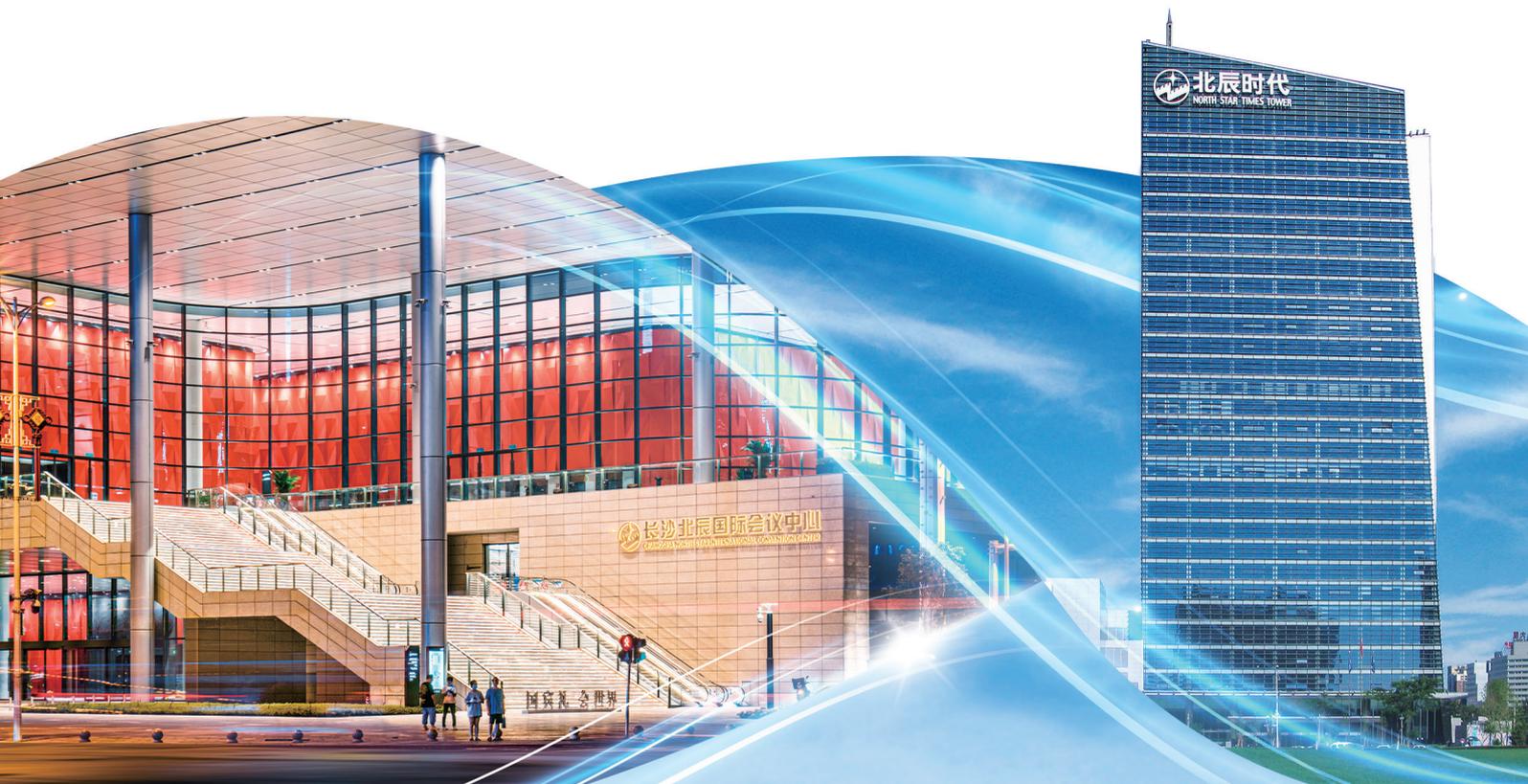




HKEx Stock Code: 0588
SSE Stock Code: 601588



2023 INTERIM REPORT

INTERIM REPORT

For the six months ended 30 June 2023

- Revenue was RMB7,268,886,000, representing an increase of 6.26% over the same period of the previous year
- Operating profit was RMB755,275,000, representing an increase of 593.17% over the same period last year
- Profit attributable to the ordinary shareholders of the Company was RMB132,966,000, realizing a turnaround from loss to profit and representing an increase of RMB665,879,000 over the same period last year, among others, the after-tax core operating results of the Company's principal business (excluding gains arising from the changes in fair value) were RMB109,700,000, representing an increase of RMB540,532,000 over the same period last year. During the Period, the gains (after taxation) on changes in fair value of investment properties were RMB23,266,000
- Profits per share were RMB0.0395, and losses per share in the same period last year were RMB0.1583
- The board of directors (the "Board") resolved that no interim dividend would be declared in respect of the six months ended 30 June 2023 (six months ended 30 June 2022: nil)



Interim Condensed Consolidated Balance Sheet

	<i>Note</i>	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 <i>RMB'000</i>
ASSETS			
Non-current assets			
Right-of-use assets	7	416,647	433,030
Investment properties	7	16,922,000	16,826,279
Property, plant and equipment	7	2,468,151	2,543,658
Investments accounted for using the equity method		328,023	357,765
Deferred income tax assets		1,355,160	1,309,347
Other receivables and prepayments	9	248,412	191,717
		21,738,393	21,661,796
Current assets			
Properties under development	8	17,342,584	22,977,693
Completed properties held-for-sale		18,238,909	16,582,388
Other inventories		40,436	43,066
Trade and other receivables and prepayments	9	4,801,970	5,204,597
Restricted bank deposits		1,028,578	1,255,045
Cash and cash equivalents		10,356,222	8,388,151
		51,808,699	54,450,940
Total assets		73,547,092	76,112,736



Interim Condensed Consolidated Balance Sheet (Continued)

	<i>Note</i>	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 <i>RMB'000</i>
LIABILITIES			
Non-current liabilities			
Long-term borrowings	12	18,635,805	17,468,165
Loans from other parties	11	4,436,744	2,369,408
Employee termination benefit obligations		92,134	96,332
Deferred income tax liabilities		2,249,541	2,208,129
Lease liabilities		6,002	10,503
Deferred income		31,750	19,287
		25,451,976	22,171,824
Current liabilities			
Trade and other payables	11	8,356,720	9,535,581
Loans/advances from other parties	11	3,606,428	2,248,718
Contract liabilities		8,211,343	10,609,330
Current income tax liabilities		1,398,867	1,773,757
Lease liabilities		26,682	26,751
Current portion of long-term borrowings	12	3,829,534	7,162,682
		25,429,574	31,356,819
Total liabilities		50,881,550	53,528,643
Net assets		22,665,542	22,584,093
EQUITY			
Share capital	10	3,367,020	3,367,020
Other reserves		4,915,444	4,915,444
Retained earnings		11,263,452	11,130,486
Capital and reserves attributable to ordinary shareholders of the Company		19,545,916	19,412,950
Non-controlling interests		3,119,626	3,171,143
Total equity		22,665,542	22,584,093

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Income Statement

	Note	Unaudited Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
Revenue	6	7,268,886	6,840,511
Cost of sales		(5,977,765)	(5,989,769)
Gross profit		1,291,121	850,742
Selling and marketing expenses		(196,984)	(208,231)
Administrative expenses		(395,050)	(409,846)
Net provision for impairment losses on financial assets		(58,884)	(17,713)
Other income and gains/(losses) – net	13	115,072	(105,993)
Operating profit	13	755,275	108,959
Finance income	14	46,136	50,829
Finance expenses	14	(433,577)	(412,167)
Finance expenses – net		(387,441)	(361,338)
Share of net profit/(loss) of investments accounted for using the equity method		12,150	(2,463)
Profit/(loss) before income tax		379,984	(254,842)
Income tax expense	15	(286,299)	(209,617)
Profit/(loss) for the period		93,685	(464,459)
Attributable to:			
Ordinary shareholders of the Company		132,966	(532,913)
Holders of perpetual bond		–	25,359
Non-controlling interests		(39,281)	43,095
		93,685	(464,459)
Earnings/(losses) per share attributable to ordinary shareholders of the Company (expressed in RMB cents per share) (basic and diluted)	16	3.95	(15.83)

The above interim condensed consolidated income statement should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Comprehensive Income

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Profit/(loss) for the period	93,685	(464,459)
Other comprehensive income	–	–
Total comprehensive income/(loss) for the period	93,685	(464,459)
Attributable to:		
Ordinary shareholders of the Company	132,966	(532,913)
Holders of perpetual bond	–	25,359
Non-controlling interests	(39,281)	43,095
	93,685	(464,459)

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Changes in Equity

	Unaudited							
	Note	Attributable to ordinary shareholders of the Company			Total RMB'000	Perpetual bond RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000	Other reserves RMB'000	Retained earnings RMB'000				
Six months ended 30 June 2023								
Balance at 1 January 2023		3,367,020	4,915,444	11,130,486	19,412,950	-	3,171,143	22,584,093
Profit/(loss) for the period		-	-	132,966	132,966	-	(39,281)	93,685
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period		-	-	132,966	132,966	-	(39,281)	93,685
Transactions with owners in their capacity as owners								
Dividends provided for or paid to non-controlling interests		-	-	-	-	-	(12,236)	(12,236)
Total transactions with owners in their capacity as owners		-	-	-	-	-	(12,236)	(12,236)
Balance at 30 June 2023		3,367,020	4,915,444	11,263,452	19,545,916	-	3,119,626	22,665,542
Six months ended 30 June 2022								
Balance at 1 January 2022		3,367,020	4,982,879	12,637,542	20,987,441	1,018,241	3,862,851	25,868,533
(Loss)/profit for the period		-	-	(532,913)	(532,913)	25,359	43,095	(464,459)
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive (loss)/income for the period		-	-	(532,913)	(532,913)	25,359	43,095	(464,459)
Transactions with owners in their capacity as owners								
2021 final dividends	17	-	-	(33,670)	(33,670)	-	-	(33,670)
Capital contribution from non-controlling interests		-	-	-	-	-	980	980
Redemption of perpetual bond		-	(8,400)	-	(8,400)	(991,600)	-	(1,000,000)
Distribution to holders of perpetual bond		-	-	-	-	(52,000)	-	(52,000)
Dividends provided for or paid to non-controlling interests		-	-	-	-	-	(568,900)	(568,900)
Business combination under common control		-	(66,907)	-	(66,907)	-	(44,604)	(111,511)
Total transactions with owners in their capacity as owners		-	(75,307)	(33,670)	(108,977)	(1,043,600)	(612,524)	(1,765,101)
Balance at 30 June 2022		3,367,020	4,907,572	12,070,959	20,345,551	-	3,293,422	23,638,973

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Cash Flows

	Note	Unaudited Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
Cash flows from operating activities			
Cash generated from operations		2,213,767	2,641,148
Interest received		46,136	50,829
Interest paid		(678,863)	(923,919)
Income tax paid		(712,202)	(805,850)
Net cash generated from operating activities		868,838	962,208
Cash flows from investing activities			
Payments for property, plant and equipment		(40,658)	(14,414)
Payments for investment properties		(91,898)	(17,121)
Loans/funds granted to related parties		(384)	(449,138)
Proceeds from settlement of receivable from the ultimate parent		–	107,925
Loan repayments from related parties		112,700	269,600
Interests received on loans granted and other investment		55,740	27,548
Proceeds from sale of property, plant and equipment and investment properties		1,383	376
Refund of advance payment as received for the partial disposal of an associate		–	(80,000)
Deregistration of a joint venture		30,569	–
Net cash generated from/(used in) investing activities		67,452	(155,224)
Cash flows from financing activities			
Proceeds from borrowings and issuance of bonds		2,903,931	3,364,403
Issuance of commercial mortgage backed securities ("CMBS")		2,854,280	–
Proceeds from borrowings from BNSIGC	22(ii)	800,000	400,000
Repayments of CMBS		(10,000)	(9,000)
Repayments of borrowings and bonds		(5,214,701)	(5,012,403)
Proceeds from loans/advances from non-controlling interests		75,740	64,280
Repayments of borrowings from BNSIGC	22(ii)	(300,000)	(300,000)
Repayments of loans/advances from non-controlling interests		(126,940)	(96,640)
Proceeds from funds from related parties	22(v)	62,900	–
Proceeds from capital injection from non-controlling interests		–	980
Dividends paid to Company's shareholders		–	(14,990)
Dividends paid to the non-controlling interests		–	(20,000)
Dividends paid to the holders of perpetual bond		–	(52,000)
Redemption of perpetual bond		–	(1,000,000)
Principal elements of lease payments		(4,449)	(9,480)
Payment for acquisition of the entity under common control		–	(111,511)
Net (increase)/decrease in deposits paid for obtaining borrowings		(8,980)	13,970
Net cash generated from/(used in) financing activities		1,031,781	(2,782,391)
Net increase/(decrease) in cash and cash equivalents		1,968,071	(1,975,407)
Cash and cash equivalents at beginning of the period		8,388,151	12,960,953
Cash and cash equivalents at end of the period		10,356,222	10,985,546

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Interim Condensed Consolidated Financial Information

1. GENERAL INFORMATION

Beijing North Star Company Limited (the “Company”) is a joint stock limited liability company established in the People’s Republic of China (the “PRC”) on 2 April 1997 as part of the reorganisation (the “Reorganisation”) of a state-owned enterprise known as Beijing North Star Industrial Group Limited Liabilities Company (“BNSIGC”, the ultimate parent of the Company).

Pursuant to the Reorganisation in preparation for the listing of the Company’s H shares on the Main Board of The Stock Exchange of Hong Kong Limited, the Company took over the principal subsidiaries and business undertakings of BNSIGC, together with their related assets and liabilities. On 14 May 1997, the Company completed the global offering of its H share, and the Company was granted the status of a sino-foreign joint venture joint stock limited company on 20 July 1998. The address of the Company’s registered office is No.8 Bei Chen Dong Road, Chao Yang District, Beijing, the PRC.

On 25 September 2006, the Company issued 1,500,000,000 A shares at RMB2.4 per share and these shares were listed on the Shanghai Stock Exchange on 16 October 2006. Since then, the Company’s shares have been dually listed on the Main Board of The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange.

The Company and its subsidiaries (the “Group”) are primarily engaged in real estate development and convention and exhibition (including hotels) and commercial properties operation and management in the PRC.

This interim condensed consolidated financial information is presented in Renminbi, unless otherwise stated. This interim condensed consolidated financial information was approved by the Board of Directors of the Company for issue on 24 August 2023.

This interim condensed consolidated financial information has been reviewed, not audited.

2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2023 (the “interim financial information”) has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The interim financial information does not include all the notes of the type normally included in an annual financial statements. Accordingly, this interim financial information should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022 and any public announcements made by the Company during the interim reporting period.

3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the Group’s annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new and amended standards as set out below.

