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北京北辰實業股份有限公司
BEIJING NORTH STAR COMPANY LIMITED

(A sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 588)

ANNOUNCEMENT 2009 First Quarterly Report

Beijing North Star Company Limited (the “Company”) is required to publish its first quarterly results pursuant to the Regulations on Disclosure of Information on Quarterly Reports for Listed Companies issued by the China Securities Regulatory Commission.

All financial information set out in the 2009 first quarterly report of the Company is unaudited and the relevant financial statements are prepared in accordance with China Accounting Standards for Business Enterprises, which was issued by the Ministry of Finance of PRC in February 2006. The 2009 first quarterly report of the Company will also be published on the website of Shanghai Stock Exchange (www.sse.com.cn) on 20 April 2009 and a summary of such report will be published in certain newspapers in the PRC on 21 April 2009.

This announcement is made pursuant to Rules 13.09(1) and 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. IMPORTANT NOTICE

- 1.1 The board of directors (the “Board”), the supervisory committee and directors, supervisors and the senior management of the Company confirm that there are no misrepresentation or misleading statements contained in or material omissions from this report, and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents of this report.
- 1.2 All directors of the Company attended the Board meeting.
- 1.3 The financial statements in this first quarterly report are unaudited.
- 1.4 Mr. HE Jiang-Chuan, legal representative of the Company, Ms. ZHAO Hui-Zhi, person-in-charge of the accounting operations and Ms. Wu Zi-Hui, person-in-charge of the Accounting Department (Chief Accountant) have confirmed the truthfulness and completeness of the financial statements contained in this quarterly report.

2. BASIC INFORMATION OF THE COMPANY

2.1 Major accounting data and financial indicators

Currency: RMB

	End of the reporting period	End of last reporting year	% Increase/ (decrease) at end of the reporting period compared to end of last reporting year
Total assets	25,879,665,282.00	25,619,295,384.00	1.02
Equity attributable to equity holders of the Company (or shareholders' equity)	8,757,536,531.00	8,586,279,207.00	1.99
Net assets per share attributable to equity holders of the Company	2.60	2.55	1.96
	From the beginning of the year to the end of the reporting period		% increase (decrease) compared to the corresponding period of the previous year
Net cash flow from operating activities	166,841,286.00		139.82
Net cash flow per share from operating activities	0.05		139.82
	The reporting period	From the beginning of the year to the end of the reporting period	% increase/ (decrease) for the reporting period compared to the corresponding period of the previous year
Net profit attributable to equity holders of the Company	171,257,324.00	171,257,324.00	102.58
Basic earnings per share	0.05	0.05	102.58
Basic earnings per share after deducting non-recurring items	0.05	0.05	89.24
Diluted earnings per share	0.05	0.05	102.58
Fully diluted return on net assets (%)	1.96	1.96	Increased by 0.94 percentage points
Fully diluted return on net assets after deducting non-recurring items (%)	1.95	1.95	Increased by 0.86 percentage points

Deducting non-recurring items and amounts:

Non-recurring items	From the beginning of the year to the end of the reporting period (Currency: RMB)	Notes
Profit/loss on disposal of non-current assets	-60,343	Loss from disposal of fixed assets
Net amount of non-operating income and expenses excluding the above-mentioned items	241,895	Treatment of unclaimed payables
Minority interest effect	646	Loss from disposal of fixed assets of subsidiaries
Income tax effect	-45,388	
Total	136,810	

2.2 Total number of shareholders at the end of the reporting period and shareholding of the top ten holders of circulating shares not subject to trading moratorium

