: Dividends and profit paid to Non-controlling shareholders by subsidiaries		
Cash paid relating to other financing activities	<b><u>66,250,000</u></b>	<u>1,697,803,769</u>
<b>Sub-total of cash outflow from financing activities</b>	<b><u>1,507,620,300</u></b>	<b><u>3,423,768,491</u></b>
<b>Net cash flows from financing activities</b>	<b><u>-2,827,656</u></b>	<b><u>374,282,019</u></b>
<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>-666,779,768</b>	-2,543,758,739
Add: Balance of cash and cash equivalents at the beginning of the period	<b><u>11,775,741,381</u></b>	<b><u>11,851,787,876</u></b>
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b><u>11,108,961,613</u></b>	<b><u>9,308,029,137</u></b>

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 2020

Prepared by: Beijing North Star Company Limited

Unit: Yuan    Currency: RMB    Audit Type: Unaudited

Item	First quarter of 2020	First quarter of 2019
<b>I. Cash flows from operating activities:</b>		
Cash received from selling goods and rendering services	328,185,387	1,167,030,237
Refund of tax and levies received		
Cash received relating to other operating activities	6,569,807	15,616,864
	<u>                    </u>	<u>                    </u>
<b>Sub-total of cash inflow from operating activities</b>	<b>334,755,194</b>	<b>1,182,647,101</b>
	<u>                    </u>	<u>                    </u>
Cash paid for purchase of goods and receipt of services	193,858,789	3,201,846,410
Cash paid to and paid for employees	123,070,708	175,899,998
Taxes paid	333,048,812	136,191,176
Cash paid relating to other operating activities	100,553,825	75,593,558
	<u>                    </u>	<u>                    </u>
<b>Sub-total of cash outflow from operating activities</b>	<b>750,532,134</b>	<b>3,589,531,142</b>
	<u>                    </u>	<u>                    </u>
<b>Net cash flow from operating activities</b>	<b>-415,776,940</b>	<b>-2,406,884,041</b>
	<u>                    </u>	<u>                    </u>



Item	First quarter of 2020	First quarter of 2019
<b>II. Cash flows from investing activities:</b>		
Cash received from repayment of investments	2,574,116,400	–
Cash received from returns on investments	367,250,197	2,240,590,867
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	69,138	133,528
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>2,941,435,735</b>	<b>2,240,724,395</b>
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	1,027,500	5,318,393
Cash paid to acquire investment	2,385,977,410	–
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities	–	582,148,568
<b>Sub-total of cash outflow from investing activities</b>	<b>2,387,004,910</b>	<b>587,466,961</b>
<b>Net cash flows from investing activities</b>	<b>554,430,825</b>	<b>1,653,257,434</b>

Item	First quarter of 2020	First quarter of 2019
<b>III. Cash flows from financing activities:</b>		
Cash received from capital contribution		
Cash received from borrowings	<b>403,260,944</b>	555,856,600
Cash received from issuance of bonds	<b>595,200,000</b>	—
Cash received relating to other financing activities	<b>160,000,000</b>	—
<b>Sub-total of cash inflow from financing activities</b>	<b>1,158,460,944</b>	<b>555,856,600</b>
Cash repayments of borrowings	<b>917,478,773</b>	383,725,145
Cash payments for distribution of dividends and profits or interest expenses	<b>329,763,998</b>	320,772,397
Cash paid relating to other financing activities	<b>27,050,000</b>	24,500,000
<b>Sub-total of cash outflow from financing activities</b>	<b>1,274,292,771</b>	<b>728,997,542</b>
<b>Net cash flows from financing activities</b>	<b>-115,831,827</b>	<b>-173,140,942</b>
<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>22,822,058</b>	-926,767,549
Add: Balance of cash and cash equivalents at the beginning of the period	<b>7,094,712,787</b>	6,167,840,790
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>7,117,534,845</b>	<b>5,241,073,241</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>

**4.2 Explanations on retrospective adjustments of previously comparative figures due to initial adoption of new revenue standards and new lease standards from 2020**

