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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 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 2020 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 2020 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 28 October 2020 and the main text of such report will be published in certain newspapers in the People's Republic of China (the “**PRC**”) on 29 October 2020. 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 quarterly report.
- 1.2 All directors of the Company attended the board meeting to consider this quarterly report.
- 1.3 LI Wei-Dong, the person-in-charge of the Company, GUO Chuan, 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    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>97,000,233,419</b>	93,811,678,995	3.40
Net assets attributable to the owners of the Company	<b>16,901,149,258</b>	17,368,057,820	-2.69
	<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>56,822,647</b>	823,564,491	-93.10

	<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>4,825,420,558</b>	10,072,096,618	-52.09
Net profit attributable to the owners of the Company	<b>128,732,346</b>	1,304,141,278	-90.13
Net profit attributable to the owners of the Company after deducting the non- recurring item	<b>74,554,481</b>	1,294,731,079	-94.24
Weighted average return on net assets (%)	<b>0.04</b>	8.59	Decreased by 8.55 percentage points
Basic earnings per share (RMB per share)	<b>0.002</b>	0.39	-99.49
Diluted earnings per share (RMB per share)	<b>0.002</b>	0.39	-99.49

## Non-recurring items and amounts

☒ Applicable ☐ Not applicable

*Unit: Yuan    Currency: RMB*

Items	Amount of the period (July to September)	Amount 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	-185,435	-3,126,279
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	4,637,698	9,357,449
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the period	1,276,236	7,829,427
Investment income generated from disposal of long-term equity investments	—	45,811,037
Other non-operating income and expenses apart from the aforesaid items	6,447,001	8,183,525
Effect on minority interests (after tax)	-283,242	989,179
Effect on income tax	-3,043,875	-14,866,473
<b>Total</b>	<b>8,848,383</b>	<b>54,177,865</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 152,576

### 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	687,100,199	20.407%	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.	73,318,353	2.178%	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	32,891,964	0.977%	0	Nil	0	Foreign legal person
ZHONG Yan (鐘燕)	23,500,000	0.698%	0	Nil	0	Unknown
LIU Wen-Ke (劉文科)	17,100,000	0.508%	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)	16,554,429	0.492%	0	Nil	0	Unknown
QIAN Zhou-Jian (錢周健)	11,360,494	0.337%	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	687,100,199	Overseas listed foreign shares	687,100,199
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.	73,318,353	RMB-denominated ordinary shares	73,318,353
Hong Kong Securities Clearing Company Limited	32,891,964	RMB-denominated ordinary shares	32,891,964
ZHONG Yan (鐘燕)	23,500,000	RMB-denominated ordinary shares	23,500,000
LIU Wen-Ke (劉文科)	17,100,000	RMB-denominated ordinary shares	17,100,000
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)	16,554,429	RMB-denominated ordinary shares	16,554,429
QIAN Zhou-Jian (錢周健)	11,360,494	RMB-denominated ordinary shares	11,360,494

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**

In early 2020, the sudden outbreak of the Novel Coronavirus Pneumonia Pandemic has caused relatively material impacts on the economy of China. All industries including the real estate industry and service industry have been subject to impact of different levels. Due to the outbreak of the pandemic and the introduction of relevant precautionary and control measures, the construction, completion and sales areas of the real estate development business, and occupancy rate and lodging rate of investment properties and hotels of the Company were affected to some extent during the reporting period.

From January to September 2020, for real estate development purpose, in respect of land reserve, the Company achieved newly increased real estate reserve of 422,700 m<sup>2</sup>, representing a year-on-year increase of 59.69%, the total land reserve of 6,959,700 m<sup>2</sup>, representing a year-on-year decrease of 6.74%, and the equity land reserve of 6,259,300 m<sup>2</sup>, representing a year-on-year decrease of 7.67%; in respect of engineering construction, the Company recorded a new construction area of 801,500 m<sup>2</sup>, representing a year-on-year decrease of 34.18%, a resumed construction area of 7,032,000 m<sup>2</sup>, representing a year-on-year decrease of 12.16%, and a completed area of 1,155,300 m<sup>2</sup>, representing a year-on-year decrease of 22.37%; in respect of project sales, the Company recorded sales area of 506,500 m<sup>2</sup> and sales amount of RMB9,043 million, representing a year-on-year decrease of 50.34% and 40.82% respectively, and its settlement area was 272,500 m<sup>2</sup> and its settlement amount was RMB3,678 million, representing a year-on-year decrease of 47.06% and 54.32%, respectively.

From January to September 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 RMB289,124,300; the gross floor area of office building projects was 448,400 m<sup>2</sup>, realising a total operating revenue of RMB447,130,000; the gross floor area of hotel projects was 284,300 m<sup>2</sup>, realising a total operating revenue of RMB169,550,100; the gross floor area of apartment projects was 184,300 m<sup>2</sup>, realising a total operating revenue of RMB117,920,000.