The Group has applied the following standards and amendments for the first time for the Group’s financial period beginning on 1 January 2023:

- (a) HKFRS 17 Insurance Contracts
- (b) Disclosure of Accounting Policies – Amendments to HKAS 1 and HKFRS Practice Statement 2
- (c) Definition of Accounting Estimates – Amendments to HKAS 8
- (d) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to HKAS 12

The adoption of these new and amended standards does not have significant impact on the interim financial information of the Group.

The Group has not early adopted any of the new or amended standards and interpretations which have been published but not yet effective for the financial period commencing on 1 January 2023. These new or amended standards and interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

4. ESTIMATES

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgments made by management in applying the Group's material accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements for the year ended 31 December 2022.

5. FINANCIAL RISK MANAGEMENT

5.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk.

This interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

There have been no changes in the risk management policies since year end.

5.2. Liquidity risk

The table below analyses the Group's non-derivative financial liabilities in relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year <i>RMB'000</i>	Between 1 and 2 years <i>RMB'000</i>	Between 2 and 5 years <i>RMB'000</i>	Over 5 years <i>RMB'000</i>	Total <i>RMB'000</i>
As at 30 June 2023 (Unaudited)					
Borrowings (including interests payable)	4,677,565	7,234,837	5,612,741	10,133,329	27,658,472
Trade and other payables and loans/advances from other parties (including interests) <i>(Note i)</i>	11,800,725	972,188	3,780,521	–	16,553,434
Lease liabilities	27,776	5,343	952	–	34,071
	16,506,066	8,212,368	9,394,214	10,133,329	44,245,977
As at 31 December 2022 (Audited)					
Borrowings (including interests payable)	8,186,376	5,086,604	6,213,375	11,242,137	30,728,492
Trade and other payables and loans/advances from other parties (including interests) <i>(Note i)</i>	11,366,957	2,428,738	–	–	13,795,695
Lease liabilities	29,501	9,131	1,903	–	40,535
	19,582,834	7,524,473	6,215,278	11,242,137	44,564,722

Notes:

- (i) Excluding staff welfare benefits payable, other taxes payable and prepaid rental income from tenants.
- (ii) The table above does not include any potential liabilities which may arise from the financial guarantee as disclosed in Note 19 to the interim financial information.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

5. FINANCIAL RISK MANAGEMENT(CONTINUED)

5.3 Fair value estimation

The different levels regarding fair value determination have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

At 30 June 2023 and 31 December 2022, the Group has no assets that are carried at fair value, except for the investment properties.

Details of the fair value of investment properties have been disclosed in Note 7.

There were no transfers between different levels during the period.

There were no changes in valuation techniques during the period.

The carrying amounts of the Group's financial assets/liabilities approximated their fair values.

The fair value of the financial guarantee is considered not to be significant.

6. SEGMENT INFORMATION

Management has determined the operating segments based on the internal reports reviewed by the Board, being the major body in making operation decisions, for assessing the operating performance and resources allocation.

The Board considers the business from product/service perspectives. From product/service perspectives, management assesses the performance of the segments of real estate development and convention and exhibition (including hotels) and commercial properties. Real estate development is the segment which involves the sales of developed properties; Convention and exhibition (including hotels) and commercial properties is the segment which involves in operation of rental apartments, office buildings, conference centers, and hotels.

Other segments of the Group mainly comprise businesses relating to property management and others, the sales of which have not been included within the reportable operating segments, as they are not included within the reports provided to the Board.

The Board assesses the performance of the operating segments based on a measure of adjusted profit before income tax based on assumptions that investment properties are measured at cost less accumulated depreciation. This measurement basis mainly excludes the fair value gains/(losses) on investment properties and includes land appreciation taxes and the depreciation of investment properties as if they are measured at cost less accumulated depreciation. Other information provided, except as noted below, to the Board is measured in a manner consistent with the segment information as disclosed in this interim condensed consolidated financial information.

Total segment assets mainly exclude deferred income tax assets at corporate level and corporate cash, which are managed on a centralised basis; and the investment properties included in the segment assets are the amounts as if they are measured at cost less accumulated depreciation. These are part of the reconciliation to total balance sheet assets.



Notes to the Interim Condensed Consolidated Financial Information (Continued)

6. SEGMENT INFORMATION (CONTINUED)

Total segment liabilities mainly exclude deferred income tax liabilities, corporate borrowings and other corporate liabilities, all of which are managed on a centralised basis. These are part of the reconciliation to total balance sheet liabilities.

The Group's revenue consists of revenue from sales of real estate development properties and revenue generated from the operation of convention and exhibition (including hotels) and commercial properties. Revenues recognised during the six months ended 30 June 2023 and 2022 are as follows:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Revenue		
Real estate development segment	5,992,742	5,879,608
Convention and exhibition (including hotels) and commercial properties segment	1,191,616	888,806
	7,184,358	6,768,414
Other segments	84,528	72,097
	7,268,886	6,840,511

For the six months ended 30 June 2023 and 2022, the Group derives revenue from the deliveries of properties, goods and services over time and at a point in time from the following segments:

	At a point in time	Over time
	RMB'000	RMB'000
For the six months ended 30 June 2023		
Real estate development segment	5,992,742	–
Convention and exhibition (including hotels) and commercial properties segment*	158,584	326,325
Other segments	11,030	73,498
	6,162,356	399,823
	At a point in time	Over time
	RMB'000	RMB'000
For the six months ended 30 June 2022		
Real estate development segment	5,879,608	–
Convention and exhibition (including hotels) and commercial properties segment*	86,245	164,722
Other segments	12,002	60,095
	5,977,855	224,817

* Rental income from investment properties is recognised on a straight-line basis over the term of the lease and has not been included in the above analysis. For the six months ended 30 June 2023 and 2022, rental income from investment properties amounted to RMB706,707,000 and RMB637,839,000, respectively.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

6. SEGMENT INFORMATION (CONTINUED)

Other segments of the Group mainly comprise property management and others, none of which constitutes a separately reportable segment.

Sales between segments are conducted at terms as mutually agreed. The revenue from external parties reported to the Board is measured in a manner consistent with that in the interim condensed consolidated income statement.

The segment information provided to the Board for the reportable segments for the six months ended 30 June 2023 and 2022 is as follows:

Business segment	Real estate development <i>RMB'000</i>	Convention and exhibition (including hotels) and commercial properties <i>RMB'000</i>	Other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2023 (Unaudited)				
Total segment revenue	5,992,742	1,239,936	101,613	7,334,291
Inter-segment revenue	-	(48,320)	(17,085)	(65,405)
Revenue from external customers	5,992,742	1,191,616	84,528	7,268,886
Adjusted profit/(loss) before income tax	155,932	205,907	(19,819)	342,020
Six months ended 30 June 2022 (Unaudited)				
Total segment revenue	5,879,608	924,382	93,428	6,897,418
Inter-segment revenue	-	(35,576)	(21,331)	(56,907)
Revenue from external customers	5,879,608	888,806	72,097	6,840,511
Adjusted loss before income tax	(23,670)	(51,107)	(44,615)	(119,392)

Notes to the Interim Condensed Consolidated Financial Information (Continued)

6. SEGMENT INFORMATION (CONTINUED)

The segment information as at 30 June 2023 and 31 December 2022 is as follows:

Business segment	Real estate development <i>RMB'000</i>	Convention and exhibition (including hotels) and commercial properties <i>RMB'000</i>	Other segments <i>RMB'000</i>	Total <i>RMB'000</i>
As at 30 June 2023 (Unaudited)				
Total segment assets	44,168,886	10,507,905	117,430	54,794,221
Total segment assets include:				
Investments accounted for using the equity method	323,751	4,272	–	328,023
Additions to non-current assets (other than deferred income tax assets)	1,318	82,368	867	84,553
Total segment liabilities	32,033,467	1,340,608	285,645	33,659,720
Contract liabilities	8,111,833	91,922	7,588	8,211,343
As at 31 December 2022 (Audited)				
Total segment assets	49,234,371	10,655,558	108,356	59,998,285
Total segment assets include:				
Investments accounted for using the equity method	353,493	4,272	–	357,765
Additions to non-current assets (other than deferred income tax assets)	276,093	181,323	4,200	461,616
Total segment liabilities	37,500,019	1,345,710	302,655	39,148,384
Contract liabilities	10,462,777	140,066	6,487	10,609,330

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the interim condensed consolidated financial information. These assets are allocated based on the operations of the segment and the physical location of the assets.

Certain interest-bearing liabilities are not considered to be segment liabilities but rather are managed by the centralised treasury function.



Notes to the Interim Condensed Consolidated Financial Information (Continued)

6. SEGMENT INFORMATION (CONTINUED)

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities.

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Real estate development segment	3,337,261	4,478,208
Convention and exhibition (including hotels) and commercial properties segment	127,072	202,219
Other segments	6,487	9,437
	3,470,820	4,689,864

Reportable segment profit/(loss) before income tax is reconciled to the Group's profit/(loss) before income tax as follows:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Profit/(loss) before income tax for reportable segments	342,020	(119,392)
Corporate overheads	(53,584)	(79,910)
Corporate finance expenses	(168,348)	(298,638)
Corporate finance income	22,152	26,270
Other income and (losses)/gains – net	(26,545)	31,587
Fair value gains/(losses) on investment properties (Note 13)	26,612	(136,108)
Reversal of depreciation of investment properties	139,032	136,345
Land appreciation tax (Note 15)	98,645	185,004
Profit/(loss) before income tax	379,984	(254,842)



Notes to the Interim Condensed Consolidated Financial Information (Continued)

6. SEGMENT INFORMATION (CONTINUED)

Reportable segment assets are reconciled to the Group's assets as follows:

	Unaudited As at 30 June 2023 RMB'000	Audited As at 31 December 2022 RMB'000
Total segment assets	54,794,221	59,998,285
Deferred income tax assets at corporate level	1,019,702	1,043,076
Corporate cash	8,051,489	5,372,061
Accumulated fair value gains on investment properties	5,574,512	5,547,900
Reversal of accumulated depreciation and impairment of investment properties	3,423,652	3,284,620
Receivables due from joint ventures and associates	660,591	854,832
Other corporate current assets	22,925	11,962
Total assets per balance sheet	73,547,092	76,112,736

Reportable segment liabilities are reconciled to the Group's liabilities as follows:

	Unaudited As at 30 June 2023 RMB'000	Audited As at 31 December 2022 RMB'000
Total segment liabilities	33,659,720	39,148,384
Deferred income tax liabilities at corporate level	2,249,541	2,208,129
Corporate borrowings	12,246,664	10,178,111
Other corporate liabilities	2,725,625	1,994,019
Total liabilities per balance sheet	50,881,550	53,528,643

The Company and its subsidiaries were domiciled in the PRC and all the revenue from external customers of the Group for the six months ended 30 June 2023 and 2022 are derived in the PRC.

There are no changes from the last annual financial statements in respect of segmentation or measurement of segment profit or loss.

At 30 June 2023 and 31 December 2022, all the Group's non-current assets (other than deferred income tax assets) were located in the PRC.

The Group has a large number of customers and no significant revenue (in excess of 10% of the Group's revenue) was derived from any specific external customers during the six months ended 30 June 2023 and 2022.



Notes to the Interim Condensed Consolidated Financial Information (Continued)

7. RIGHT-OF-USE ASSETS, PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES

	Right-of-use assets	Unaudited Property, plant and equipment	Investment properties <i>(note)</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Six months ended 30 June 2023			
Opening net book amount as at 1 January 2023	433,030	2,543,658	16,826,279
Fair value gains credited to profit or loss <i>(Note 13)</i>	–	–	26,612
Additions	–	7,632	70,901
Disposals	–	(736)	(1,792)
Depreciation	(16,383)	(82,403)	–
Closing net book amount as at 30 June 2023	416,647	2,468,151	16,922,000
Six months ended 30 June 2022			
Opening net book amount as at 1 January 2022	455,018	2,674,399	16,709,399
Fair value losses charged to profit or loss <i>(Note 13)</i>	–	–	(136,108)
Additions	5,632	13,739	11,393
Disposals	(679)	(384)	–
Depreciation	(18,031)	(80,971)	–
Closing net book amount as at 30 June 2022	441,940	2,606,783	16,584,684

Note:

The investment properties at 30 June 2023 and 31 December 2022 were valued by an independent and qualified valuer, Greater China Appraisal Limited (“GCAL”).



Notes to the Interim Condensed Consolidated Financial Information (Continued)

7. RIGHT-OF-USE ASSETS, PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES (CONTINUED)

(a) Fair value hierarchy

The fair value measurement information for the investment properties in accordance with HKFRS 13 are given below:

	Fair value measurements using significant unobservable inputs (Level 3)	
	Unaudited	Audited
	As at	As at
	30 June 2023	31 December 2022
	RMB'000	RMB'000
Recurring fair value measurements		
Investment properties:		
– Office units	6,855,605	6,786,759
– Apartments	2,207,780	2,206,250
– Convention centers	4,015,000	3,971,000
– Shopping malls	3,837,900	3,850,841
– Others	5,715	11,429
	16,922,000	16,826,279

There were no transfers between Levels 1, 2 and 3 during the period.

(b) Valuation processes of the Group

The Group's investment properties were valued on 30 June 2023 by the GCAL who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued.

The Group's finance department includes a team that reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the chief financial officer ("CFO"). Discussions of valuation processes and results are held between the CFO, the valuation team and the valuer at least once every six months, in line with the Group's interim and annual reporting dates. As at 30 June 2023 and 31 December 2022, the fair values of the investment properties have been determined by reference to the valuation reports issued by GCAL.

At each reporting dates, the finance department:

- Verifies all major inputs to the independent valuation report;
- Assesses property valuations movements when compared to the prior year valuation report;
- Holds discussions with the independent valuer.

Changes in Level 3 fair values are analysed at each reporting date during the bi-annual valuation discussions between the CFO and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.



Notes to the Interim Condensed Consolidated Financial Information (Continued)

7. RIGHT-OF-USE ASSETS, PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES (CONTINUED)

(c) Valuation techniques

For office units, apartments (except block A) and shopping malls, the valuations were based on income capitalisation approach (term and reversionary method) which largely used unobservable inputs (e.g. market rent, yield, etc.) and taking into account the significant adjustment to term yield to account for the risk upon reversionary and the estimation in vacancy rate after expiry of current lease.