☐ Applicable      ☒ Not applicable

**4.3 Explanations on retrospective adjustments of previously comparative figures due to initial adoption of new revenue standards and new lease standards from 2020**

☐ Applicable      ☒ Not applicable

**4.4 Audit Report**

☐ Applicable      ☒ Not applicable

# BEIJING NORTH STAR COMPANY LIMITED

## FULL TEXT OF 2020 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 Absent directors

<b>Name of absent director</b>	<b>Position of absent director</b>	<b>Reasons for absence</b>	<b>Name of proxy</b>
DONG An-Sheng	Independent Non-executive Director	personal health reason	nil

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 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>
	<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>93,624,822,280</b>	93,811,678,995	-0.20
Net assets attributable to the owners of the Company	<b>17,565,159,961</b>	17,368,057,820	1.13
	<b>From the beginning of the year to the end of the reporting period</b>	<b>From the beginning of last year to the end of last year's reporting period</b>	<b>Increase/ decrease from the corresponding period last year (%)</b>
Net cash flow from operating activities	<b>-660,927,139</b>	-3,061,148,225	78.41
	<b>From the beginning of the year to the end of the reporting period</b>	<b>From the beginning of last year to the end of last year's reporting period</b>	<b>Increase/ decrease from the corresponding period last year (%)</b>
Operating revenue	<b>2,484,153,878</b>	5,042,944,146	-50.74
Net profit attributable to the owners of the Company	<b>197,102,141</b>	819,720,918	-75.95
Net profit attributable to the owners of the Company after deducting the non- recurring item	<b>191,722,289</b>	814,516,131	-76.46
Weighted average return on net assets (%)	<b>0.92</b>	5.10	Decreased by 4.18 percentage points
Basic earnings per share (RMB per share)	<b>0.05</b>	0.24	-79.17
Diluted earnings per share (RMB per share)	<b>0.05</b>	0.24	-79.17

## Non-recurring items and amounts

☒ Applicable      ☐ Not applicable

*Unit: Yuan    Currency: RMB*

<b>Item</b>	<b>Amount of the period</b>
Profit or loss on disposal of non-current assets	91,252
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	2,984,716
Other non-operating income and expenses apart from the aforesaid items	4,081,809
Effect on minority interests (after tax)	11,519
Effect on income tax	<u>-1,789,444</u>
Total	<u><u>5,379,852</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 159,193

**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	687,750,199	20.426	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- state-owned legal person
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	42,000,046	1.247	0	Nil	0	Foreign legal person
ZHONG Yan (鐘燕)	23,500,000	0.698	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)	20,277,940	0.602	0	Nil	0	Unknown
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)	10,424,475	0.310	0	Nil	0	Domestic non- state-owned legal person
Basic endowment insurance fund- portfolio 1204	7,651,840	0.227	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	687,750,199	RMB- denominated ordinary shares	687,750,199
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.	73,573,353	RMB-denominated ordinary shares	73,573,353
Hong Kong Securities Clearing Company Limited	42,000,046	RMB-denominated ordinary shares	42,000,046
ZHONG Yan (鐘燕)	23,500,000	RMB-denominated ordinary shares	23,500,000
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)	20,277,940	RMB-denominated ordinary shares	20,277,940
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)	10,424,475	RMB-denominated ordinary shares	10,424,475
Basic endowment insurance fund-portfolio 1204	7,651,840	RMB- denominated ordinary shares	7,651,840

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**

In early 2020, the sudden outbreak of the Novel Coronavirus Pneumonia Epidemic has caused relatively material impacts on the economy of China in the first quarter of 2020. All industries including the real estate industry and service industry have been subject to impact of different levels. Due to the outbreak of the epidemic and the introduction of relevant precautionary and control measures, the construction, completed and sales areas of the real estate development business, and occupancy rate and lodging rate of investment properties and hotels of the Company would be affected to some extent within the Reporting Period.