Unit: share

Total number of shareholders at the end of the reporting period		A shares: 419,908 H shares: 2,648	
Top ten holders of circulating shares not subject to trading moratorium			
Name of shareholder (Full Name)	Number of circulating shares not subject to trading moratorium held at the end of the reporting period	Type of shares	
HKSCC NOMINEES LIMITED	686,206,498	Overseas-listed foreign shares	H shares
Beijing Wangfujing Department Store (Group) Co., Ltd.	143,900,000	RMB-denominated ordinary shares	A shares
Zhong Hang Xin Gang Guarantee Co., Ltd.	93,500,000	RMB-denominated ordinary shares	A shares
Zhejiang Haiyue Co., Ltd.	30,000,000	RMB-denominated ordinary shares	A shares
Sinopec Finance Co., Ltd.	20,000,000	RMB-denominated ordinary shares	A shares
Industrial and Commercial Bank of China — SHSE 50 Open-end Indexed Fund	16,205,282	RMB-denominated ordinary shares	A shares
Bank of China — Harvest SHSE-SZSE 300 Indexed Fund	10,271,755	RMB-denominated ordinary shares	A shares
Zhejiang AMP Incorporation	8,600,000	RMB-denominated ordinary shares	A shares
China Construction Bank — Bosera Yufu Securities Investment Fund	5,398,843	RMB-denominated ordinary shares	A shares
National Social Insurance Fund-602 Composition	4,140,422	RMB-denominated ordinary shares	A shares

3. SIGNIFICANT MATTERS

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

√ Applicable □ Not applicable

Currency: RMB

Item	Amount of the reporting period	Amount of the previous period	Change amount	Change (%)	Major reason(s) for the change
Other receivables	80,598,824	182,267,073	-101,668,249	-55.78	Construction subsidies collected from Olympic Organizing Committee
Short-term borrowings	950,000,000	650,000,000	300,000,000	46.15	Increased borrowings
Interests payable	143,938,770	98,231,207	45,707,563	46.53	Provision of corporate bond interests
Operating revenue	1,197,415,135	887,451,882	309,963,253	34.93	Increased sales income of property branch company
Business tax and auxiliary charges	116,666,235	73,155,443	43,510,792	59.48	Increased tax due to increased sales income of property branch company

Non-operating expenses	261,133	10,895,955	-10,634,822	-97.60	No donation in this period (the previous period: RMB10 million)
Total profit	284,722,991	208,138,536	76,584,455	36.79	Increased income
Income tax	75,410,616	47,314,498	28,096,118	59.38	Increased profit
Net profit attributable to the equity holders of the Company	171,257,324	84,539,909	86,717,415	102.58	Under the effect of property development and settlement periods, settled products in the reporting period mainly comprised media village of 100% equity interest with an area of 57,600 m ² and a recognized revenue of RMB690 million. Settlement of the previous period mainly comprised of Fragrant Hill Qingqin of 49.5% equity interest
Minority interests	38,055,051	76,284,129	-38,229,078	-50.11	Decreased profit of subsidiaries
Net cash flows from operating activities	166,841,286	-419,012,926	585,854,212	139.82	Increased income from property sales

3.2 Note and analysis of the progress of significant events and their impact and solution

Applicable Not applicable

3.3 Performance of undertakings by the Company, shareholders and the de facto controller

Applicable Not applicable

1. Undertakings made at the time of share issuance: Beijing North Star Industrial Group Company (“BNSIGC”) undertook that regarding the 1,160,000,000 A shares of the Company it held, within 36 months from the date of the listing of A shares, it would not transfer or entrust other parties to manage any shares of the Company it directly or indirectly held and that the said A shares would not be re-purchased by the Company. During the period, BNSIGC strictly performed the undertakings.
2. Other undertakings to mid and small shareholders of the Company: In October 2008, the controlling shareholder BNSIGC increased its shareholdings in the Company by 1,000,031 shares via the trading system of the Shanghai Stock Exchange. BNSIGC undertook that it would not sell any shares it held in the Company whilst implementing the plan on increasing shareholdings and within the statutory period. During the period, BNSIGC strictly performed the undertakings.