For convention centers and apartment block A, the valuation was determined using discounted cash flow projections based on significant unobservable inputs. These input include:

Future rental cash inflows	Based on the actual location, type and quality of the properties and supported by the terms of any existing leases, other contracts and external evidence such as current market rents or room rates for similar properties;
Discount rates	Reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
Estimated vacancy rates	Based on current and expected future market conditions after expiry of any current lease;
Maintenance costs	Including necessary investments to maintain functionality of the property for its expected useful life;
Capitalisation rates	Based on actual location, size and quality of the properties and taking into account market data at the valuation date;
Terminal value	Taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

For the properties under development, the valuations have assumed that the properties will be renovated and completed in accordance with the latest renovation proposals. In arriving at the market value, it has taken into account the renovation costs relevant to the stage of renovation as at the valuation date and the remainder of the costs and fees to be expended to complete the renovation. In assessing the gross development values, it was based on income capitalisation approach (term and reversionary method) which largely used unobservable inputs (e.g. market rent, yield, etc.). These input include:

Rental income	Based on actual location, size, quality and floor level of the properties and taking into account market data at the valuation date;
Capitalisation rates	Based on actual location, size and quality of the properties and taking into account market data at the valuation date;
Cost to completion	Based on latest renovation plan and relevant costs estimated.

There were no changes to the valuation techniques during the period.



Notes to the Interim Condensed Consolidated Financial Information (Continued)

8. PROPERTIES UNDER DEVELOPMENT

	Unaudited As at 30 June 2023 RMB'000	Audited As at 31 December 2022 RMB'000
Land use rights	10,399,857	13,838,765
Development costs and capitalised expenditure	5,488,984	6,990,562
Finance expenses capitalised	2,363,574	3,071,986
	18,252,415	23,901,313
Less: impairment	(909,831)	(923,620)
	17,342,584	22,977,693

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Unaudited As at 30 June 2023			Audited As at 31 December 2022		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade and other receivables (a)	2,502,602	225,464	2,728,066	2,781,317	165,474	2,946,791
Prepayments for tax, construction cost and others	2,299,368	22,948	2,322,316	2,423,280	26,243	2,449,523
	4,801,970	248,412	5,050,382	5,204,597	191,717	5,396,314



Notes to the Interim Condensed Consolidated Financial Information (Continued)

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(a) Trade and other receivables

	Unaudited As at 30 June 2023			Audited As at 31 December 2022		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade receivables (i)	280,356	–	280,356	273,247	–	273,247
Less: provision for impairment of trade receivables	(51,094)	–	(51,094)	(49,540)	–	(49,540)
Trade receivables – net	229,262	–	229,262	223,707	–	223,707
Receivables due from other related parties (Notes ii and 22(viii))	559,582	346,425	906,007	821,771	220,500	1,042,271
Receivables due from non-controlling interests of subsidiaries (Notes iii and 22(viii))	1,503,447	–	1,503,447	1,503,447	–	1,503,447
Other receivables	291,520	54,039	345,559	311,202	65,044	376,246
	2,354,549	400,464	2,755,013	2,636,420	285,544	2,921,964
Less: provision for impairment of other receivables	(81,209)	(175,000)	(256,209)	(78,810)	(120,070)	(198,880)
Other receivables – net	2,273,340	225,464	2,498,804	2,557,610	165,474	2,723,084
	2,502,602	225,464	2,728,066	2,781,317	165,474	2,946,791

The fair values of trade and other receivables are not materially different from their carrying amounts.



Notes to the Interim Condensed Consolidated Financial Information (Continued)

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(a) Trade and other receivables (Continued)

(i) *Trade receivables*

The majority of the Group's sales are on cash or advance basis. The remaining amounts are with credit terms of 30 to 90 days.

As at 30 June 2023 and 31 December 2022, the ageing analysis of the trade receivables is as follows:

	Unaudited As at 30 June 2023 RMB'000	Audited As at 31 December 2022 RMB'000
Trade receivables		
0 – 30 days	160,728	172,467
31 – 90 days	27,735	37,333
Over 90 days	91,893	63,447
	280,356	273,247

(ii) Receivables due from other related parties include receivables due from BNSIGC and the Group's associates and joint ventures.

(iii) The receivables due from non-controlling interests refer to the funds receivable by some subsidiaries of the Company from minority shareholders, which do not bear interest and can be recovered at any time as needed. Certain receivables due from non-controlling interests are deemed as receivables from related parties since the non-controlling interests have significant influence over the related subsidiaries which are material to the Group. At 30 June 2023, the related party portion of receivables due from non-controlling interests was RMB495,500,000 (At 31 December 2022: RMB495,500,000)(Note 22(viii)).

10. SHARE CAPITAL

	Audited As at 31 December 2022 RMB'000	Movement during the period RMB'000	Unaudited As at 30 June 2023 RMB'000
Registered, issued and fully paid (3,367,020,000 shares of RMB1 each)	3,367,020	–	3,367,020



Notes to the Interim Condensed Consolidated Financial Information (Continued)

11. TRADE AND OTHER PAYABLES AND LOANS/ADVANCES FROM OTHER PARTIES

	Unaudited As at 30 June 2023			Audited As at 31 December 2022		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade and other payables (a)	8,356,720	–	8,356,720	9,535,581	–	9,535,581
Loans/advances from other parties (b)	3,606,428	4,436,744	8,043,172	2,248,718	2,369,408	4,618,126
	11,963,148	4,436,744	16,399,892	11,784,299	2,369,408	14,153,707

(a) Trade and other payables

	Unaudited As at 30 June 2023			Audited As at 31 December 2022		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade payables to third parties	5,106,975	–	5,106,975	6,676,748	–	6,676,748
Prepaid rental income from tenants	217,660	–	217,660	200,217	–	200,217
Dividends payable to non-controlling shareholders of subsidiaries	288,398	–	288,398	276,162	–	276,162
Amounts due to non-controlling shareholders of subsidiaries	90,846	–	90,846	49,922	–	49,922
Amounts due to related parties (Note 22(viii))	834,485	–	834,485	31,991	–	31,991
Employee termination benefit obligations-current portion	9,367	–	9,367	7,887	–	7,887
Other taxes payable	762,507	–	762,507	1,008,350	–	1,008,350
Other payables	1,046,482	–	1,046,482	1,284,304	–	1,284,304
	8,356,720	–	8,356,720	9,535,581	–	9,535,581

Certain amount due to non-controlling interests are deemed as amount due to related parties since the non-controlling interests have significant influence over the related subsidiaries which are material to the Group. At 30 June 2023, the related party portion of amount due to non-controlling interests was RMB539,000 (2022: RMB6,150,000).

Notes to the Interim Condensed Consolidated Financial Information (Continued)

11. TRADE AND OTHER PAYABLES AND LOANS/ADVANCES FROM OTHER PARTIES (CONTINUED)

(b) Loans/advances from other parties

	Unaudited			Audited		
	As at 30 June 2023			As at 31 December 2022		
	Current	Non-current	Total	Current	Non-current	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loans from non-controlling						
shareholders of subsidiaries (i)	1,917,085	71,050	1,988,135	1,431,098	547,471	1,978,569
Loans from BNSIGC (Note 22(viii))	1,302,275	800,000	2,102,275	500,000	1,100,000	1,600,000
CMBS issued by the Group (ii)	59,339	3,565,694	3,625,033	21,000	721,937	742,937
Advances from non-controlling interests	48,279	–	48,279	48,070	–	48,070
Loans/advances from other related parties (Note 22(viii))	279,450	–	279,450	248,550	–	248,550
	3,606,428	4,436,744	8,043,172	2,248,718	2,369,408	4,618,126

- (i) Loans from non-controlling shareholders of subsidiaries (“non-controlling interests”) are all unsecured loans. Except for loan amounts of RMB104,810,000 (As at 31 December 2022: RMB104,810,000) which have no fixed terms of repayment, RMB1,751,509,000 (As at 31 December 2022: RMB612,798,000) is repayable by installment within one year, the remaining loans from non-controlling interests are all repayable by installments within two years from the dates of grant of the respective loan amounts.

Loans from non-controlling interests of RMB1,540,180,000, RMB282,379,000 and RMB104,810,000 (As at 31 December 2022: RMB1,469,596,000, RMB317,599,000 and RMB104,810,000) bear interests at fixed rates of 6.5%, 7% and 10.5% (As at 31 December 2022: 6.5%, 7% and 10.5%) per annum respectively.

Certain loans from non-controlling interests are deemed as loans from related parties since the non-controlling interests have significant influence over the related subsidiaries which are material to the Group. At 30 June 2023, the related party portion of loans from non-controlling interests was RMB562,013,000 (As at 31 December 2022: RMB104,810,000) (Note 22(viii)).

- (ii) On 20 December 2018, Beijing North Star Real Estate Group Co. Limited (“NSREG”) issued Tianfeng-North Star Changsha Intercontinental Hotel CMBS (“CMBS-A”) of RMB1,050,000,000, which has a term of 18 years and are divided into senior tranche A, senior tranche B and junior tranche with principal of RMB527,000,000, RMB473,000,000 and RMB50,000,000 respectively. NSREG has purchased all the junior tranches of the CMBS-A. The senior tranches entered the open exit filing period every three years and were guaranteed by the Group. On 30 November 2021, the coupon rate on senior tranche A was adjusted to 4.2% per annum and the coupon rate on senior tranche B was adjusted to 4.7% per annum. During the six months ended 30 June 2023, the Group repaid part of the CMBS-A of RMB10,000,000 (six months ended 30 June 2022: RMB9,000,000) according to the payment schedule.

On 29 March 2023, the Group issued China Securities-Tianfeng-North Star Century Center CMBS (“CMBS-B”) of RMB2,861,000,000, which has a term of 18 years and are divided into senior tranche and junior tranche with principal of RMB2,860,000,000 and RMB1,000,000 respectively. The coupon rate on the senior tranche is 5% per annum and the Company has purchased all the junior tranches. The senior tranche entered the open exit filing period every three years and were guaranteed by the Group.



Notes to the Interim Condensed Consolidated Financial Information (Continued)

11. TRADE AND OTHER PAYABLES AND LOANS/ADVANCES FROM OTHER PARTIES (CONTINUED)

- (c) The carrying amounts of the Group's trade and other payables and loans/advances from other parties are denominated in Renminbi.
- (d) The carrying amounts of current portion of trade and other payables and loans/advances from other parties approximate their fair values. The fair values of the non-current portion of loans/advances from other parties are not materially different from their carrying amounts as they bear interests at rates which are comparable to market interest rates for similar instruments.
- (e) As at 30 June 2023 and 31 December 2022, the ageing analysis of the trade payables to third parties based on date of services/goods received is as follows:

	Unaudited As at 30 June 2023 RMB'000	Audited As at 31 December 2022 RMB'000
Trade payables		
0 – 180 days	1,951,902	2,254,470
181 – 365 days	295,205	1,251,837
Over 365 days	2,859,868	3,170,441
	5,106,975	6,676,748

Notes to the Interim Condensed Consolidated Financial Information (Continued)

12. BORROWINGS

	Unaudited As at 30 June 2023 RMB'000	Audited As at 31 December 2022 RMB'000
Non-current		
Long term borrowings		
– Secured and guaranteed borrowings (a)	14,947,316	17,238,027
– Unsecured bank borrowings	20,587	21,706
– 5 year bonds of 2019 (b)	375,588	372,070
– 5 year bonds of 2020 (b)	–	597,918
– 5 year bonds of 2021 (I) (b)	328,721	318,302
– 5 year medium term notes of 2021 (b)	1,474,325	1,447,071
– 5 year bonds of 2021 (II) (b)	1,359,671	1,335,738
– 5 year medium term note of 2022 (I) (b)	1,057,150	1,049,980
– 5 year bonds of 2022 (b)	828,133	822,836
– 5 year medium term note of 2022 (II) (b)	1,470,358	1,427,199
– 3 year bonds of 2023 (I) (b)	603,490	–
	22,465,339	24,630,847
Less: current portion of long-term borrowings	(3,829,534)	(7,162,682)
	18,635,805	17,468,165
Current		
Current portion of long-term borrowings	3,829,534	7,162,682
Total borrowings	22,465,339	24,630,847

(a) Secured and guaranteed borrowings

Secured borrowings

As at 30 June 2023, long term borrowings of RMB13,861,396,000 (At 31 December 2022: RMB14,905,065,000) were secured by certain right-of-use assets, investment properties, hotel properties, properties under development and completed properties held for sale.

Guaranteed borrowings

As at 30 June 2023, no long term borrowings (At 31 December 2022: RMB1,292,000,000) obtained by certain subsidiaries are unsecured and guaranteed by the Company and borrowings of RMB1,068,202,000 (At 31 December 2022: RMB1,040,962,000) obtained by the Company are unsecured and guaranteed by subsidiaries or BNSIGC.



Notes to the Interim Condensed Consolidated Financial Information (Continued)

12. BORROWINGS (CONTINUED)

- (b) On 16 April 2019, the Company issued corporate bonds with an aggregate principal amount of RMB1,200,000,000. These bonds have a term of 5 years, carry a coupon rate of 4.80% per annum and also embed a put option to the investors at the end of the third year. The net proceeds of these bonds were RMB1,190,400,000 (net of issuance costs of RMB9,600,000). On 18 April 2022, certain investors put to sell back 5 year bonds of RMB826,000,000 to Company and the remaining 5 year bonds carry an interest rate of 3.55% per annum. The interests on these bonds are paid annually and the principal is fully repayable on 16 April 2024 (if the investors do not exercise their put options as mentioned above).

On 15 January 2020, the Company issued corporate bonds with an aggregate principal amount of RMB600,000,000. These bonds had a term of 5 years, carried a coupon rate of 4.17% per annum and also embedded a put option to the investors at the end of the third year. The net proceeds of these bonds were RMB595,200,000 (net of issuance costs of RMB4,800,000). On 15 January 2023, certain investors put to sell back 5 year bonds of RMB600,000,000 to the Company. The interests on these bonds and the principals were fully repaid on 15 January 2023.

On 26 July 2021, the Company issued corporate bonds with an aggregate principal amount of RMB319,000,000. These bonds have a term of 5 years, carry a coupon rate of 3.46% per annum and also embed a put option to the investors at the end of the third year. The net proceeds of these bonds were RMB318,043,000 (net of issuance costs of RMB957,000). The interests on these bonds are paid annually and the principal is fully repayable on 26 July 2026 (if the investors do not exercise their put options as mentioned above).

On 21 December 2021, the Company issued medium term notes with an aggregate principal amount of RMB1,450,000,000. These medium term notes have a term of 5 years, carry a coupon rate of 3.50% per annum and also embed a put option to the investors at the end of the third year. The net proceeds of these medium term notes were RMB1,446,375,000 (net of issuance costs of RMB3,625,000). The interests on these medium term notes are paid annually and the principal is fully repayable on 21 December 2026 (if the investors do not exercise their put options as mentioned above).

On 29 December 2021, the Company issued corporate bonds with an aggregate principal amount of RMB1,339,000,000. These bonds have a term of 5 years, carry a coupon rate of 3.46% per annum and also embed a put option to the investors at the end of the third year. The net proceeds of these bonds were RMB1,334,983,000 (net of issuance costs of RMB4,017,000). The interests on these bonds are paid annually and the principal is fully repayable on 29 December 2026 (if the investors do not exercise their put options as mentioned above).