From January to March 2020, for real estate development purpose, in respect of land reserve, the Company had no newly increased real estate reserve, the total land reserve of 7,105,400 m<sup>2</sup>, and the equity land reserve of 6,509,600 m<sup>2</sup>; in respect of engineering construction, the Company recorded a new construction area of 263,200 m<sup>2</sup>, representing a year-on-year decrease of 18.89%, a resumed construction area of 6,621,800 m<sup>2</sup>, representing a year-on-year decrease of 7.00%, and there was no newly completed area for the period; in respect of project sales, the Company recorded sales area of 88,100 m<sup>2</sup> and sales amount of RMB1,625 million, representing a year-on-year decrease of 52.45% and 35.86% respectively.

From January to March 2020, 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 RMB32,060,700; the gross floor area of office building projects was 448,400 m<sup>2</sup>, realising a total operating revenue of RMB165,805,100; the gross floor area of hotel projects was 284,300 m<sup>2</sup>, realising a total operating revenue of RMB51,564,400; the gross floor area of apartment projects was 184,300 m<sup>2</sup>, realising a total operating revenue of RMB39,337,600.

### 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 2020	31 December 2019	Change	Change rate (%)	Major reasons for the change
Accounts receivable	85,775,965	55,241,187	30,534,778	55.28	Mainly due to the increase in operating receivables of the Company in the period
Prepayments	113,709,548	208,202,163	-94,492,615	-45.39	Mainly due to the transfer of land prepayments to the inventory of the Company in the period
Payroll payable	79,105,919	125,184,965	-46,079,046	-36.81	Mainly due to the payment of salaries provided for at the end of the last year by the Company in the period
Bonds payable	3,638,128,903	1,548,298,593	2,089,830,310	134.98	Mainly due to the transfer of non-current liabilities due within one year to bonds payable upon close of the redemption period for the bonds of the Company in the period and the issuance of bonds for the period

Item	January to March 2020	January to March 2019	Change	Change rate (%)	Major reasons for the change
Operating revenue	2,484,153,878	5,042,944,146	-2,558,790,268	-50.74	Mainly due to the year-on-year decrease in settlement area in the period resulting from the impact of settlement cycle on the Company's development properties and the year-on-year decrease in income from investment properties (including hotels) in the period resulting from the impact of the outbreak of the Novel Coronavirus Pneumonia Epidemic
Operating costs	1,553,000,949	2,927,326,089	-1,374,325,140	-46.95	Mainly due to the decrease in operating revenue of the Company in the period
Taxes and surcharges	270,426,782	578,945,248	-308,518,466	-53.29	Mainly due to the decrease in operating revenue of the Company in the period
Finance expenses	105,432,770	55,113,780	50,318,990	91.30	Mainly due to the increase in borrowings of the Company in the period
Investment income	10,465,814	-268,050	10,733,864	4,004.43	Mainly due to the increase in profits made by joint ventures and associates of the Company in the period
Total profit	329,151,566	1,219,876,804	-890,725,238	-73.02	Mainly due to the decrease in operating revenue of the Company in the period
Income tax expenses	85,005,928	315,772,584	-230,766,656	-73.08	Mainly due to the decrease in total profit of the Company in the period
Net profit attributable to the shareholders of the parent company	197,102,141	819,720,918	-622,618,777	-75.95	Mainly due to the decrease in profit of the Company in the period
Basic earnings per share	0.05	0.24	-0.19	-79.17	Mainly due to the decrease in net profit attributable to the owners of the Company in the period

Item	January to March 2020	January to March 2019	Change	Change rate (%)	Major reasons for the change
Net cash flow from operating activities	-660,927,139	-3,061,148,225	2,400,221,086	78.41	Mainly due to the decrease in cash paid for the purchase of goods and receipt of services of the Company in the period
Net cash flow from investment activities	-3,024,973	143,107,467	-146,132,440	-102.11	Mainly due to the decrease in cash received from repayment of investments of the Company in the period
Net cash flow from financing activities	-2,827,656	374,282,019	-377,109,675	-100.76	Mainly due to the decrease in cash received from borrowings of 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 m<sup>2</sup>, 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 conducted by a third-party asset valuation agency 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: 28 April 2020

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

Beijing, the PRC  
28 April 2020

*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.*