3.4 Warning on any potential loss in accumulated net profit for the period from the year beginning to the end of next reporting period or any material change in accumulated net profit comparing with the corresponding period of last year and the reason thereof

Applicable Not applicable

Beijing North Star Company Limited
Legal representative of the Company: HE Jiang-Chuan
20 April 2009

4. APPENDIX

4.1 Consolidated Balance Sheet as at 31 March 2009

Prepared by Beijing North Star Company Limited

Unit: RMB (Unaudited)

Item	At the end of the reporting period	At the beginning of the year
Current assets:		
Cash at bank and in hand	5,700,595,715	5,012,714,464
Balances with clearing companies		
Placements with banks and other financial institutions		
Held for trading financial assets		
Notes receivable		
Accounts receivable	52,120,799	55,936,519
Prepayments	275,212,149	274,732,445
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Interests receivable		
Dividends receivable		
Other receivables	80,598,824	182,267,073
Purchases of resold financial assets		
Inventories	13,411,849,530	13,791,744,445
Non-current assets due within one year		
Other current assets		
Total current assets	19,520,377,017	19,317,394,946
Non-current assets:		
Loans and advances granted		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term investments	20,039,744	21,066,082
Investment properties	1,931,461,934	1,955,685,064
Fixed assets	1,372,132,633	1,387,288,301
Construction in progress	3,014,190,439	2,916,765,903
Construction materials		
Disposals of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	748,285	765,687
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	20,715,230	20,329,401
Other non-current assets		
Total non-current assets	6,359,288,265	6,301,900,438
Total assets	25,879,665,282	25,619,295,384
Current liabilities:		
Short-term borrowings	950,000,000	650,000,000
Borrowings from central bank		
Deposit taking and deposit in inter-bank market		
Placements from banks and other financial institutions		
Held-for-trading financial liabilities		
Notes payable		

Accounts payable	1,304,611,845	1,725,812,105
Advance from customers	4,244,632,738	4,647,175,594
Disposal of repurchased financial assets		
Handling charges and commissions payable		
Salary and welfare payable	31,868,390	47,921,913
Taxes payable	409,726,176	437,861,511
Interests payable	143,938,770	98,231,207
Dividends payable	1,162,190	1,162,190
Other payables	317,569,440	305,866,408
Reinsurance accounts payable		
Deposits for insurance contracts		
Customer deposits for trading in securities		
Customer deposits for underwriting		
Current portion of long-term borrowings	1,200,000,000	1,200,000,000
Other current liabilities		
Total current liabilities	8,603,509,549	9,114,030,928
Non-current liabilities:		
Long-term borrowings	5,000,000,000	4,440,000,000
Bonds payable	3,154,177,801	3,152,812,121
Long-term payable		
Special payable	103,315,834	103,102,612
Accrued liabilities		
Deferred income tax liabilities		
Other non-current liabilities	2,550,000	2,550,000
Total non-current liabilities	8,260,043,635	7,698,464,733
Total liabilities	16,863,553,184	16,812,495,661
Shareholders' equity:		
Share capital	3,367,020,000	3,367,020,000
Capital surplus	3,686,382,484	3,686,382,484
Less: Treasury stock		
Surplus reserve	542,425,432	542,425,432
General risk provision		
Undistributed profit	1,161,708,615	990,451,291
Exchange reserve		
Total equity attributable to the Company's owners	8,757,536,531	8,586,279,207
Minority interests	258,575,567	220,520,516
Total shareholders' equity	9,016,112,098	8,806,799,723
Total liabilities and shareholders' equity	25,879,665,282	25,619,295,384

Legal representative
of the Company:
HE Jiang-Chuan

Person-in-charge of the
accounting operations:
ZHAO Hui-Zhi

Person-in-charge of the
accounting department:
WU Zi-Hui

Balance Sheet of the Company as at 31 March 2009

Prepared by Beijing North Star Company Limited

Unit: RMB (Unaudited)