On 25 April 2022, the Company issued medium term notes with an aggregate principal amount of RMB1,052,000,000. These medium term notes have a term of 5 years, carry a coupon rate of 3.60% per annum and also embed a put option to the investors at the end of the third year. The net proceeds of these medium term notes were RMB1,049,686,000 (net of issuance costs of RMB2,314,000). The interests on these medium term notes are paid annually and the principal is fully repayable on 25 April 2027 (if the investors do not exercise their put options as mentioned above).

On 28 April 2022, the Company issued corporate bonds with an aggregate principal amount of RMB825,000,000. These medium term notes have a term of 5 years, carry a coupon rate of 3.50% per annum and also embed a put option to the investors at the end of the third year. The net proceeds of these bonds were RMB822,525,000 (net of issuance costs of RMB2,475,000). The interests on these bonds are paid annually and the principal is fully repayable on 28 April 2027 (if the investors do not exercise their put options as mentioned above).

On 22 August 2022, the Company issued medium term notes with an aggregate principal amount of RMB1,430,000,000. These medium term notes have a term of 5 years, carry a coupon rate of 3.48% per annum and also embed a put option to the investors at the end of the third year. The net proceeds of these medium term notes were RMB1,426,997,000 (net of issuance costs of RMB3,003,000). The interests on these medium term notes are paid annually and the principal is fully repayable on 22 August 2027 (if the investors do not exercise their put options as mentioned above).

On 17 April 2023, the Company issued corporate bonds with an aggregate principal amount of RMB600,000,000. These bonds have a term of 3 years, carry a coupon rate of 3.74% per annum and also embed a put option to the investors at the end of the second year. The net proceeds of these bonds were RMB598,800,000 (net of issuance costs of RMB1,200,000). The interests on these bonds are paid annually and the principal is fully repayable on 17 April 2026 (if the investors do not exercise their put options as mentioned above).

Notes to the Interim Condensed Consolidated Financial Information (Continued)

13. OPERATING PROFIT

The following items have been credited/(charged) to the operating profit during the period:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Fair value gains/(losses) on investment properties credited/(charged) to profit or loss (Note 7) *	26,612	(136,108)
Provision of impairment for properties under development and completed properties held-for-sale	(191,681)	(264,320)
Net provision for impairment losses on financial assets	(58,884)	(17,713)
Gain on deregistration of a joint venture*	20,678	–
Loss on disposal of property, plant and equipment and investment properties*	(1,145)	(9)
Government grants*	1,260	3,430
Investment income*	29,996	18,508
Penalty and compensation and others*	37,671	8,186

* Included in other income and gains/(losses) – net, in the interim condensed consolidated income statement.

The Group has no non-financial assets that have an indefinite life during the period.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. No indicator has been identified for the six months ended 30 June 2023 and 2022.

No properties under development, completed properties held for sale and other inventories were written off during the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

14. FINANCE INCOME AND EXPENSES

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Interest expenses	(734,443)	(892,649)
Less: amounts capitalised in properties under development, investment properties and property, plant and equipment	304,710	484,836
Finance expenses	(429,733)	(407,813)
Bank charges and others	(3,844)	(4,354)
	(433,577)	(412,167)
Finance income		
– Interest income	46,136	50,829
Net finance expenses	(387,441)	(361,338)

Notes to the Interim Condensed Consolidated Financial Information (Continued)

15. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profits in Hong Kong for the six months ended 30 June 2023 and 2022. The PRC enterprise income tax is computed according to the relevant laws and regulations in the PRC. The applicable enterprise income tax rate for the six months ended 30 June 2023 and 2022 was 25%.

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Current income tax		
– PRC enterprise income tax	192,055	97,721
– PRC land appreciation tax	98,645	185,004
Deferred income tax credit	(4,401)	(73,108)
	286,299	209,617

16. EARNINGS/(LOSSES) PER SHARE

Basic earnings/(losses) per share is calculated by dividing the profit/(loss) attributable to ordinary shareholders of the Company by the number of shares in issue during the six months ended 30 June 2023 and 2022.

Diluted earnings/(losses) per share is equal to the basic earnings/(losses) per share since the Company has no potential dilutive ordinary shares during the six months ended 30 June 2023 and 2022.

	Unaudited Six months ended 30 June	
	2023	2022
Profit/(loss) attributable to ordinary shareholders of the Company (RMB'000)	132,966	(532,913)
Number of ordinary shares in issue (thousands)	3,367,020	3,367,020
Earnings/(losses) per share (basic and diluted) (RMB cents per share)	3.95	(15.83)

17. DIVIDENDS

No dividends related to the year ended 31 December 2022 was approved at the annual general meeting in May 2023. The final dividend that related to the year ended 31 December 2021 amounting to RMB33,670,000 was approved at the annual general meeting in May 2022.

The Board resolved that no interim dividend will be declared in respect of the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

18. PLEDGED OF ASSETS

As at 30 June 2023, certain investment properties with fair value of RMB12,384,000,000 (At 31 December 2022: RMB12,387,000,000), right-of-use assets with net book value of RMB254,869,000 (At 31 December 2022: RMB404,394,000), property plant and equipment with net book value of RMB1,501,515,000 (At 31 December 2022: RMB1,658,880,000), properties under development with carrying amount of RMB3,073,452,000 (At 31 December 2022: RMB6,309,407,000), completed properties held for sale with carrying amount of RMB2,297,045,000 (At 31 December 2022: RMB1,932,051,000), accounts receivable with a book value of RMB2,056,000 (At 31 December 2022: Nil) were pledged by the Group as securities for borrowings of RMB13,861,396,000 (At 31 December 2022: RMB14,905,065,000).

Notes to the Interim Condensed Consolidated Financial Information (Continued)

19. FINANCIAL GUARANTEES

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. The outstanding guarantees amounted to RMB8,650,010,000 as at 30 June 2023 (At 31 December 2022: RMB10,979,240,000).

Such guarantees terminate upon: (i) issuance of the real estate ownership certificate which will generally be available within six months to two years after the Group delivers possession of the relevant properties to its purchasers; (ii) completion of mortgage registration; and (iii) issuance of the real estate miscellaneous right certificate relating to the relevant property.

The Group has not recognised any liabilities in connection with the aforesaid financial guarantee contracts as the directors of the Company are of the view that it is remote for the Group to suffer from any significant losses on these financial guarantee contracts.

20. COMMITMENTS

- (a) Commitments in respect of development costs attributable to properties under development and investment properties:

	Unaudited As at 30 June 2023 RMB'000	Audited As at 31 December 2022 RMB'000
Properties under development		
– Contracted but not provided for	4,190,966	4,885,684
– Authorised but not contracted for	2,088,639	2,381,107
	6,279,605	7,266,791
Investment properties		
– Contracted but not provided for	4,336	65,849
– Authorised but not contracted for	19,879	21,250
	24,215	87,099

- (b) At 30 June 2023 and 31 December 2022, the Group had future aggregate minimum rental receivables under non-cancellable operating leases as lessor as follows:

	Unaudited As at 30 June 2023 RMB'000	Audited As at 31 December 2022 RMB'000
Rental receivables in respect of investment properties		
Not later than one year	736,474	895,319
Later than one year and not later than five years	1,021,917	1,051,982
Later than five years	687,059	715,845
	2,445,450	2,663,146

Notes to the Interim Condensed Consolidated Financial Information (Continued)

21. MAJOR NON-CASH INVESTING OR FINANCING ACTIVITIES

- (i) During the six months ended 30 June 2023, the Group's dividends receivables from joint ventures of RMB32,000,000 (During the six months ended 30 June 2022: RMB196,000,000) have been offset against the amounts due to joint ventures.
- (ii) During the six months ended 30 June 2022, the Group's dividends payable to the non-controlling interests of RMB48,000,000 have been offset against the amounts due from respective the non-controlling interests.
- (iii) The recognition of right-of-use assets and lease liabilities for properties and equipment are considered as non-cash investing and financing activities.

22. RELATED PARTY TRANSACTIONS

The Group is controlled by BNSIGC, which owns 34.48% of the Company's shares. The remaining 65.52% of the shares are widely held.

BNSIGC itself is a state-owned enterprise controlled by the PRC government. For the six months ended 30 June 2023 and 2022, the Group's significant transactions with entities that are controlled, jointly controlled or significantly influenced by the PRC government (collectively the "government controlled entities") mainly include the drawdown of bank borrowings and purchases of certain goods and services from these government controlled entities. The transactions with the government controlled entities are carried out on pricing and settlement terms agreed with counter parties in the ordinary course of business.

For the purpose of related party transaction disclosures, the Group has in place procedures to assist the identification of the immediate ownership structure of its customers and suppliers as to whether they are government controlled entities (including state-owned enterprises). Many government controlled entities have multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatization programmes. Due to the pervasiveness of the Group's real estate development, convention and exhibition (including hotels) and commercial properties transactions with the government controlled entities, their employees, key management personnel and close family members, and other related parties, there is no feasible way to track such transactions and ensure the completeness of certain disclosures. Nevertheless, management believes that all material related party transactions and balances, of which they are aware, have been adequately disclosed in this interim financial information.

For the six months ended 30 June 2023, some non-controlling shareholders of certain subsidiaries of the Group has significant influence over the related subsidiaries which were material to the Group, and hence were deemed as a related party of the Group for the purpose of this related party transaction disclosure note. These non-controlling shareholders include:

- Wuhan Optics Valley Creative Industry Base Construction Investment Co., Ltd. ("WHJD");
- Wuhan Jielong Investment Co., Ltd. ("WHJL");
- Shenzhen Jiangwan Information Consulting Co., Ltd. ("SZJW");
- Beijing Jinyu Real Estate Development Group Co., Ltd. ("JYDC"); and
- China State Construction Jiuhe Development Group Co., Ltd. ("JHDGC", which has been deemed as a related party from 1 January 2023 as the related subsidiary become material to the Group).

JHDGC was deemed as a related party of the Group from 1 January 2023, hence, China State Construction Engineering Corporation (holding company of JHDGC) and its subsidiaries ("CSCEC") were deemed as a related party of the Group for the same period.



Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(i) Purchases/provision of services and rental with related parties

In addition to the abovementioned transactions with the government controlled entities and the related party information shown elsewhere in this interim financial information, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the period and balances arising from related party transactions at the end of the period as indicated:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Provision of services and rental		
Beijing North Star Exhibition Investment Co., Ltd. ("BNSEIC", controlled by the same ultimate parent company) (internet service and rental income)	2,494	2,979
Beijing Chenxing International Exhibition Co., Ltd. ("BJCXIEC", a joint venture of BNSIGC) (internet service and rental income)	859	841
BNSIGC (internet service and management service income)	1,054	52
Nanjing North Star Yangtze Conventional Co., Ltd. ("NJYZJ", a joint venture of the Company) (management service income)	1,958	–
Beichen Jingxi Science Fiction (Beijing) Convention and Exhibition Co., Ltd. ("BJSFCEC", a joint venture of the Company newly incorporated in July 2022) (management service income)	2,597	–
Beijing Beichen Yayun Village Automotive Exchange Market Center ("YVAEX", controlled by the same ultimate parent company) (management service income)	974	–
Purchases of services and rental		
BJSFCEC(purchases of exhibition service)	672	–
BNSIGC (brand royalty fee, rental expense and management service expense)	1,483	455
Beijing Asia Olympic Technology Co., Ltd. ("KCYA", controlled by the same ultimate parent company) (purchases of various goods and services)	925	1,429
SZJW (consulting service fee)	472	–
CSCEC (purchases of construction service)	352,087	–

- (a) Provision/purchases of services and rental arrangement are carried out in accordance with the terms as mutually agreed between the parties in concern.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Loans from BNSIGC

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
At beginning of the period	1,601,907	2,102,950
Proceeds from loans	800,000	400,000
Repayments	(300,000)	(300,000)
Interest accrued	43,154	57,073
Interest paid	(42,786)	(57,187)
At end of the period	2,102,275	2,202,836

On 26 October 2022, the Company obtained a loan of RMB500,000,000 from BNSIGC, which was unsecured, bears interests at a fixed interest rate of 3.90% per annum, and is repayable on 14 December 2023. For the six months ended 30 June 2023, the Company has repaid RMB300,000,000 in advance.

On 26 October 2022, the Company obtained a loan of RMB300,000,000 from BNSIGC, which was unsecured, bears interests at a fixed interest rate of 3.90% per annum, and is repayable on 9 January 2024.

On 26 October 2022, the Company obtained a loan of RMB800,000,000 from BNSIGC, which was unsecured, bears interests at a fixed interest rate of 3.90% per annum, and is repayable on 11 June 2024.

In January 2023, the Company obtained a loan of RMB800,000,000 from BNSIGC, which was unsecured, bears interests at a fixed interest rate of 3.90% per annum, and is repayable by installment within three years.

(iii) Loans from JHDGC

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
At beginning of the period	529,935	—
Proceeds from loans	43,400	—
Repayments	(124,000)	—
Interest accrued	16,554	—
Interest paid	(20,149)	—
At end of the period	445,740	—

The loans are unsecured, bear interests at a fixed interest rate of 6.50% per annum and are repayable within one year.

Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(iv) Project cooperation funds to a joint venture and associates

The Group has provided project cooperation funds to its joint venture, Wuhan Jinchenyingchuang Real Estate Co., Limited (“WHJCYC”), and its associates, Guangzhou Guangyue Real Estate Co., Limited (“GZGY”) and Beijing Chenxuan Real Estate Co., Limited (“BJCX”).

Six months ended 30 June 2023 (Unaudited)	WHJCYC(a) RMB'000	GZGY(b) RMB'000	BJCX RMB'000	Total RMB'000
At 1 January 2023	367,190	651,516	23,565	1,042,271
Project cooperation funds granted	384	–	–	384
Repayments of project cooperation funds	(88,200)	(24,500)	–	(112,700)
Interest income accrued	10,551	21,175	–	31,726
Interest income received	(10,773)	(21,336)	(23,565)	(55,674)
At 30 June 2023	279,152	626,855	–	906,007
Six months ended 30 June 2022 (Unaudited)				
At 1 January 2022	392,827	441,854	633,230	1,467,911
Project cooperation funds granted	2,258	152,880	–	155,138
Repayments of project cooperation funds	(19,600)	–	(250,000)	(269,600)
Interest income accrued	12,111	15,507	19,878	47,496
Interest income received	(12,216)	(15,332)	–	(27,548)
At 30 June 2022	375,380	594,909	403,108	1,373,397

- (a) The funds to WHJCYC are unsecured, bear interests at fixed rate of 6.5% per annum and are repayable by installment within two years from August 2021.
- (b) The funds to GZGY are unsecured, bear interests at fixed rate of 6.5% per annum and are repayable by installment within two years from July 2023.



Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(v) Funds from related parties

The Group has received funds from its joint ventures, Wuhan Modern Land North Star Real Estate Co., Limited (“WHML”), Hangzhou Jinhu Real Estate Development Co., Limited (“HZJH”), Hangzhou Chenxu Investment Co., Limited (“HZCX”), Wixi North Star Shengyang Real Estate Development Co., Limited (“WXSJ”), BJSFCEC and its associate, Wuxi ChenWan Real Estate Co., Limited (“WXCW”), BJCX and from its non-controlling shareholders of certain subsidiaries of the Group, JYDC, WHJL and WHJD and a joint venture of BNSIGC, BJCXIEC and a subsidiary of BNSIGC, BNSEIC.

Six months ended	WHML	HZJH	HZCX	BJCX	WXSJ	WXCW	WHJL	WHJD	BNSEIC	JYDC	BJCXIEC	BJSFCEC	Total
30 June 2023 (Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	42,000	152,500	-	-	32,000	22,050	57,077	53,664	1,196	219	23,200	1,115	385,021
Funds obtained	-	-	-	62,900	-	-	2,851	2,681	-	340	-	33,091	101,863
Repayment of funds (Note 22(xii))	-	-	-	-	(32,000)	-	-	-	-	(20)	(23,200)	(31,955)	(87,175)
At 30 June 2023	42,000	152,500	-	62,900	-	22,050	59,928	56,345	1,196	539	-	2,251	399,709

Six months ended	WHML	HZJH	HZCX	BJCX	WXSJ	WXCW	WHJL	WHJD	BNSEIC	JYDC	BJCXIEC	BJSFCEC	Total
30 June 2022 (Unaudited)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	42,000	152,500	58,160	-	208,000	7,350	54,020	50,790	-	-	-	-	572,820
Funds obtained	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of funds	-	-	-	-	(196,000)	-	-	-	-	-	-	-	(196,000)
At 30 June 2022	42,000	152,500	58,160	-	12,000	7,350	54,020	50,790	-	-	-	-	376,820

The funds advanced from joint ventures and associates are unsecured, interest free and have no fixed terms of repayment.

Loans from WHJL and WHJD are unsecured, bearing interests at a fixed rate of 10.5% per annum and have no fixed terms of repayment.



Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(vi) Funds advanced to related parties

Six months ended 30 June 2023 (Unaudited)		SZJW RMB'000	JYDC RMB'000	Total RMB'000
At 1 January 2023		79,000	416,500	495,500
Funds granted		–	–	–
Repayments of funds		–	–	–
At 30 June 2023		79,000	416,500	495,500
Six months ended 30 June 2022 (Unaudited)	BNSIGC RMB'000	SZJW RMB'000	JYDC RMB'000	Total RMB'000
At 1 January 2022	107,925	79,000	–	186,925
Funds granted	17,309	–	294,000	311,309
Repayments of funds	(125,234)	–	–	(125,234)
At 30 June 2022	–	79,000	294,000	373,000

The funds advanced to related parties are unsecured, interest free and have no fixed terms of repayment.

(vii) Advances to related parties

	BJCXIEC RMB'000	WHML RMB'000	BNSIGC RMB'000	YVAEX RMB'000	Total RMB'000
At 1 January 2023	–	–	–	–	–
Advances during the period	218	18	23	77	336
Repayments	(218)	(18)	(23)	(77)	(336)
At 30 June 2023	–	–	–	–	–

The funds advanced to related parties are unsecured, interest free and have no fixed terms of repayment.



Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(viii) Balances arising from purchases of goods and services, advances and funds

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Trade and other receivables from related parties		
– GZGY	626,855	651,516
– BJCX	–	23,565
– WHJCYC	279,152	367,190
– JYDC	416,500	416,500
– SZJW	79,000	79,000
– BNSEIC	–	80
– NJYZJ	345	–
– BJSFCEC	1,973	–
	1,403,825	1,537,851
Trade and other payables to related parties		
– WHJL	–	3,057
– BNSIGC	1,028	1,907
– WHJD	–	2,874
– KCYA	1,653	4,573
– BNSEIC	1,196	1,196
– JYDC	539	219
– BJCXIEC	–	23,200
– BJSFCEC	2,964	1,115
– CSCEC	827,644	–
	835,024	38,141
Loans/advances from related parties		
– BNSIGC	2,102,275	1,600,000
– HZJH	152,500	152,500
– BJCX	62,900	–
– WHJL	59,928	54,020
– WHJD	56,345	50,790
– WHML	42,000	42,000
– WXSJ	–	32,000
– WXCW	22,050	22,050
– JHDGC	445,740	–
	2,943,738	1,953,360

As at 30 June 2023, loss allowance for receivables from related parties of RMB232,532,000 (At 31 December 2022: RMB174,913,000) have been recognised based on the expected credit loss model.



Notes to the Interim Condensed Consolidated Financial Information (Continued)

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(ix) Key management compensation

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Salaries and other short-term employee benefits	9,644	7,263
Post-employment benefits	1,267	1,058
	10,911	8,321

(x) Lease liabilities

	Unaudited As at 30 June 2023 RMB'000	Audited As at 31 December 2022 RMB'000
BNSIGC (lease liability in respect of the Land)	15,630	15,908

- (a) On 27 September 2019, the Company and BNSIGC have entered into an Asset Transfer Agreement pursuant to which the Company will acquire a piece of land (located in Beijing, the PRC) (the "Land") from BNSIGC.

As of the date of this interim financial information, the proposed acquisition of the Land has not yet been completed because the final transfer price has yet to be approved by the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality ("Beijing SASAC") and the proposed acquisition of the Land has to be approved by the independent shareholders of the Company.

The Group has recognised a right-of-use asset and lease liability based on the transitional period arrangements agreed upon by both parties.

(xi) Accept financial guarantee

Pursuant to the agreements as entered into between BNSIGC and the Group, BNSIGC provides joint liability counter-guarantee for the Group's borrowings from Beijing International Trust Company Limited, which amounted to RMB991,000,000 as at 30 June 2023 (At 31 December 2022: RMB992,000,000).

- (xii) The Group's joint venture, WXSJ, has declared a dividend of RMB80,000,000 in May 2023, among which dividend of RMB32,000,000 is entitled by the Group according to the percentage of its shareholding and has been offset against the amounts due to WXSJ.



Supplementary Information

RECONCILIATION OF CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Group has prepared a separate set of consolidated interim financial information for the six months ended 30 June 2023 in accordance with Basic Standard and 38 specific Standards of the China Accounting Standards for Business Enterprises issued by Ministry of Finance of the PRC on 15 February 2006, and the Application Guidance for Accounting Standard for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter ("CAS"). The differences between the financial information prepared under the CAS and the Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA are summarised as follows:

	Profit/(loss) attributable to owners of the Company For the six months ended		Capital and reserves attributable to owners of the Company	
	30 June		As at	As at
	2023	2022	30 June 2023	31 December 2022
	RMB'000	RMB'000	RMB'000	RMB'000
As stated in accordance with CAS	9,570	(507,732)	12,796,276	12,786,706
Impact of HKFRS adjustments:				
1. Reversal of depreciation and impairment of investment properties under CAS	100,130	102,259	2,520,906	2,420,776
2. Fair value adjustment of investment properties under HKFRS	23,266	(102,081)	4,228,734	4,205,468
As stated in accordance with HKFRS (including those attributable to both ordinary shareholders of the Company and holders of perpetual bond)	132,966	(507,554)	19,545,916	19,412,950



Demonstration Diagram of the Night View of Qingdao SCODA Pearl International Expo Center



Management Discussion and Analysis

I. DESCRIPTION OF THE INDUSTRY AND PRINCIPAL BUSINESSES OF THE COMPANY DURING THE REPORTING PERIOD

(I) Summary of the Businesses of the Company

The Company's main business includes real estate development, convention and exhibition (including hotels) and commercial properties.

The real estate development business has continued to promote regional cultivation in recent years, gradually forming a multi-regional and multi-level development layout on a national scale. Its business covers diversified and multi-grade property development and operation involving residence, apartments, villas, office buildings and commercial properties. By the end of the Reporting Period, the development projects and land reserve of the Company are located in 15 core cities, including Beijing-Tianjin-Hebei, the Yangtze River Economic Zone, the Chengdu-Chongqing Economic Circle, Hainan Free Trade Port and the Greater Bay Area of Guangdong, Hong Kong and Macau, and have established a synergistic development pattern of multi-business including residence, industrial complex, commercial and property services.

Convention and exhibition (including hotels) business relies on Capital Convention (Group) Co., Ltd. (hereinafter referred to as "**Capital Convention**") to vigorously integrate convention and exhibition resources, continuously strengthening the extension and expansion of new businesses and new technologies in the convention and exhibition industry. Actively promoting the layout and expansion of the whole industry chain of convention and exhibition, it has become a professional operator of the China International Fair for Trade in Services, a high-end state government activities support service provider, an important carrier for the development of the capital's international convention and exhibition industry, and a benchmark for the digital transformation of the convention and exhibition industry, and has been committed to building a first-class international convention and exhibition brand.

With the operating model of "Convention and Exhibition + Property", the Company continued to enhance the integration of resources and industry interaction. The Company relies on Beijing North Star Commercial Management Co., Ltd. (hereinafter referred to as "**North Star Commercial Management**") to operate and manage the business types such as office buildings, apartments and integrated commercial properties ancillary to convention, exhibition and properties professionally. By establishing a unified asset central management model and empowering the property operation and management with intelligent technology, the Company has built a professional commercial property service brand with light asset output capability.



Demonstration Diagram of the Top View of Qingdao SCODA Pearl International Expo Center



North Star Century Center



Centralized Delivery of Lot 5 of Phase IV of Chongqing Yuelai Mansion One Project



Wuhan North Star Jingkaiyou+

Management Discussion and Analysis (Continued)

(II) Development of the Industry of the Company

In the first half of 2023, as China coordinated the overall domestic and international situations, the national economy has continued to recover with a positive trend in overall improvement, achieving solid progress in high-quality development and accumulating strength to make steady progress through industrial upgrading. General social stability has been maintained, laying a good foundation for realizing the annual economic and social development goals. The growth rate of gross domestic product in the first half of the year reached 5.5%.

1. Real Estate Development

In the first half of 2023, China clearly stated the importance of the real estate industry, emphasizing on preventing and resolving the risks existed in high-quality leading real estate enterprises in an effective manner, strengthening the construction of the housing security system, and supporting the rigid housing demand and demand for improved homes. In order to stimulate the demand for properties, various local governments successively introduced a number of policies such as raising the credit limit of provident fund loans, granting housing subsidies and lowering down payment ratios and mortgage rates. Various central departments and local governments have further increased financial support for real estate enterprises to stabilize the supply of properties, optimizing the supervision of pre-sale funds and expediting the implementation of the policy of "procuring the delivery of properties, securing people's livelihood and ensuring stability".

Overall, the real estate market in the first half of the year witnessed a rise followed by a decline. In the first quarter, the increase in market vitality was driven by factors such as the release of pent-up demand and remarkable results of previous policies. However, the market failed to sustain the recovery momentum as a result of the sharp decline in home purchase sentiment among home buyers in the second quarter. According to the data from the National Bureau of Statistics, in the first half of 2023, the commodity housing sales area in the real estate market of the PRC was 515,920,000 square meters, representing a year-on-year decrease of 2.8%, while the sales of commodity housing amounted to RMB5,663,900,000,000, representing a year-on-year increase of 3.7%. Hit by the downturn in the national land market, the scale of supply and demand for residential land declined significantly year-on-year, and the heavy trading of high-quality land parcels in core cities led to a structural increase in floor prices.



Management Discussion and Analysis (Continued)

2. Convention and Exhibition (Including Hotels) and Commercial Properties

In the first half of 2023, as the overall economy continued to recover, the convention and exhibition industry recovered earlier than expected and gained good momentum. Various domestic convention and exhibition companies actively carried out business innovation and expanded their business by combining online and offline exhibitions, online promotion sessions and online conferences, which demonstrated a growing trend of digital transformation of the convention and exhibition industry. With the recovery of demand for exhibitions and conferences, cultural and recreational activities as well as business travel in various major cities, the hotel industry saw a significant rise in occupancy rate and a slight decline in average property price. The net absorption in the office market in Beijing declined with rising vacancy rates and falling rental levels in general.



The first meeting of the 14th Beijing Municipal Committee of Chinese People's Political Consultative Conference was held at V-Continent Convention Center



"Exciting Hangzhou" KINME Cup Asian Squash Mixed Doubles Tournament 2023 was held at Hangzhou Expo Center



The opening ceremony of the Fourth United Nations World Data Forum was held at Hangzhou International Expo Center



The Direct Sales Season from Beijing State-owned Enterprises was held at Shougang Convention & Exhibition Center



Management Discussion and Analysis (Continued)

II. ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

The Company's advantages and core competitiveness are mainly reflected in the development and operating capacity of composite real estate, comprehensive brand influence of its convention and exhibition business and sound operating capacity of commercial properties. The real estate development business, in multi-type and large-scale forms, has become the source of revenue growth for the Company; its leading convention and exhibition business in the PRC, which adopted a whole industry chain development model, continued to enhance the Company's brand influence; and the professional commercial property management business, which integrated high-quality resources, provided a basis for stable income for the Company. The real estate, convention and exhibition and commercial properties segments are mutually reinforcing with complementary advantages, forming a layout for synergistic development and safeguarding the steady and healthy development of the Company.

The Company has the ability to develop and operate composite real estate. Property types of the real estate development include projects of luxury homes, villas, apartments, affordable housing, office buildings, commercial properties, etc. It also has strong professional competence and competitiveness in the development of large-scale and comprehensive real estate projects. Since 2007, it has been awarded the title of "Professional Leading Brand of China Complex Estate" by China TOP10 Real Estate Research Group for seventeenth consecutive years. Besides, in recent years, the Company has continued to promote its expansion into new cities and regional penetration to achieve a balanced regional layout. As at the end of the Reporting Period, it has launched its real estate development business in 15 cities, representing the Company's foundations and professional capabilities for nationwide development.

With more than 20 years of professional experience in convention and exhibition operation and the ability to provide internationalized operation service standards and teams, the Company continues to promote the layout and expansion of the whole industry chain in the areas of sponsoring and undertaking conventions and exhibitions, high-end state and government activities support services, management output of convention and exhibition venues and hotels, and convention and exhibition research. Currently, it is now one of the largest operators of convention and exhibition venues in China, with growing brand recognition and influence. In recent years, it has successfully delivered hosting services for an array of national, integrated and international conferences such as the Beijing Olympic Games, APEC summit, G20 Hangzhou Summit, "Belt and Road" Forum for International Cooperation, BRICS Xiamen Summit, the Qingdao Summit of Shanghai Cooperation Organization, Beijing Summit of the Forum on China-Africa Cooperation, CIFTIS, Beijing Winter Olympics and Beijing Paralympic Winter Games, creating a globally renowned service brand of North Star.