### 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*

Items	30 September 2020	31 December 2019	Change	Change rate (%)	Major reasons for the change
Prepayments	54,402,099	208,202,163	-153,800,064	-73.87	Mainly due to the transfer of land prepayments to the inventory of the Company in the period
Other receivables	2,636,724,343	3,963,257,916	-1,326,533,573	-33.47	Mainly due to the decrease in amounts due and deposits receivable from minority shareholders of the Company in the period
Non-current assets due within one year	47,157,938	16,019,202	31,138,736	194.38	Mainly due to the reclassification of long-term accounts receivable of the Company in the period
Long-term accounts receivable	279,905,357	170,483,313	109,422,044	64.18	Mainly due to the increase in amounts due from related parties of the Company in the period
Construction-in-progress	428,053,262	3,573,479	424,479,783	11,878.61	Mainly due to the transfer of fixed assets betterment to construction-in-progress of the Company in the period
Other payables	5,156,989,965	3,925,630,574	1,231,359,391	31.37	Mainly due to the increase in amount due to related companies of the Company in the period

Items	30 September 2020	31 December 2019	Change	Change rate (%)	Major reasons for the change
Bonds payable	4,399,020,340	1,548,298,593	2,850,721,747	184.12	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
Long-term accounts payable	2,535,736,670	1,434,826,089	1,100,910,581	76.73	Mainly due to the increase in amounts due to minority shareholders of the Company in the period

Items	January to September 2020	January to September 2019	Change	Change rate (%)	Major reasons for the change
Operating revenue	4,825,420,558	10,072,096,618	-5,246,676,060	-52.09	Mainly due to the year-on-year decrease in settlement area in the period resulting from the impact of development 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 Pandemic

Items	January to September 2020	January to September 2019	Change	Change rate (%)	Major reasons for the change
Operating costs	<b>2,939,766,078</b>	5,737,456,434	-2,797,690,356	-48.76	Mainly due to the decrease in operating revenue of the Company in the period
Taxes and surcharges	<b>557,823,910</b>	1,062,530,445	-504,706,535	-47.50	Mainly due to the decrease in operating revenue of the Company in the period
Selling expenses	<b>219,725,066</b>	322,200,878	-102,475,812	-31.80	Mainly due to the decrease in advertising fee and other marketing expenses of the Company in the period
Investment income	<b>99,221,351</b>	37,473,009	61,748,342	164.78	Mainly due to the increase in profits made by joint ventures and associates and investment income arising from disposal of subsidiaries of the Company in the period
Total profit	<b>296,400,869</b>	2,043,794,197	-1,747,393,328	-85.50	Mainly due to the decrease in operating revenue of the Company in the period
Income tax expenses	<b>107,026,625</b>	541,989,278	-434,962,653	-80.25	Mainly due to the decrease in total profit of the Company in the period
Net profit attributable to the owners of the Company	<b>128,732,346</b>	1,304,141,278	-1,175,408,932	-90.13	Mainly due to the decrease in profit of the Company in the period

Items	January to September 2020	January to September 2019	Change	Change rate (%)	Major reasons for the change
Basic earnings per share	<b>0.002</b>	0.39	-0.388	-99.49	Mainly due to the decrease in net profit attributable to the ordinary shareholders of the Company in the period
Net cash flow from operating activities	<b>56,822,647</b>	823,564,491	-766,741,844	-93.10	Mainly due to the decrease in operating inflow of the Company in the period
Net cash flow from investment activities	<b>715,470,171</b>	161,146,234	554,323,937	343.99	Mainly due to the increase in receipt of loan principal of related parties by the Company in the period
Net cash flow from financing activities	<b>-268,295,594</b>	2,461,131,593	-2,729,427,187	-110.90	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 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: **LI Wei-Dong**  
Date: 28 October 2020

## IV. APPENDIX

### 4.1 Financial statements

#### Consolidated Balance Sheet

30 September 2020

Prepared by: Beijing North Star Company Limited

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

Items	30 September 2020	31 December 2019
<b>Current assets:</b>		
Cash at bank and in hand	14,961,017,806	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	71,580,843	55,241,187
Receivables financing		
Prepayments	54,402,099	208,202,163
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Other receivables	2,636,724,343	3,963,257,916
Including: Interest receivable		
Dividends receivable		
Financial assets held under resale agreements		
Inventory	64,849,932,241	60,734,105,543
Contract assets		
Assets held for sale		
Non-current assets due within one year	47,157,938	16,019,202
Other current assets	3,272,172,057	3,062,045,448
<b>Total current assets</b>	<b>85,892,987,327</b>	<b>82,850,550,361</b>

Items	30 September 2020	31 December 2019
<b>Non-current assets:</b>		
Loans and advances to customers		
Debt investment		
Other debt investment		
Long-term accounts receivable	279,905,357	170,483,313
Long-term equity investments	585,022,176	463,980,546
Other investment in equity instruments		
Other non-current financial assets		
Investment properties	6,303,969,941	6,389,491,417
Fixed assets	1,938,837,598	2,381,778,836
Construction-in-progress	428,053,262	3,573,479
Operational biological assets		
Oil and gas assets		
Right-of-use assets	44,236,814	56,513,165
Intangible assets	11,726,317	15,680,163
Development expenses		
Goodwill		
Long-term deferred expenses	8,163,520	9,934,661
Deferred income tax assets	1,393,896,727	1,340,213,368
Other non-current assets	113,434,380	129,479,686
<b>Total non-current assets</b>	<b>11,107,246,092</b>	<b>10,961,128,634</b>
<b>Total assets</b>	<b>97,000,233,419</b>	<b>93,811,678,995</b>

Items	30 September 2020	31 December 2019
<b>Current liabilities:</b>		
Short-term borrowings	801,063,333	901,135,833
Borrowings from central bank		
Capital borrowed		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	6,240,832,303	6,723,057,465
Accounts received in advance	233,827,898	239,101,670
Contract liabilities	27,320,563,633	24,287,096,476
Financial assets sold under agreements to repurchase		
Absorbing deposit and interbank deposit		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Staff cost	106,625,973	125,184,965
Taxes payable	2,700,101,724	3,192,584,119
Other payables	5,156,989,965	3,925,630,574
Including: Interest payable		
Dividends payable	192,692,190	17,162,190
Fee and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	8,378,195,708	10,709,332,630
Other current liabilities		
<b>Total current liabilities</b>	<b>50,938,200,537</b>	<b>50,103,123,732</b>



Items	30 September 2020	31 December 2019
<b>Non-current liabilities:</b>		
Reserve of insurance contract		
Long-term borrowings	19,396,296,914	20,498,379,889
Bonds payable	4,399,020,340	1,548,298,593
Including: Preferred shares		
Perpetual bond		
Lease liabilities	27,212,385	31,482,614
Long-term accounts payable	2,535,736,670	1,434,826,089
Long-term staff cost	115,082,245	125,670,954
Accrued liabilities		
Deferred income	1,943,396	1,943,396
Deferred income tax liabilities		
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>26,475,291,950</b>	<b>23,640,601,535</b>
<b>Total liabilities</b>	<b>77,413,492,487</b>	<b>73,743,725,267</b>

Items	30 September 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	2,610,000,746	2,630,379,842
Including: Preferred shares		
Perpetual bond	2,610,000,746	2,630,379,842
Capital reserve	3,701,839,392	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		
Undistributed profit	6,213,040,886	6,712,512,444
<b>Total owners' equity (or shareholders' equity) attributable to owners of the Company</b>	<b>16,901,149,258</b>	<b>17,368,057,820</b>
Non-controlling interests	2,685,591,674	2,699,895,908
<b>Total owners' equity (or shareholders' equity)</b>	<b>19,586,740,932</b>	<b>20,067,953,728</b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>97,000,233,419</b>	<b>93,811,678,995</b>
<i>Legal representative:</i> <b>LI Wei-Dong</b>	<i>Person-in-charge of accounting operations:</i> <b>GUO Chuan</b>	<i>Person-in-charge of the accounting department:</i> <b>GAO Xiao-Jie</b>

**Balance Sheet of the Company***30 September 2020*

Prepared by: Beijing North Star Company Limited

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

<b>Items</b>	<b>30 September 2020</b>	<b>31 December 2019</b>
<b>Current assets:</b>		
Cash at bank and in hand	<b>9,358,543,491</b>	7,104,572,325
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable	<b>47,123,945</b>	43,629,940
Receivables financing		
Prepayments	<b>13,982,900</b>	23,016,688
Other receivables	<b>45,959,703</b>	814,731,959
Including: Interest receivable		
Dividends receivable		
Inventory	<b>1,037,699,826</b>	1,277,927,623
Contract assets		
Assets held for sale		
Non-current assets due within one year	<b>13,607,285,633</b>	7,600,669,775
Other current assets	<b>11,043,950</b>	76,633,814
<b>Total current assets</b>	<b><u>24,121,639,448</u></b>	<b><u>16,941,182,124</u></b>

Items	30 September 2020	31 December 2019
<b>Non-current assets:</b>		
Debt investment		
Other debt investments		
Long-term accounts receivable	9,495,213,468	17,118,866,794
Long-term equity investments	6,509,171,072	6,515,696,753
Other investment in equity instruments		
Other non-current financial assets		
Investment properties	4,691,938,658	4,754,806,782
Fixed assets	670,864,652	1,079,497,258
Construction-in-progress	427,288,867	3,226,744
Operational biological assets		
Oil and gas assets		
Right-of-use assets	19,928,005	25,989,904
Intangible assets	5,766,430	8,770,506
Development expenses		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	237,487,978	271,273,600
Other non-current assets		
<b>Total non-current assets</b>	<b>22,057,659,130</b>	<b>29,778,128,341</b>
<b>Total assets</b>	<b>46,179,298,578</b>	<b>46,719,310,465</b>

Items	30 September 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	573,478,766	751,991,843
Accounts received in advance	196,451,956	238,326,411
Contract liabilities	270,046,859	701,930,629
Staff cost	89,173,669	89,145,393
Taxes payable	543,692,823	680,980,587
Other payables	12,655,742,798	11,256,885,949
Including: Interest payable		
Dividends payable	91,530,000	–
Liabilities held for sale		
Non-current liabilities due within one year	2,087,902,288	6,250,057,350
Other current liabilities		
<b>Total current liabilities</b>	<b>17,217,552,492</b>	<b>20,870,453,995</b>

Items	30 September 2020	31 December 2019
<b>Non-current liabilities:</b>		
Long-term borrowings	11,620,112,132	10,975,219,907
Bonds payable	4,399,020,340	1,548,298,593
Including: Preferred shares		
Perpetual bond		
Lease liabilities	7,444,983	10,854,767
Long-term accounts payable		
Long-term staff cost	115,082,245	125,670,954
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>16,141,659,700</b>	<b>12,660,044,221</b>
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<b>Total liabilities</b>	<b>33,359,212,192</b>	<b>33,530,498,216</b>
	<hr/> <hr/>	<hr/> <hr/>