The Company continued to enhance its professional operational and management capability of commercial properties by integrating the quality resources of different operating formats of commercial properties. With the support of its management strength in various business types such as office buildings, apartments and integrated commercial properties, the Company continued to stabilize its operation and promote brand enhancement, which has acted as the "ballast stone" for the Company's profit.

In addition, fully utilizing the advantages of the "headquarters financing" model and leveraging its good credit level and risk management and controlling ability, the Company has established long-term and stable strategic cooperation relations with many banks and financial institutions, and as a result, boasts remarkable advantages in terms of loan interest rates. In the meantime, the Company actively developed diversified financing channels, continuously optimized its overall debt structure, strengthened capital planning, and prepared for debt renewal, thus effectively enhancing the risk aversion capacity of the Company.



Management Discussion and Analysis (Continued)

III. DISCUSSION AND ANALYSIS ON BUSINESS CONDITIONS

(1) Review of the Company's Operation

In the first half of 2023, the national consumption demand continued to increase as the economy in China gathers momentum for stable recovery. The Company focused on its main business development and seized every opportunity with consistent efforts devoted to the operation. During the Reporting Period, the Company recorded an operating income of RMB7,268,886,000, representing a year-on-year increase of 6.26%. The Company's profit before tax and profit attributable to ordinary shareholders amounted to RMB379,984,000 and RMB132,966,000, respectively, realizing a turnaround from loss to profit. In particular, the after-tax core operating results of the Company's principal activities (excluding gains arising from the changes in fair value) were RMB109,700,000. During the Period, the gains (after taxation) on changes in fair value of investment properties were RMB23,266,000. Profits per share were RMB0.0395.

1. Real Estate Development

In the first half of 2023, the Company adhered to a prudent business strategy and strived to improve its risk prevention ability relating to the real estate development business. The real estate development segment recorded an increase in settlement area with operating income amounting to RMB5,992,742,000 (including parking spaces), which increased by 1.92% on a year-on-year basis. Profit before tax amounted to RMB155,932,000 with a steady increase in profit. As at the end of the Reporting Period, the Company has entered into 15 cities and achieved a total land reserve of 4,610,500 square meters. During the Reporting Period, the new construction areas, the resumed construction areas and the completed areas were 236,400 square meters, 3,051,700 square meters and 676,600 square meters respectively.



Management Discussion and Analysis (Continued)

Seizing the window period to promote sales. Through actively studying and analyzing the policy and market trend, and formulating targeted strategies according to the characteristics of each city, multiple projects continued to be the top sales in the regional market. In particular, Chengdu North Star Luming Mansion project seized the window period of the market, quickly enabled the channel distribution and universal partner model, and utilized the high-quality completed units to drive traffic, thereby succeeding in the sell-out of the vast majority of residential units. Also, leveraging the synergies between Chongqing North Star • Yuelai Mansion One and Chongqing North Star Xianglu projects, the supply of products has been comprehensively coordinated with mutual referrals of customers, which boosted the overall sales with core products, thereby it has become the first hot-selling project within the region. Furthermore, Guangzhou Gemdale • North Star Lanting Xianglu project rode on market rebound and seized the window period of purchasing properties in hometown, reaching sales breakthroughs through fully utilizing the activated channels, and thus the annual contract-signing targets have been accomplished ahead of schedule. During the Reporting Period, the Company achieved contracted sales amount of RMB3,911,000,000 (including parking spaces) and contracted sales area of 261,000 square meters.

Accelerating the turnover rate and ensuring delivery. The Company scientifically analyzed the completion of the project's operating indicators and schedule of development plan, and monitored deviations in real time in order to provide timely warnings, with an endeavour to accelerate the inventory digestion and cash collection to achieve a faster turnover rate. Meanwhile, in active response to the requirements under the policies of procuring the delivery of properties, safeguarding people's livelihood and maintaining stability, the Company made every effort to guarantee the normal progress of the construction, in a bid to ensure the smooth completion of the major projects with profits carried forward during the year. In the first half of the year, five projects were completed on schedule, with an aggregate of over 1,200 units being delivered.

Locking in costs to reduce expenses. The Company strengthened its cost control on the basis of ensuring project quality. Furthermore, the Company conducted cost data analysis on a regular basis to further strengthen the management of negotiation on changes and enhance the rationality of negotiation on changes, so as to facilitate cost reduction and efficiency improvement.



Demonstration Diagram of Changsha North Star Delta

Management Discussion and Analysis (Continued)



Chongqing North Star Xianglu



Guangzhou Lanting Xianglu

Table 1: Real estate reserve during the Reporting Period

No.	Region(s) of the land held for development	Land area held for development (square meters)	Planned Plot Ratio-Based Gross Floor Area (square meters)	Whether cooperative development project is involved	Area of cooperative development project (square meters)	Percentage of interest in cooperative development project (%)
1	Changsha North Star Delta	180,200	3,820,000	No	–	100
2	Wuhan North Star Guangguli	134,800	337,000	Yes	171,900	51
3	Wuhan Blue City	217,700	716,000	No	–	100
4	Langfang Xingchenli (Lot 2019-3)	72,800	52,800	No	–	100
5	Langfang North Star (Lot 2020-5)	138,300	92,000	No	–	100

Notes:

1. Land area held for development represents the gross construction area of undeveloped portion of project land;
2. Planned plot ratio-based gross floor area represents the data calculated with reference to the conditions of assignment at the time of project auction;
3. Area of cooperative development project represents the plot ratio-based gross floor area attributable to the interest held by the Company;
4. During the Reporting Period, total land reserve of the Company was 4,610,500 square meters, representing a year-on-year decrease of 14.47%; equity land reserve was 4,111,800 square meters, representing a year-on-year decrease of 14.55% with no newly added real estate reserve.

Management Discussion and Analysis (Continued)

Table 2: Investment in real estate development during the Reporting Period

Unit: 100 million Currency: RMB

No.	Location	Project	Mode of operation	Under construction/ Newly commenced/ Completed projects	Project area (square meter)	Planned plot ratio-based gross floor area (square meter)	Total floor area (square meter)	Floor area under construction (square meter)	Completed area (square meter)	Total investment	Actual investment amount during the Reporting Period
1	Haidian, Beijing	Beijing North Star Xianglu	Residence	Completed	142,400	230,000	312,100	-	312,100	28.59	-
2	Changping, Beijing	Beijing North Star Red Oak Villa	Villa	Under Construction	287,500	150,000	213,700	40,200	173,500	34.00	0.25
3	Shunyi, Beijing	Beijing Modern North Star Yue MOMA	Self-occupied commercial housing, two-limit housing	Under Construction	52,800	109,300	132,500	1,400	131,100	23.47	-
4	Shunyi, Beijing	Beijing North Star • Villa 1900	Residence	Completed	101,200	140,000	213,300	-	213,300	24.45	-
5	Haidian, Beijing	Beijing Co. Ltd.	Villa	Completed	-	-	6,100	-	6,100	-	-
6	Changping, Beijing	Beijing Jinchun Mansion	Residence	Completed	86,600	170,400	280,100	-	280,100	53.17	0.50
7	Mentougou, Beijing	Beijing Longfor North Star Lanjing	Residence	Under Construction	26,000	66,200	104,100	104,100	91,100	24.78	0.98
8	Changsha, Hunan	Changsha North Star Delta	Residence, commercial and office building	Under Construction	780,000	3,820,000	5,200,000	570,800	4,449,000	407.08	7.51
9	Changsha, Hunan	Changsha North Star Central Park	Residence	Completed	336,300	720,000	927,100	-	927,100	26.03	1.03
10	Changsha, Hunan	Changsha North Star Shiguangli	Residence and commercial	Completed	27,700	107,900	145,400	-	145,400	12.28	0.31
11	Wuhan, Hubei	Wuhan North Star Modern You +	Residence and commercial	Completed	104,700	241,100	313,300	-	313,300	21.00	0.02
12	Wuhan, Hubei	Wuhan North Star Guangguli	Commercial service	Under Construction	84,200	337,000	492,000	75,100	357,200	25.81	0.74
13	Wuhan, Hubei	Wuhan Blue City	Residence and commercial	Under Construction	358,000	716,000	980,100	17,000	745,400	102.68	1.08
14	Wuhan, Hubei	Wuhan Gemdale • North Star China Chic	Residence	Completed	41,800	127,000	178,900	-	178,900	13.51	0.09
15	Wuhan, Hubei	Wuhan North Star Peacock City Hangtian Mansion	Residence	Completed	75,200	172,800	220,400	-	220,400	9.88	0.09
16	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (Lot 067)	Residence and commercial	Completed	50,500	126,200	180,900	-	180,900	12.42	0.43
17	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (Lot 068)	Residence and commercial	Under Construction	63,200	158,100	227,700	227,700	-	16.38	0.53
18	Wuhan, Hubei	Wuhan North Star Jindiyang Time	Residence and commercial	Completed	50,500	151,400	212,100	-	212,100	18.72	0.24
19	Hangzhou, Zhejiang	Hangzhou North Star Shustan Project	Residence and commercial	Completed	83,900	235,000	317,500	-	317,500	25.29	0.08
20	Hangzhou, Zhejiang	Hangzhou Guosongfu	Residence	Completed	21,900	48,200	69,900	-	69,900	17.16	0.06
21	Hangzhou, Zhejiang	Hangzhou Jintu Duhui Yijing	Residence and commercial	Completed	57,400	144,000	209,700	-	209,700	5.50	-
22	Hangzhou, Zhejiang	Hangzhou Lingchao Mansion	Residence	Completed	12,200	25,700	44,400	-	44,400	12.52	0.23
23	Hangzhou, Zhejiang	Hangzhou North Star Chenchun Lancheng	Residence	Under Construction	69,000	179,500	276,400	276,400	-	52.18	1.92

Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Under construction/ Newly commenced/ Completed projects	Project area (square meter)	Planned plot ratio-based gross floor area (square meter)	Total floor area (square meter)	Floor area under construction (square meter)	Completed area (square meter)	Total investment	Actual investment amount during the Reporting Period
24	Ningbo, Zhejiang	Ningbo Beichenfu	Residence	Completed	47,300	137,400	189,700	-	189,700	45.20	0.23
25	Ningbo, Zhejiang	Ningbo Mansion • Jintian	Residence and commercial	Completed	133,000	292,500	404,800	-	404,800	34.33	0.14
26	Yuyao, Zhejiang	Ningbo Xianglu Bay	Residence	Completed	68,700	116,800	166,400	166,400	166,400	22.43	1.57
27	Nanjing, Jiangsu	Nanjing North Star CIFI Park Jiling	Residence	Completed	25,300	70,700	105,000	-	105,000	14.73	0.01
28	Suzhou, Jiangsu	Suzhou North Star CIFI Park No.1 Mansion	Residence and commercial	Completed	178,700	180,500	273,900	-	273,900	17.28	0.02
29	Suzhou, Jiangsu	Suzhou Guanlan Mansion	Residence and commercial	Under Construction	170,000	268,800	392,900	165,400	305,700	65.70	1.90
30	Wuxi, Jiangsu	Wuxi Tianyi Juzhu	Residence	Completed	88,000	196,000	255,400	-	255,400	28.60	0.11
31	Wuxi, Jiangsu	Wuxi Times City	Residence	Completed	137,900	413,800	535,400	-	535,400	46.79	0.05
32	Chengdu, Sichuan	Chengdu North Star Langshi Nannan Luyun	Residence and commercial	Completed	63,600	158,600	237,000	-	237,000	9.63	0.02
33	Chengdu, Sichuan	Chengdu North Star • Xianglu	Residence and commercial	Completed	40,400	96,900	148,300	-	148,300	16.16	1.26
34	Chengdu, Sichuan	Chengdu North Star • South Lake Xianglu	Residence	Completed	88,000	210,000	297,100	-	297,100	26.25	0.29
35	Chengdu, Sichuan	Chengdu North Star Royal Palace	Residence and commercial	Completed	26,600	79,800	120,000	-	120,000	18.03	0.60
36	Chengdu, Sichuan	Chengdu North Star Luming Mansion	Residence and commercial	Completed	80,100	160,300	227,300	-	227,300	22.00	1.17
37	Meishan, Sichuan	Sichuan North Star Guosonglu	Residence and commercial	Completed	59,900	149,800	197,400	-	197,400	16.32	0.33
38	Meishan, Sichuan	Sichuan North Star Longxitai	Residence and commercial	Under Construction	69,900	84,000	126,600	126,600	-	15.08	1.53
39	Langfang, Hebei	Langfang North Star Xianglu	Residence and commercial	Under Construction	140,700	296,800	357,700	145,000	212,600	31.28	1.32
40	Langfang, Hebei	Langfang North Star Blue City (Lot 2018-4)	Residence	Under Construction	82,500	164,800	245,600	245,600	-	24.56	0.77
41	Langfang, Hebei	Langfang Xingchenli (Lot 2019-3)	Commercial	In the pipeline	21,100	52,800	72,800	-	-	5.45	0.09
42	Langfang, Hebei	Langfang North Star (Lot 2020-5)	Residence	In the pipeline	46,200	92,000	138,300	-	-	13.43	0.34
43	Hebei, Anhui	Hefei North Star CIFI Park Mansion • Luzhou	Residence and commercial	Completed	141,700	239,000	356,200	-	356,200	21.07	0.12
44	Yubei, Chongqing	Chongqing North Star • Yue'ai Mansion One	Residence and commercial	Under Construction	429,100	918,000	1,274,000	468,300	871,200	115.93	3.54
45	Yubei, Chongqing	Chongqing North Star Xianglu	Residence	Under Construction	68,200	102,200	150,400	150,400	149,400	24.64	0.74
46	Haikou, Hainan	North Star Mansion in Haikou	Residence and commercial	Under Construction	106,800	206,000	281,100	46,900	235,900	36.31	1.34
47	Haikou, Hainan	Haikou North Star Changxiu Shijia	Residence	Completed	30,500	106,800	134,700	-	134,700	12.35	0.76
48	Guangzhou, Guangdong	Guangzhou Lanling Xianglu (Lot 116)	Residence and commercial	Under Construction	25,900	77,800	113,700	113,700	-	12.00	0.40
49	Guangzhou, Guangdong	Guangzhou Lanling Xianglu (Lot 114)	Residence and commercial	Under Construction	25,100	76,600	110,600	110,600	20,400	9.66	0.77

Notes:

- Total investment represents the estimated total investment amounts for each project;
- During the Reporting Period, the Company's new construction area was 236,400 square meters, representing a year-on-year decrease of 33.56%; the area for new and resumed construction was 3,051,700 square meters, representing a year-on-year decrease of 26.48%; the completed area was 676,600 square meters, representing a year-on-year decrease of 1.87%.