Items	30 September 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	2,610,000,746	2,630,379,842
Including: Preferred shares		
Perpetual bond	2,610,000,746	2,630,379,842
Capital reserve	3,681,309,353	3,681,309,353
Less: Treasury shares		
Other comprehensive income	-3,224,494	-3,224,494
Special reserve		
Surplus reserve	1,012,472,728	1,012,472,728
Undistributed profit	2,152,508,053	2,500,854,820
<b>Total owners' equity (or shareholders' equity)</b>	<b>12,820,086,386</b>	<b>13,188,812,249</b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>46,179,298,578</b>	<b>46,719,310,465</b>
<i>Legal representative:</i> <b>LI Wei-Dong</b>	<i>Person-in-charge of accounting operations:</i> <b>GUO Chuan</b>	<i>Person-in-charge of the accounting department:</i> <b>GAO Xiao-Jie</b>

## Consolidated Income Statement

From January to September 2020

Prepared by: Beijing North Star Company Limited

Unit: Yuan    Currency: RMB    Audit Type: Unaudited

Items	Third quarter of 2020 (July- September)	Third quarter of 2019 (July- September)	The first three quarters of 2020 (January – September)	The first three quarters of 2019 (January- September)
<b>I. Total operating revenue</b>	<b>1,476,675,347</b>	1,523,090,851	<b>4,825,420,558</b>	10,072,096,618
Including: Operating revenue	<b>1,476,675,347</b>	1,523,090,851	<b>4,825,420,558</b>	10,072,096,618
Interest income				
Premiums earned				
Handling charges and commission income				
<b>II. Total operating costs</b>	<b>1,465,094,079</b>	1,438,646,701	<b>4,542,402,064</b>	8,078,931,837
Including: Operating costs	<b>939,201,968</b>	858,675,089	<b>2,939,766,078</b>	5,737,456,434
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>143,197,643</b>	88,455,786	<b>557,823,910</b>	1,062,530,445
Selling expenses	<b>91,195,890</b>	128,863,949	<b>219,725,066</b>	322,200,878
Administrative expenses	<b>192,080,407</b>	219,849,519	<b>560,606,569</b>	612,273,977
Research and development expenses				
Finance expenses	<b>99,418,171</b>	142,802,358	<b>264,480,441</b>	344,470,103



Items	Third quarter of 2020 (July- September)	Third quarter of 2019 (July- September)	The first three quarters of 2020 (January – September)	The first three quarters of 2019 (January- September)
Including: Interest expenses	170,003,520	181,792,271	373,928,362	428,617,156
Interest income	70,013,104	40,231,158	110,761,688	86,834,459
Add: Other income	5,147,841	–	8,548,048	7,013,156
Investment income				
(loss stated with “–”)	-13,410,272	1,408,912	99,221,351	37,473,009
Including: Investment income from associates and joint venture	-13,382,765	732,177	46,884,630	34,628,748
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 “–”)	-3,392	11,636	2,530,838	-1,793,352
Impairment losses on assets (loss stated with “–”)	-7,281,229	–	-106,138,359	–
Gains from disposal of assets (loss stated with “–”)	–	7,699	-4,946	81,186
<b>III. Operating profit (loss stated with “–”)</b>	<b>-3,965,784</b>	85,872,397	<b>287,175,426</b>	2,035,938,780
Add: Non-operating income	9,201,966	5,348,178	20,814,539	21,138,245
Less: Non-operating expenses	2,004,527	-2,101,143	11,589,096	13,282,828
<b>IV. Total profit (total loss stated with “–”)</b>	<b>3,231,655</b>	93,321,718	<b>296,400,869</b>	2,043,794,197
Less: Income tax expenses	1,166,913	37,084,492	107,026,625	541,989,278

Items	Third quarter of 2020 (July- September)	Third quarter of 2019 (July- September)	The first three quarters of 2020 (January – September)	The first three quarters of 2019 (January- September)
<b>V. Net profit (net loss stated with “-”)</b>	<b>2,064,742</b>	56,237,226	<b>189,374,244</b>	1,501,804,919
(I) Classified according to continuity of operations				
1. Net profit from continuing operations (net loss stated with “-”)	<b>2,028,921</b>	56,312,472	<b>189,950,358</b>	1,502,272,552
2. Net profit from discontinued operations (net loss stated with “-”)	<b>35,821</b>	-75,246	<b>-576,114</b>	-467,633
(II) Classified according to the ownership				
1. Net profit attributable to the owners of the Company (net loss stated with “-”)	<b>-48,725,415</b>	19,416,665	<b>128,732,346</b>	1,304,141,278
2. Non-controlling interests (net loss stated with “-”)	<b>50,790,157</b>	36,820,561	<b>60,641,898</b>	197,663,641
<b>VI. Other comprehensive income (net of tax)</b>				
(I) Other comprehensive income attributable to the owners of the Company (net of tax)				
1. Other comprehensive income that will not be reclassified into profit or loss				
(1) Changes arising from remeasurement of defined benefit plans				
(2) Other comprehensive income which cannot be reclassified into profit and loss under equity method				
(3) Changes in fair value of investment in other equity instruments				
(4) Changes in fair value of the enterprise’s own credit risk				

Items	Third quarter of 2020 (July- September)	Third quarter of 2019 (July- September)	The first three quarters of 2020 (January – September)	The first three quarters of 2019 (January- September)
2. Other comprehensive income that will be reclassified into profit or loss				
(1) Other comprehensive income which can be reclassified into profit and loss under equity method				
(2) Changes in fair value of investment in other debt instruments				
(3) Financial assets reclassified into other comprehensive income				
(4) Provision for credit impairments of other debt investments				
(5) Cash flow hedge reserve				
(6) Exchange differences on foreign currency translation				
(7) Others				
(II) Other comprehensive income attributable to minority interests (net of tax)				
<b>VII. Total comprehensive income</b>	<b>2,064,742</b>	56,237,226	<b>189,374,244</b>	1,501,804,919
(I) Total comprehensive income attributable to the owners of the Company	<b>-48,725,415</b>	19,416,665	<b>128,732,346</b>	1,304,141,278
(II) Total comprehensive income attributable to minority shareholders	<b>50,790,157</b>	36,820,561	<b>60,641,898</b>	197,663,641
<b>VIII. Earnings per share:</b>				
(I) Basic earnings per share ( <i>RMB/share</i> )	<b>-0.018</b>	0.03	<b>0.002</b>	0.39
(II) Diluted earnings per share ( <i>RMB/share</i> )	<b>-0.018</b>	0.03	<b>0.002</b>	0.39

<i>Legal representative:</i>	<i>Person-in-charge of accounting operations:</i>	<i>Person-in-charge of the accounting department:</i>
<b>LI Wei-Dong</b>	<b>GUO Chuan</b>	<b>GAO Xiao-Jie</b>

# Income Statement of the Company

From January to September 2020

Prepared by: Beijing North Star Company Limited

Unit: Yuan    Currency: RMB    Audit Type: Unaudited

Items	Third quarter of 2020 (July- September)	Third quarter of 2019 (July- September)	The first three quarters of 2020 (January- September)	The first three quarters of 2019 (January- September)
<b>I. Operating revenue</b>	<b>406,673,765</b>	550,857,470	<b>1,475,434,397</b>	1,818,891,059
Less: Operating costs	<b>202,870,859</b>	197,871,050	<b>654,095,605</b>	693,083,592
Taxes and surcharges	<b>47,408,924</b>	42,724,978	<b>257,335,872</b>	143,590,943
Selling expenses	<b>16,840,396</b>	22,889,981	<b>55,397,837</b>	58,847,801
Administrative expenses	<b>121,685,056</b>	139,602,569	<b>363,483,740</b>	398,381,450
Research and development expenses				
Finance expenses	<b>-56,954,708</b>	-12,431,077	<b>-65,576,085</b>	-29,339,589
Including: Interest expenses				
Interest income	<b>56,516,103</b>	12,868,046	<b>65,483,205</b>	30,314,308
Add: Other income	<b>3,885,025</b>	–	<b>6,341,659</b>	5,050,000
Investment income (loss stated with “–”)	<b>20,217,263</b>	95,843,297	<b>150,167,419</b>	281,124,652
Including: Investment income from				
associates and joint ventures	<b>5,831,799</b>	–	<b>-1,483,354</b>	–
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>300,144</b>	-5,387,934
Impairment losses on assets (loss stated				
with “–”)				
Gains from disposal of assets (loss stated				
with “–”)	–	–	–	97,360

Items	Third quarter of 2020 (July- September)	Third quarter of 2019 (July- September)	The first three quarters of 2020 (January- September)	The first three quarters of 2019 (January- September)
<b>II. Operating profit (loss stated with “-”)</b>	<b>98,925,526</b>	256,043,266	<b>367,506,650</b>	835,210,940
Add: Non-operating income	<b>6,292,398</b>	4,112,646	<b>12,674,080</b>	10,309,797
Less: Non-operating expenses	<b>1,705,030</b>	7,559,896	<b>4,886,193</b>	9,279,303
<b>III. Total profit (total loss stated with “-”)</b>	<b>103,512,894</b>	252,596,016	<b>375,294,537</b>	836,241,434
Less: Income tax expenses	<b>25,940,022</b>	71,771,640	<b>95,437,401</b>	217,690,245
<b>IV. Net profit (net loss stated with “-”)</b>	<b>77,572,872</b>	180,824,376	<b>279,857,136</b>	618,551,189
(I) Net profit from continuing operations (net loss stated with “-”)	<b>77,537,051</b>	180,999,060	<b>280,433,250</b>	619,113,885
(II) Net profit from discontinued operations (net loss stated with “-”)	<b>35,821</b>	-174,684	<b>-576,114</b>	-562,696
<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 into profit and loss under equity method				
3. Changes in fair value of investment in other equity instruments				
4. Changes in fair value of the enterprise’s own credit risk				

Items	Third quarter of 2020 (July- September)	Third quarter of 2019 (July- September)	The first three quarters of 2020 (January- September)	The first three quarters of 2019 (January- September)
(II) Other comprehensive income that will be reclassified into profit or loss				
1. Other comprehensive income which can be reclassified into profit and loss under equity method				
2. Changes in fair value of investment in other debt instruments				
3. Financial assets reclassified into other comprehensive income				
4. Provision for credit impairments of other debt investments				
5. Cash flow hedge reserve				
6. Exchange differences on foreign currency translation				
7. Others				

<b>VI. Total comprehensive income</b>	<b>77,572,872</b>	180,824,376	<b>279,857,136</b>	618,551,189
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**VII. Earnings per share:**

- (I) Basic earnings per share (*RMB/share*)
- (II) Diluted earnings per share (*RMB/share*)

<i>Legal representative:</i>	<i>Person-in-charge of accounting operations:</i>	<i>Person-in-charge of the accounting department:</i>
<b>LI Wei-Dong</b>	<b>GUO Chuan</b>	<b>GAO Xiao-Jie</b>