Management Discussion and Analysis (Continued)

Table 3: Sales and booked sales of real estate during the Reporting Period

Unit: 0'000 Currency: RMB

No.	Location	Project	Mode of operation	Saleable area (square meter)	Sold (including pre-sold) area (square meter)	Booked area (square meter)	Booked revenue	Area to be booked at the end of the Reporting Period (square meter)
1	Chao Yang, Beijing	Beijing North Star Green Garden	Residence, commercial and office building	6,290	-	-	660	338
2	Haidian, Beijing	Beijing North Star Xianglu	Residence	-	-	-	48	728
3	Chao Yang, Beijing	Beijing North Star Fudi	Residence and commercial	13,946	10,733	10,733	6,232	-
4	Shunyi, Beijing	Beijing North Star • Villa 1900	Residence	13,825	6,692	4,985	15,390	2,811
5	Chao Yang, Beijing	Beijing Bihai Fangzhou	Residence	830	-	-	-	1,499
6	Changping, Beijing	Beijing North Star Red Oak Villa	Villa	27,729	-	-	-	1,276
7	Shunyi, Beijing	Beijing Modern North Star Yue MOMA	Self-occupied commercial housing, two-limit housing	3,353	-	-	-	2,014
8	Changping, Beijing	Beijing Jinchun Mansion	Residence	87,699	1,726	2,669	13,198	2,971
9	Mentougou, Beijing	Beijing Longfor North Star Lanjing	Residence	14,579	9,070	-	-	58,859
10	Changsha, Hunan	Changsha North Star Delta	Residence, commercial and office building	58,771	19,178	9,439	13,587	277,724
11	Changsha, Hunan	Changsha North Star Central Park	Residence	16,090	2,365	6,471	8,872	8,336
12	Changsha, Hunan	Changsha North Star Shiguangli	Residence and commercial	27,613	7,473	5,656	4,152	3,900
13	Wuhan, Hubei	Wuhan North Star Modern You +	Residence and commercial	662	-	-	-	-
14	Wuhan, Hubei	Wuhan North Star Guangguli	Commercial service	11,796	192	2,115	4,545	1,661
15	Wuhan, Hubei	Wuhan Blue City	Residence and commercial	64,267	2,410	3,620	4,235	1,121
16	Wuhan, Hubei	Wuhan Gemdale • North Star China Chic	Residence	1,056	56	-	455	56
17	Wuhan, Hubei	Wuhan North Star Peacock City Hangtian Mansion	Residence	35,922	-72	128	73	348
18	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (Lot 067)	Residence and commercial	59,392	11,914	44,376	28,774	3,655
19	Wuhan, Hubei	Wuhan North Star Jindiyang Time	Residence and commercial	40,277	8,496	-	-	-



Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Saleable area (square meter)	Sold (including pre-sold) area (square meter)	Booked area (square meter)	Booked revenue	Area to be booked at the end of the Reporting Period (square meter)
20	Hangzhou, Zhejiang	Hangzhou North Star Shushan Project	Residence and commercial	7,304	112	112	455	88
21	Hangzhou, Zhejiang	Hangzhou Guosongfu	Residence	-	-	-	131	-
22	Hangzhou, Zhejiang	Hangzhou Lingchao Mansion	Residence	800	319	435	1,694	-
23	Hangzhou, Zhejiang	Hangzhou North Star Chenchun Lancheng	Residence	56,180	2,862	-	-	6,777
24	Ningbo, Zhejiang	Ningbo Beichentfu	Residence	7,873	363	891	2,482	136
25	Ningbo, Zhejiang	Ningbo Mansion • Jintian	Residence and commercial	147	-	-	381	-
26	Yuyao, Zhejiang	Ningbo Xianglu Bay	Residence	39,075	15,328	-	-	88,529
27	Nanjing, Jiangsu	Nanjing North Star CIFI Park Jinling	Residence	-	-	-	-	-
28	Suzhou, Jiangsu	Suzhou North Star CIFI Park No.1 Mansion	Residence and commercial	-	-	-	-	-
29	Suzhou, Jiangsu	Suzhou Guanlan Mansion	Residence and commercial	112,619	13,444	17,271	30,308	7,908
30	Wuxi, Jiangsu	Wuxi Times City	Residence	136	131	-	-	-
31	Chengdu, Sichuan	Chengdu North Star Langshi Nanmen Lvjun	Residence and commercial	2,038	44	-	-	779
32	Chengdu, Sichuan	Chengdu North Star • Xianglu	Residence and commercial	602	-	362	796	-
33	Chengdu, Sichuan	Chengdu North Star • South Lake Xianglu	Residence	9,670	248	854	1,215	235
34	Chengdu, Sichuan	Chengdu North Star Royal Palace	Residence and commercial	9,415	3,155	5,657	11,113	-
35	Chengdu, Sichuan	Chengdu North Star Luming Mansion	Residence and commercial	47,337	33,559	41,311	70,958	2,101
36	Meishan, Sichuan	Sichuan North Star Guosongfu	Residence and commercial	34,202	16,025	24,800	16,962	1,195
37	Meishan, Sichuan	Sichuan North Star Longxitai	Residence and commercial	28,418	7,385	-	-	12,802
38	Langfang, Hebei	Langfang North Star Xianglu	Residence and commercial	53,785	19,042	16,809	18,736	21,233
39	Hefei, Anhui	Hefei North Star CIFI Park Mansion • Luzhou	Residence and commercial	856	86	86	630	889
40	Yubei, Chongqing	Chongqing North Star • Yuelai Mansion One	Residence and commercial	120,498	24,382	59,148	70,720	13,873
41	Yubei, Chongqing	Chongqing North Star Xianglu	Residence	54,718	12,789	56,257	95,222	2,224
42	Haikou, Hainan	North Star Mansion in Haikou	Residence and commercial	40,882	1,346	51,434	95,193	34,006
43	Haikou, Hainan	Haikou North Star Changxiu Shijia	Residence	13,609	10,960	72,863	82,060	5,122
44	Guangzhou, Guangdong	Guangzhou Lanting Xianglu (Lot 114)	Residence and commercial	29,910	19,193	-	-	-

Note:

During the Reporting Period, the Company's sales area was 261,000 square meters, representing a year-on-year decrease of 19.00%; sales amount was RMB3,911,000,000, representing a year-on-year decrease of 50.34%; settlement area was 438,500 square meters, representing a year-on-year increase of 7.26%; settlement amount was RMB5,993,000,000, representing a year-on-year increase of 1.92%; the area to be booked as at the end of the Reporting Period was 565,200 square meters, representing a year-on-year decrease of 33.91%.

Management Discussion and Analysis (Continued)

2. Convention and Exhibition (Including Hotels) and Commercial Properties

In the first half of 2023, the Company grasped the opportunities following the ongoing recovery of economy and consumption. In light of the strong growth shown in the convention and exhibition and hotel businesses, the commercial properties business operated stably. Operating income from the convention and exhibition (including hotels) and commercial properties segment reached RMB1,191,616,000, representing a year-on-year increase of 34.07%. Profit from each business increased steadily with a profit before tax of RMB205,907,000.

1) Convention and Exhibition (Including Hotels)

The Company has successfully completed several major event service assurances. Capital Convention, a subsidiary of the Company, has successively organized and completed various service assurances and operation tasks including a meeting for 14th Beijing Municipal Committee of the Chinese People's Political Consultative Conference, the first China-Central Asia Summit and 2023 Zhongguancun Forum, demonstrating its demeanor of "Beijing Service" with North Star standard and further enhancing the Company's brand influence.

The result of expanding upstream business of convention and exhibition was remarkable. To date, Capital Convention has organized and completed the third China-Africa Economic and Trade Expo and the market-oriented operation and planning service of International Congress of Basic Science at a high quality, and successfully held 10 exhibition projects including the China Refrigeration Expo 2023, Bus & Truck Expo 2023, China Franchise Expo 2023 and the 2nd Beijing International Art and Designer Toy Show. Also, it has succeeded in entering into agreements in relation to the World Geothermal Congress 2023, Sibos 2024, and the business attracting and exhibitions recruiting of World Gas Conference 2025 have entered a substantive stage.

Continuous expansion of brand output business. During the Reporting Period, the Company contracted 3 new entrusted management projects and 5 new consultancy projects. As of the end of the Reporting Period, the Company has expanded its exhibition venue and hotel management output business into 26 cities across China, covering Beijing-Tianjin-Hebei, Guangdong-Hong Kong-Macao, Chengdu-Chongqing and other important strategic development areas in China, and owns 61 venues and hotel consultancy projects and 49 entrusted venues and hotel management projects, with a total area of 4.14 million square meters of venues under entrusted management, enabling the Company to continuously expand its market share and maintain its leading position in the industry.



The venue of the China-Central Asia Summit



Provision of services in the China-Africa Economic and Trade Expo by the Capital Convention team

Management Discussion and Analysis (Continued)

Table 4: Convention and exhibition venues and hotel projects under entrusted management of the Company as of the end of the Reporting Period

No.	Location	Name
1	Beijing City	Beijing Jinhai Lake International Convention & Exhibition Center
2		Shougang Convention & Exhibition Center
3	Zhangjiakou City, Hebei Province	Chongli International Convention & Exhibition Center
4		V-Continent Chongli Garden-style Hotel
5		North Star V-Continent Zhangjiakou Crown Hotel
6		North Star V-Continent Wanquan Crown Hotel
7		North Star V-Continent Huai'an Garden-style Hotel
8	Shijiazhuang City, Hebei Province	Shijiazhuang International Convention & Exhibition Center
9	Xiong'an New District, Hebei Province	Xiong'an Convention & Exhibition Center
10		Xiong'an Convention Center Hotel
11	Langfang City, Hebei Province	North Star V-Continent Yongqing Crown Hotel
12		North Star V-Continent Yinfeng Crown Hotel
13	Zhuhai City, Guangdong Province	Zhuhai International Convention & Exhibition Center
14		North Star Zhuhai Jinyie V-Continent Crown Hotel
15		Zhuhai V-Continent Athletes Apartment
16	Huizhou City, Guangdong Province	North Star V-Continent Huidong Executive Apartment
17	Fuzhou City, Fujian Province	Fuzhou Digital China Convention & Exhibition Center
18	Lianyungang City, Jiangsu Province	Lianyungang Land Bridge Convention Center
19		Ancillary hotels for Lianyungang Land Bridge Convention Center
20		Land Bridge Crown Commercial Hotel
21	Nanjing City, Jiangsu Province	Yangtze International Convention Center
22		Yangtze International Convention Center Hotel
23		V-Continent Nanjing Executive Apartment
24		Nanjing V-Continent Crown Hotel
25	Nantong City, Jiangsu Province	Nantong International Convention & Exhibition Center
26		Nantong V-Continent Crown Hotel
27	Taizhou City, Jiangsu Province	Taizhou China Medical City Exhibition Center

Management Discussion and Analysis (Continued)

No.	Location	Name
28	Guilin City, Guangxi Zhuang Autonomous Region	Guilin International Convention & Exhibition Center
29		Ancillary hotels for Guilin International Convention & Exhibition Center
30	Yinchuan City, Ningxia Hui Autonomous Region	Ningxia International Hall
31	Nyingchi City, Tibet Autonomous Region	V-Continent Nyingchi Hotel
32	Hangzhou City, Zhejiang Province	Hangzhou International Expo Center
33		Hangzhou International Expo Center North Star Hotel
34		Hangzhou Future Sci-Tech City Academic Exchange Center
35	Huzhou City, Zhejiang Province	Deqing International Convention Center
36	Dezhou City, Shandong Province	Dezhou Tianqu Expo Plaza
37	Qingdao City, Shandong Province	Qingdao International Convention Center
38		Shanghe International Convention Center
39		Qingdao SCODA Pearl International Expo Center Complex (Hall A)
40	Weihai City, Shandong Province	Weihai International Economic and Trade Exchange Center
41		North Star International Business Hotel
42	Chengdu City, Sichuan Province	Conference Center of Chengdu Airport Industrial Service Zone Construction Project
43		Chengdu Airport Industrial Service Zone Construction Project Conference Center Hotel
44	Chongqing City	Chongqing BBMG V-Continent Crown Hotel
45		Chongqing BBMG V-Continent Crown Executive Apartment
46	Wuhan City, Hubei Province	North Star V-Continent Wuhan China Communications City Crown Hotel
47	Changsha City, Hunan Province	North Star V-Continent Changsha China Communications International Center Crown Hotel
48	Tonghua City, Jilin Province	North Star V-Continent Tonghua Wanfeng Crown Hotel
49	Yichun City, Jiangxi Province	North Star V-Continent Jiangxi Hongwei Crown Hotel



Management Discussion and Analysis (Continued)

2) Commercial Properties

The Company has further optimized its management structure of commercial properties and promoted the implementation of a flat management model, so as to improve management and operational efficiency. The Company has proactively changed its sales strategies for office building business and given full play to the co-sale mechanism transforming from “shopkeepers” to “itinerant merchants” and “e-commerce”, resulting in a steady occupancy rate. The Company has proactively expanded its sales channels and marketing initiatives by establishing a co-sale mechanism between the apartment business and the convention and exhibition segment, resulting in a higher occupancy rate. The Company strengthened the analysis of market conditions and introduced brand clients for its integrated commercial business to promote quality upgrade.

Table 5: Operation and leasing of real estate during the Reporting Period

Unit: 0'000 Currency: RMB

No.	Location	Project	Mode of operation	Construction area of the leased real estate (square meter)	Rental income of the leased real estate	Equity proportion (%)
1	No. 7 Tian Chen Dong Road, Chao Yang District, Beijing	China National Convention Center	Convention and exhibition	270,800	22,172	100
2	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Beijing International Convention Center	Convention and exhibition	58,000	4,426	100
3	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Bin Plaza	Office building	37,800	3,071	100
4	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Xin Plaza	Office building	40,900	2,863	100
5	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	North Star Times Tower	Office building	131,300	7,583	100
6	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	North Star Century Center	Office building	149,800	7,794	100
7	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Zhen Building Property	Office building	8,400	896	100
8	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Beijing Continental Grand Hotel	Hotel	42,000	5,427	100
9	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	National Convention Centre Hotel	Hotel	42,900	3,676	100
10	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	V-Continent Beijing Parkview Wuzhou Hotel	Hotel	60,200	7,008	100
11	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	Intercontinental Beijing Beichen Hotel	Hotel	60,000	6,803	100
12	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Intercontinental Changsha	Hotel	79,200	8,654	100
13	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Yuan Apartment	Apartment	184,300	12,079	100
14	A13 Beiyuan Road, Chao Yang District, Beijing	B5 Commercial Area of North Star Green Garden	Commercial	49,700	2,135	100

Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Construction area of the leased real estate (square meter)	Rental income of the leased real estate	Equity proportion (%)
15	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Changsha North Star Delta Joy City	Commercial	100,000	5,198	100
16	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Changsha North Star International Convention Centre	Convention and exhibition	39,100	2,221	100
17	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Changsha North Star International Hotel	Hotel	62,500	4,850	100
18	No. 9, Gaoxin 2nd Road, Hongshan District, Wuhan City, Hubei Province	Wuhan Guangguli	Commercial	29,600	1,170	51

Notes:

1. The B5 Commercial Area of North Star Green Garden has been leased to Beijing Shopin Retail Development Co., Ltd. (北京市上品商業發展有限責任公司) since August 2016.
2. Construction area of the leased real estate represents the total construction area of the projects.
3. The rental income of the leased real estate is the operating income of the projects.
4. Construction area and operating income of North Star Times Tower have included the construction area and operating income of the Xincheli Shopping Centre commercial project.
5. The above-mentioned property items 2, 3, 7, 8, 10 and 13 are erected on land leased from BNSIGC.