## Consolidated Cash Flow Statements

From January to September 2020

Prepared by: Beijing North Star Company Limited

Unit: Yuan    Currency: RMB    Audit Type: Unaudited

Items	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
<b>I. Cash flows from operating activities:</b>		
Cash received from selling goods and rendering services	8,386,079,490	14,831,236,517
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	65,284,175	–
Cash received relating to other operating activities	1,296,179,035	381,655,351
<b>Sub-total of cash inflow from operating activities</b>	<b>9,747,542,700</b>	<b>15,212,891,868</b>

<b>Items</b>	<b>First three quarters of 2020 (January to September)</b>	<b>First three quarters of 2019 (January to September)</b>
Cash paid for purchase of goods and receipt of services	<b>7,058,578,248</b>	9,779,209,871
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>662,187,713</b>	770,118,155
Taxes paid	<b>1,596,341,721</b>	3,165,241,215
Cash paid relating to other operating activities	<b>373,612,371</b>	674,758,136
<b>Sub-total of cash outflow from operating activities</b>	<b><u>9,690,720,053</u></b>	<b><u>14,389,327,377</u></b>
<b>Net cash flow from operating activities</b>	<b><u>56,822,647</u></b>	<b><u>823,564,491</u></b>



Items	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
<b>II. Cash flows from investing activities:</b>		
Cash received from disinvestments	<b>972,008,020</b>	181,788,834
Cash received from returns on investments	<b>11,922,485</b>	53,559,333
Net cash received from disposal of fixed assets, intangible assets and other long- term assets	<b>833,169</b>	604,007
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>984,763,674</u></b>	<b><u>235,952,174</u></b>
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	<b>94,376,218</b>	74,805,940
Cash paid to acquire investment	<b>157,948,400</b>	–
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities	<b><u>16,968,885</u></b>	<u>–</u>
<b>Sub-total of cash outflow from investing activities</b>	<b><u>269,293,503</u></b>	<b><u>74,805,940</u></b>
<b>Net cash flows from investing activities</b>	<b><u>715,470,171</u></b>	<b><u>161,146,234</u></b>

Items	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
<b>III. Cash flows from financing activities:</b>		
Cash received from capital contribution	<b>62,780,000</b>	1,951,600,000
Including: Cash received from capital contributions by minority shareholders of subsidiaries	<b>62,780,000</b>	960,000,000
Cash received from borrowings	<b>4,630,726,979</b>	8,843,221,892
Cash received from issuance of bonds	<b>595,200,000</b>	1,190,400,000
Cash received relating to other financing activities	<u><b>2,443,273,245</b></u>	<u>1,092,170,572</u>
<b>Sub-total of cash inflow from financing activities</b>	<u><b>7,731,980,224</b></u>	<u>13,077,392,464</u>
Cash repayments of borrowings	<b>5,319,051,202</b>	8,298,409,463
Cash payments for distribution of dividends and profits or interest expenses	<b>2,411,644,274</b>	2,089,711,965
Including: Dividends and profit paid to minority shareholders by subsidiaries	<b>41,000,000</b>	–
Cash paid relating to other financing activities	<u><b>269,580,342</b></u>	<u>228,139,443</u>
<b>Sub-total of cash outflow from financing activities</b>	<u><b>8,000,275,818</b></u>	<u>10,616,260,871</u>
<b>Net cash flows from financing activities</b>	<u><b>-268,295,594</b></u>	<u>2,461,131,593</u>

Items	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	503,997,224	3,445,842,318
Add: Balance of cash and cash equivalents at the beginning of the period	<u>11,775,741,381</u>	<u>11,851,787,876</u>
VI. Balance of cash and cash equivalents at the end of the period	<u>12,279,738,605</u>	<u>15,297,630,194</u>
Legal representative: LI Wei-Dong	Person-in-charge of accounting operations: GUO Chuan	Person-in-charge of the accounting department: GAO Xiao-Jie

## Statement of Cash Flows of the Company

From January to September 2020

Prepared by: Beijing North Star Company Limited

Unit: Yuan    Currency: RMB    Audit Type: Unaudited

Items	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
<b>I. Cash flows from operating activities:</b>		
Cash received from selling goods and rendering services	1,055,443,563	2,394,087,961
Refund of tax and levies received		
Cash received relating to other operating activities	83,491,525	228,808,579
<b>Sub-total of cash inflow from operating activities</b>	<b>1,138,935,088</b>	<b>2,622,896,540</b>
Cash paid for purchase of goods and receipt of services	310,940,081	870,191,236
Cash paid to and paid for employees	409,756,257	489,651,860
Taxes paid	445,296,572	687,308,594
Cash paid relating to other operating activities	152,726,115	157,125,179
<b>Sub-total of cash outflow from operating activities</b>	<b>1,318,719,025</b>	<b>2,204,276,869</b>
<b>Net cash flow from operating activities</b>	<b>-179,783,937</b>	<b>418,619,671</b>

Items	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments	17,427,282,900	12,376,498,345
Cash received from returns on investments	1,034,539,684	1,151,436,631
Net cash received from disposal of fixed assets, intangible assets and other long- term assets	641,347	402,896
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>18,462,463,931</b>	<b>13,528,337,872</b>
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	82,590,983	54,076,418
Cash paid to acquire investment	13,989,824,610	11,720,938,493
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>14,072,415,593</b>	<b>11,775,014,911</b>
<b>Net cash flows from investing activities</b>	<b>4,390,048,338</b>	<b>1,753,322,961</b>

<b>Items</b>	<b>First three quarters of 2020 (January to September)</b>	<b>First three quarters of 2019 (January to September)</b>
<b>III. Cash flows from financing activities:</b>		
Cash received from capital contribution	–	991,600,000
Cash received from borrowings	<b>2,755,218,154</b>	1,067,465,213
Cash received from issuance of bonds	<b>595,200,000</b>	1,190,400,000
Cash received relating to other financing activities	<b>844,500,000</b>	412,725,874
<b>Sub-total of cash inflow from financing activities</b>	<b><u>4,194,918,154</u></b>	<b><u>3,662,191,087</u></b>
Cash repayments of borrowings	<b>4,048,551,202</b>	2,275,255,698
Cash payments for distribution of dividends and profits or interest expenses	<b>2,046,112,252</b>	1,159,283,684
Cash paid relating to other financing activities	<b>56,556,366</b>	71,041,219
<b>Sub-total of cash outflow from financing activities</b>	<b><u>6,151,219,820</u></b>	<b><u>3,505,580,601</u></b>
<b>Net cash flows from financing activities</b>	<b><u>-1,956,301,666</u></b>	<b><u>156,610,486</u></b>

Items	First three quarters of 2020 (January to September)	First three quarters of 2019 (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>2,253,962,735</b>	2,328,553,118
Add: Balance of cash and cash equivalents at the beginning of the period	<u><b>7,094,712,787</b></u>	<u>6,167,840,790</u>
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<u><b>9,348,675,522</b></u>	<u>8,496,393,908</u>

<i>Legal representative:</i>	<i>Person-in-charge of accounting operations:</i>	<i>Person-in-charge of the accounting department:</i>
<b>LI Wei-dong</b>	<b>GUO Chuan</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 revenue standards and new lease standards from 2020**

☐ Applicable ☒ Not applicable

**4.3 Explanations on retrospective adjustments to comparative data of previous period due to first adoption of new revenue standards and new lease standards from 2020**

☐ Applicable ☒ Not applicable

**4.3 Auditor's report**

☐ Applicable ☒ Not applicable

# **BEIJING NORTH STAR COMPANY LIMITED**

## **TEXT OF THE 2020 THIRD QUARTERLY REPORT**

### **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 quarterly report.
- 1.2 All directors of the Company attended the board meeting to consider this quarterly report.
- 1.3 LI Wei-Dong, the person-in-charge of the Company, GUO Chuan, 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>
	<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>97,000,233,419</b>	93,811,678,995	3.40
Net assets attributable to the owners of the Company	<b>16,901,149,258</b>	17,368,057,820	-2.69
	<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>56,822,647</b>	823,564,491	-93.10
Operating revenue	<b>4,825,420,558</b>	10,072,096,618	-52.09
Net profit attributable to the owners of the Company	<b>128,732,346</b>	1,304,141,278	-90.13
Net profit attributable to the owners of the Company after deducting the non- recurring item	<b>74,554,481</b>	1,294,731,079	-94.24
Weighted average return on net assets (%)	<b>0.04</b>	8.59	Decreased by 8.55 percentage points
Basic earnings per share (RMB per share)	<b>0.002</b>	0.39	-99.49
Diluted earnings per share (RMB per share)	<b>0.002</b>	0.39	-99.49

## Non-recurring items and amounts

☒ Applicable    ☐ Not applicable

*Unit: Yuan    Currency: RMB*

Items	Amount from the	
	Amount of the period (July to September)	beginning of the year to the end of the reporting period (January to September)
Profit or loss on disposal of non-current assets	-185,435	-3,126,279
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	4,637,698	9,357,449
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the period	1,276,236	7,829,427
Investment income generated from disposal of long- term equity investments	–	45,811,037
Other non-operating income and expenses apart from the aforesaid items	6,447,001	8,183,525
Effect on minority interests (after tax)	-283,242	989,179
Effect on income tax	-3,043,875	-14,866,473
<b>Total</b>	<b>8,848,383</b>	<b>54,177,865</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 152,576

### 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	687,100,199	20.407%	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.	73,318,353	2.178%	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	32,891,964	0.977%	0	Nil	0	Foreign legal person
ZHONG Yan (鐘燕)	23,500,000	0.698%	0	Nil	0	Unknown
LIU Wen-Ke (劉文科)	17,100,000	0.508%	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)	16,554,429	0.492%	0	Nil	0	Unknown
QIAN Zhou-Jian (錢周健)	11,360,494	0.337%	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	687,100,199	Overseas listed foreign shares	687,100,199
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.	73,318,353	RMB-denominated ordinary shares	73,318,353
Hong Kong Securities Clearing Company Limited	32,891,964	RMB-denominated ordinary shares	32,891,964
ZHONG Yan (鐘燕)	23,500,000	RMB-denominated ordinary shares	23,500,000
LIU Wen-Ke (劉文科)	17,100,000	RMB-denominated ordinary shares	17,100,000
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)	16,554,429	RMB-denominated ordinary shares	16,554,429
QIAN Zhou-Jian (錢周健)	11,360,494	RMB-denominated ordinary shares	11,360,494

Notes on the connected relationship HKSCC NOMINEES LIMITED, the second largest shareholder, holds the H or parties acting in concert among the above shareholders 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**

In early 2020, the sudden outbreak of the Novel Coronavirus Pneumonia Pandemic has caused relatively material impacts on the economy of China. All industries including the real estate industry and service industry have been subject to impact of different levels. Due to the outbreak of the pandemic and the introduction of relevant precautionary and control measures, the construction, completion and sales areas of the real estate development business, and occupancy rate and lodging rate of investment properties and hotels of the Company were affected to some extent during the reporting period.