Management Discussion and Analysis (Continued)

3. Financing

The Company regards the security of capital as the top priority of operations management and has maintained a smooth access to financing channels and optimized its debt structure continuously, in a bid to lower financing costs and consolidate the margin of financial safety. During the Reporting Period, the Company raised a fund of RMB5,766,000,000 with the interest rate being maintained at a reasonable level.

Table 6: Financing of the Company during the Reporting Period

Unit: 0'000 Currency: RMB

Total financing amount as at the end of the Period	Overall average financing cost (%)	Interest capitalised
2,591,252	4.59	30,471



Management Discussion and Analysis (Continued)

(II) Development Strategy of the Company

By continuing to maintain its strategic focus, the Company will constantly optimize its market-oriented operational mechanism, improve its governance and control capability, promote digital transformation and further focus on its core responsibility and business, thus promoting high-quality development of the Company.

1. Real Estate Development

The Company will continue to promote a prudent operation of real estate business, stabilize the development fundamentals and make a long-term development plan, striving to build a real estate brand with Beijing North Star's characteristics. In terms of land reserve, it will strengthen the land supply information research and analysis, formulate targeted land expansion strategies and reinforce cooperation with outstanding enterprises, at the same time strengthening the research of the expansion model continuously. In terms of product offering, based on the market demand, it will focus on improving the core competitiveness of products and cultivating differentiated competitive advantages, innovating the product system in respect of architectural space, landscape design and technology empowerment to create brand characteristics and enhance brand premium, so as to better meet the demand for new and improved housing. In terms of operational management and control, it will continue to optimize the development of the operating system and perfect the large-scale operating system for project development which is oriented to operational targets with project milestone management as the focus and centered on cash flows and comprehensive budget management, with a view to accelerating turnover of projects and preventing risks through strict cost control, thereby achieving quality and efficiency improvement.

In the second half of 2023, it is expected that the area for resumed construction will be 2,410,500 square meters and the completed area will be 898,200 square meters. The Company will strive to achieve sales area of 526,100 square meters with contracts signed (including parking spaces) amounting to RMB9,089,000,000.



Changsha North Star Delta



Management Discussion and Analysis (Continued)

2. *Convention and Exhibition (Including Hotels) and Commercial Properties*

The Company will focus on serving the overall national plans, the functional construction of the “four centers” of the capital city and the comprehensive development of the city’s industries, and fully utilize the core function of convention and exhibition to take the lead in the development of the convention and exhibition industry, striving to develop an international first-class convention and exhibition brand. Meanwhile, it will drive the synergistic development of hotels, office buildings, apartments, integrated commercial and other business types, with convention and exhibition as the lead.

In respect of the convention and exhibition business segment, adhering to the corporate goal of developing an international first-class convention and exhibition brand, the Company will continue to promote the operation and development of the entire convention and exhibition industrial chain. It will strengthen the expansion of upstream convention and exhibition business, and vigorously improve the standard of market-oriented exhibition and convention, so as to further enhance its initiative across the industry chain. In addition, the Company will improve the construction of a standard convention and exhibition system, refine the regular security mechanism for major events, and further enhance the professional and systematic level of North Star’s services. The Company will continue to strengthen its brand output, expand cooperation through multiple channels and put greater efforts into systematic talent training for the management of composite exhibition venues, at the same time leveraging its synergistic advantages to create the brand characteristics and management standard of North Star’s hotels.

In respect of the commercial properties segment, the Company will fully utilize the platform advantages of North Star Commercial Management and further develop the flat management model to enhance management efficiency. It will develop a professional commercial operation and management team to realize professional operation and management of various business lines, including office buildings, apartments and commerce. It will promote the standardization of property services by benchmarking against the industry’s first-class standard to realize refined management and provision of high-quality property services. It will implement the strategy of “Go Global” to realize business expansion through various models such as brand output, entrusted management and light-asset operation.



Intercontinental Changsha



North Star Huibin Plaza

3. *Financing and Capital Expenditure*

Taking into account the market and industry policy changes, the Company will make full use of the “headquarters financing” model and actively expand diversified financing channels. While securing a stable cash flow, it will improve its financing structure and enhance the fund utilization efficiency, hence effectively reducing expenses. The Company pays attention to the quality of collection of sales proceeds, strengthens cash flow management, improves the Company’s overall risk resistance and operational resilience and increases the margin of safety of funds, thereby ensuring the stability of the capital chain.

In the second half of 2023, the Company’s estimated fixed asset investment is RMB220,000,000, and the payment will be made according to the construction progress. The source of funds will be funded by internal funds.

Management Discussion and Analysis (Continued)

IV. Potential Risks Faced by the Company

1. Market Risk

The differentiation in real estate market has continued and competition for popular cities and certain prime land parcels among real estate enterprises has become intensively fierce. Land transaction prices remain high, driving up development costs. The situation of large proportion of land costs and difficulty in increasing selling price poses certain risks on enterprises in finance and capital position as well as operational stability.

In response to the aforesaid risks, the Company will pay close attention to the development trend of the market, enhance the evaluation of the newly entered cities, and select cities and regions in which market is mature with a favorable investment atmosphere and a relatively rational net inflow of population and housing price-to-income ratio. The Company will continuously optimize development strategies and maintain an appropriate scale, and be committed to strengthening professional management, shortening the development cycle, accelerating the turnover rate, improving the cash recovery rate, and avoiding market risks.

2. Policy Risk

The development of the real estate industry is closely related to the direction of national policies. Despite the relaxation of current industry policies, real estate enterprises continued to face policy risks to a certain extent.

In response to the aforesaid risks, the Company will pay close attention to relevant national policies and changes in the macroeconomic environment. The Company will continue to optimize its direction of business development according to the policy orientation based on the actual situation, enhance the sustainable development potential of the real estate development business, and improve its comprehensive competitiveness.

3. Short-term Risks of Talent Reserve

According to the Company's strategic development goals and the requirements for a new pattern of mutual support, complementary advantages and synergistic development of each segment, the Company has established its presence across the entire industry chain of convention and exhibition, and improved the sell-through rate and expedited the transformation of the real estate segment. In respect of the internal integration and external expansion of commercial management, the Company may be exposed to the risks of talent shortage in the near future due to the increasing demands for high-caliber professional talents.

In response to the aforesaid risks, adhering to the principle of strengthening the business by talents, the Company has shown strategic insights, optimized its systems and mechanisms and reinforced systematic planning, striving to build a high-caliber professional talent team that is responsible for the development of the Company. The Company implemented a more active, open and effective talent policy, and insisted on selecting and introducing talents simultaneously with well-organized training and efficient deployment. The Company refined the regular training and selection mechanism for outstanding talents by means of temporary post, rotational training and job rotation, at the same time expanding the talent introduction channel through recruitment of professional agent, market-oriented recruitment and the "Excellence Training Programme" and developing a talent reserve by classification to continuously expand its talent pool. The Company provided step-by-step training and progressive experience by developing a three-tier talent training system, featuring "Strong Eagle, Flying Eagle, Elite Eagle (雄鷹、飛鷹、精鷹)" of Capital Convention and "Navigating, Voyaging, and Sailing (領航、遠航、啟航)" of North Star Real Estate, hence developing a quality talent reserve for the Company's high-quality development.



Management Discussion and Analysis (Continued)

DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE

Financial Resources and Liquidity

As at 30 June 2023, the equity attributable to ordinary shareholders of the Company increased by 0.68% compared with 31 December 2022. The increase was mainly due to the increase in profit attributable to the ordinary shareholders of the Company of RMB132,966,000 during the Period.

The Group's bank and other borrowings (excluding bonds) as at 30 June 2023 amounted to RMB14,950,161,000. At the end of the Period, net values of the Group's 5-year corporate bonds, 3-year corporate bonds and 5-year medium term notes were RMB2,850,687,000, RMB598,879,000 and RMB3,925,098,000, respectively. Net value of the asset-backed securities was RMB3,587,694,000 at the end of the Period.

Current assets of the Group, which mainly comprised cash at bank and on hand, completed properties held for sale and properties under development, amounted to RMB51,808,699,000, whereas the current liabilities amounted to RMB25,429,574,000. As at 30 June 2023, the balance of cash at bank and on hand amounted to RMB10,356,222,000 (excluding restricted bank deposits) and none of the bonds in issue were exposed to redemption and payment risks. During the Period, the Company did not engage in any transaction on financial products or derivative instruments.

As at 30 June 2023, the Group had secured borrowings from banks and other financial institutions of RMB13,861,396,000 with certain right-of-use assets, investment properties, hotels, properties under development and completed properties held for sale as the collaterals. The asset-liability ratio calculated by total liabilities divided by total assets for the Group was 69% as at the end of the Reporting Period (31 December 2022: 70%).

The Group's operations took place within the territory of mainland China and all transactions were settled in Renminbi. Accordingly, there was no exposure to the risk of exchange rate fluctuations.

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. The above mentioned financial guarantees provided in phases had no material impact on the financial position of the Group. As at 30 June 2023, the outstanding amount of financial guarantees provided in phases was RMB8,650,010,000 (31 December 2022: RMB10,979,240,000).

SHARE CAPITAL AND SHAREHOLDERS

Share Capital

The Company's registered capital as at 30 June 2023 totalled 3,367,020,000 shares in issue, comprising:

Domestic-listed circulating A shares	2,660,000,000 shares	Representing 79.002%
Foreign-listed H shares	707,020,000 shares	Representing 20.998%

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2023, the following person, other than a director, supervisor or chief executive of the Company, had 5% or more interests or short positions in the shares and underlying shares of the relevant class of issued share capital of the Company as recorded in the register of interests in the shares and short positions required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance ("SFO"):



Management Discussion and Analysis (Continued)

Interests and Short Positions in Shares of the Company

Name of shareholder	Nature of interest	Capacity	Class of shares	Number of shares held	Percentage of the relevant class of share capital	Percentage of total share capital
Beijing North Star Industrial Group Limited Liabilities Company	Corporate interest	Beneficial owner	A shares	1,161,000,031	43.65%	34.48%

Save as disclosed above, based on the register required to be kept under Section 336 of Part XV of the SFO, the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 30 June 2023.

INTERESTS OF DIRECTORS AND SUPERVISORS OF THE COMPANY

As at 30 June 2023, none of the directors, supervisors, chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code").

CORPORATE GOVERNANCE

The Company has strived to maintain and establish a high level of corporate governance, and the Company has fully complied with all code provisions set out in the "Corporate Governance Code" contained in Appendix 14 of the Listing Rules during the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code. Having made specific enquiries with all directors and supervisors of the Company, the Company confirms that its directors and supervisors have complied with the required standards as set out in the Model Code during the six months ended 30 June 2023.

AUDIT COMMITTEE

The Audit Committee has been established by the Company to review and supervise the financial reporting process and internal control measures of the Company. The Group's unaudited interim results for the six months ended 30 June 2023 have been reviewed by the Audit Committee and the Board. The Audit Committee comprises three independent non-executive directors of the Company, namely, Dr. CHOW Wing-Kin, Anthony, Mr. GAN Pei-Zhong and Mr. CHEN De-Qiu.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.



Management Discussion and Analysis (Continued)

DESIGNATED DEPOSITS AND DUE FIXED DEPOSITS

As at 30 June 2023, the Group had no designated deposits that were placed with financial institutions in the PRC. All of the Group's cash deposits have been placed with commercial banks in the PRC in compliance with relevant laws and regulations. The Group has not experienced any incidents of not being able to withdraw bank deposits when due.

EMPLOYEES

As at 30 June 2023, the Company had 5,257 employees. Adjustments of employees' remuneration will be made according to the Company's results and profitability and are determined by assessing the correlation between the total salary paid to employees and the economic efficiency of the Company. The policy contributes to the management of the Company's remuneration expenses while employees will be motivated to work hard for good results and development of the Company. Save for the remuneration policies disclosed above, the Company did not maintain any share option scheme for its employees and the employees did not enjoy bonus. The Company regularly provided administrative personnel with trainings on various subjects, including operations management, foreign languages, computer skills, industry know-how and policies and laws, in different forms, such as seminars, site visits and study tours.

STAFF QUARTERS

During the Period, the Company did not provide any staff quarters to its staff.

PUBLICATION OF INTERIM REPORT

The Company's 2023 interim report which sets out all the information required by the Listing Rules will be published on the designated website of the Stock Exchange at <http://www.hkexnews.hk> and on the website of the Company at <http://www.beijingsns.com.cn> in due course.

DOCUMENT FOR INSPECTION

The original copy of the 2023 interim report, signed by the Chairman, will be available for inspection at the office of the Board, the address of which is:

Beijing North Star Company Limited
12th Floor, Tower A, Hui Xin Building
No. 8 Bei Chen Dong Road
Chao Yang District
Beijing, the PRC

By order of the Board
Beijing North Star Company Limited
LI Wei-Dong
Chairman

Beijing, the PRC
24 August 2023



Corporate Information

Legal name of the Company:	北京北辰實業股份有限公司
English name of the Company:	Beijing North Star Company Limited
Registered address of the Company:	No. 8 Bei Chen Dong Road Chao Yang District, Beijing the PRC
Place of business of the Company:	12th Floor, Tower A, Hui Xin Building No. 8 Bei Chen Dong Road Chao Yang District, Beijing the PRC
Legal representative of the Company:	LI Wei-Dong
Company secretaries:	GUO Chuan LEE Ka Sze, Carmelo
Person-in-charge on information disclosure:	GUO Chuan
Enquiry unit for Company information disclosure:	Work department of the Board

COMPANY INFORMATION ENQUIRY

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Corporate Information (Continued)

REGISTRATION

Date and place of first registration:	2 April 1997, Beijing, the PRC
Unified social credit code:	91110000633791930G

AUDITORS

<i>PRC auditor:</i>	PricewaterhouseCoopers Zhong Tian LLP
Address:	11th Floor PricewaterhouseCoopers Center Link Square 2 202 Hu Bin Road, Huangpu District Shanghai, the PRC
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Fax:	(8621) 2323 8800
<i>International auditor:</i>	PricewaterhouseCoopers <i>Certified Public Accountants</i> Registered Public Interest Entity Auditor
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Corporate Information (Continued)

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