From January to September 2020, for real estate development purpose, in respect of land reserve, the Company achieved newly increased real estate reserve of 422,700 m<sup>2</sup>, representing a year-on-year increase of 59.69%, the total land reserve of 6,959,700 m<sup>2</sup>, representing a year-on-year decrease of 6.74%, and the equity land reserve of 6,259,300 m<sup>2</sup>, representing a year-on-year decrease of 7.67%; in respect of engineering construction, the Company recorded a new construction area of 801,500 m<sup>2</sup>, representing a year-on-year decrease of 34.18%, a resumed construction area of 7,032,000 m<sup>2</sup>, representing a year-on-year decrease of 12.16%, and a completed area of 1,155,300 m<sup>2</sup>, representing a year-on-year decrease of 22.37%; in respect of project sales, the Company recorded sales area of 506,500 m<sup>2</sup> and sales amount of RMB9,043 million, representing a year-on-year decrease of 50.34% and 40.82% respectively, and its settlement area was 272,500 m<sup>2</sup> and its settlement amount was RMB3,678 million, representing a year-on-year decrease of 47.06% and 54.32%, respectively.

From January to September 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 RMB289,124,300; the gross floor area of office building projects was 448,400 m<sup>2</sup>, realising a total operating revenue of RMB447,130,000; the gross floor area of hotel projects was 284,300 m<sup>2</sup>, realising a total operating revenue of RMB169,550,100; the gross floor area of apartment projects was 184,300 m<sup>2</sup>, realising a total operating revenue of RMB117,920,000.

### 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*

Items	30 September 2020	31 December 2019	Change	Change rate (%)	Major reasons for the change
Prepayments	<b>54,402,099</b>	208,202,163	-153,800,064	-73.87	Mainly due to the transfer of land prepayments to the inventory of the Company in the period
Other receivables	<b>2,636,724,343</b>	3,963,257,916	-1,326,533,573	-33.47	Mainly due to the decrease in amounts due and deposits receivable from minority shareholders of the Company in the period
Non-current assets due within one year	<b>47,157,938</b>	16,019,202	31,138,736	194.38	Mainly due to the reclassification of long-term accounts receivable of the Company in the period
Long-term accounts receivable	<b>279,905,357</b>	170,483,313	109,422,044	64.18	Mainly due to the increase in amounts due from related parties of the Company in the period
Construction-in-progress	<b>428,053,262</b>	3,573,479	424,479,783	11,878.61	Mainly due to the transfer of fixed assets betterment to construction-in-progress of the Company in the period
Other payables	<b>5,156,989,965</b>	3,925,630,574	1,231,359,391	31.37	Mainly due to the increase in amount due to related companies of the Company in the period
Bonds payable	<b>4,399,020,340</b>	1,548,298,593	2,850,721,747	184.12	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
Long-term accounts payable	<b>2,535,736,670</b>	1,434,826,089	1,100,910,581	76.73	Mainly due to the increase in amounts due to minority shareholders of the Company in the period

Items	January to September 2020	January to September 2019	Change	Change rate (%)	Major reasons for the change
Operating revenue	4,825,420,558	10,072,096,618	-5,246,676,060	-52.09	Mainly due to the year-on-year decrease in settlement area in the period resulting from the impact of development 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 Pandemic
Operating costs	2,939,766,078	5,737,456,434	-2,797,690,356	-48.76	Mainly due to the decrease in operating revenue of the Company in the period
Taxes and surcharges	557,823,910	1,062,530,445	-504,706,535	-47.50	Mainly due to the decrease in operating revenue of the Company in the period
Selling expenses	219,725,066	322,200,878	-102,475,812	-31.80	Mainly due to the decrease in advertising fee and other marketing expenses of the Company in the period
Investment income	99,221,351	37,473,009	61,748,342	164.78	Mainly due to the increase in profits made by joint ventures and associates and investment income arising from disposal of subsidiaries of the Company in the period
Total profit	296,400,869	2,043,794,197	-1,747,393,328	-85.50	Mainly due to the decrease in operating revenue of the Company in the period
Income tax expenses	107,026,625	541,989,278	-434,962,653	-80.25	Mainly due to the decrease in total profit of the Company in the period
Net profit attributable to the owners of the Company	128,732,346	1,304,141,278	-1,175,408,932	-90.13	Mainly due to the decrease in profit of the Company in the period
Basic earnings per share	0.002	0.39	-0.388	-99.49	Mainly due to the decrease in net profit attributable to the ordinary shareholders of the Company in the period

Items	January to September 2020	January to September 2019	Change	Change rate (%)	Major reasons for the change
Net cash flow from operating activities	<b>56,822,647</b>	823,564,491	-766,741,844	-93.10	Mainly due to the decrease in operating inflow of the Company in the period
Net cash flow from investment activities	<b>715,470,171</b>	161,146,234	554,323,937	343.99	Mainly due to the increase in receipt of loan principal of related parties by the Company in the period
Net cash flow from financing activities	<b>-268,295,594</b>	2,461,131,593	-2,729,427,187	-110.90	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 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 : **LI Wei-Dong**  
Date : 28 October 2020

By order of the Board  
**BEIJING NORTH STAR COMPANY LIMITED**  
**LI Wei-Dong**  
*Chairman*

Beijing, the PRC, 28 October 2020

*As at the date of this announcement, the Board of the Company comprises eight directors, of whom five are executive Directors, namely, 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. WU Ge and Mr. GAN Pei-Zhong.*