Item	At the end of the reporting period	At the beginning of the year
Current assets:		
Cash at bank and in hand	4,957,836,030	4,169,064,667
Held for trading financial assets		
Notes receivable		
Accounts receivable	31,845,531	34,755,076
Prepayments	164,685,353	173,060,716
Interests receivable		
Dividends receivable		
Other receivables	10,080,196,666	10,080,202,409
Inventories	5,732,669,918	6,100,175,430
Non-current assets due within one year		
Other current assets		
Total current assets	20,967,233,498	20,557,258,298
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term investments	2,366,717,702	2,367,744,040
Investment properties	1,931,461,934	1,955,685,064
Fixed assets	1,332,291,293	1,361,027,761
Construction in progress	17,652,664	16,101,096
Construction materials		
Disposals of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets		
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	7,407,764	7,894,582
Other non-current assets		
Total non-current assets	5,655,531,357	5,708,452,543
Total assets	26,622,764,855	26,265,710,841
Current liabilities:		
Short-term borrowings	950,000,000	650,000,000
Held-for-trading financial liabilities		
Notes payable		
Accounts payable	1,185,222,382	1,444,342,111
Advance from customers	3,380,334,522	3,629,262,412
Salary and welfare payable	20,548,332	34,378,965
Taxes payable	237,090,527	243,695,551
Interests payable	143,938,770	98,231,207
Dividends payable		
Other payables	3,075,098,205	3,230,691,741
Current portion of long-term borrowings	1,200,000,000	1,200,000,000
Other current liabilities		
Total current liabilities	10,192,232,738	10,530,601,987
Non-current liabilities:		
Long-term borrowings	5,000,000,000	4,440,000,000
Bonds payable	3,154,177,801	3,152,812,121

Long-term payable		
Special payable		
Accrued liabilities		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	8,154,177,801	7,592,812,121
Total liabilities	18,346,410,539	18,123,414,108
Shareholders' equity:		
Share capital	3,367,020,000	3,367,020,000
Capital surplus	3,681,308,639	3,681,308,639
Less: Treasury stock		
Surplus reserve	542,425,432	542,425,432
Undistributed profit	685,600,245	551,542,662
Exchange reserve		
Total shareholders' equity	8,276,354,316	8,142,296,733
Total liabilities and shareholders' equity	26,622,764,855	26,265,710,841

Legal representative
of the Company:
HE Jiang-Chuan

Person-in-charge of the
accounting operations:
ZHAO Hui-Zhi

Person-in-charge of the
accounting department:
WU Zi-Hui

4.2 Consolidated Income Statement
January – March 2009

Prepared by Beijing North Star Company Limited

Unit: RMB (Unaudited)

Item	The reporting period	The corresponding period last year (Restated)
1. Operating revenue	1,197,415,135	887,451,882
Including: Operating revenue	1,197,415,135	887,451,882
Interest income		
Premiums earned		
Handling charges and commission income		
2. Total operating costs	911,847,358	671,244,644
Including: Operating costs	664,375,108	454,133,701
Interest expenses		
Handling charges and commission expenses		
Surrender payment		
Net expenditure for compensation payments		
Net provision for insurance deposits		
Policyholder dividend expenses		
Reinsurance costs		
Business tax and auxiliary charges	116,666,235	73,155,443
Selling expenses	36,380,796	34,925,669
Administrative expenses	69,135,386	88,159,185
Finance expenses	26,742,223	20,214,597
Impairment losses on assets	-1,452,390	656,049
Add: Gains on fair value changes		
Investment income (loss stated with “-”)	-1,026,338	
Including: Investment income from associates and jointly controlled entities (loss stated with “-”)	-1,026,338	
Foreign currency exchange gains		
3. Operating profit	284,541,439	216,207,238
Add: Non-operating income	442,685	2,827,253
Less: Non-operating expenses	261,133	10,895,955
Including: Net loss on disposal of non-current assets	60,343	113,252
4. Total profit	284,722,991	208,138,536
Less: Income tax expenses	75,410,616	47,314,498
5. Net profit	209,312,375	160,824,038
Net profit attributable to the owners of the parent company	171,257,324	84,539,909
Minority interests	38,055,051	76,284,129
6. Earnings per share:		
(I) Basic earnings per share	0.05	0.03
(II) Diluted earnings per share	0.05	0.03

Legal representative
of the Company:
HE Jiang-Chuan

Person-in-charge of the
accounting operations:
ZHAO Hui-Zhi

Person-in-charge of the
accounting department:
WU Zi-Hui

Income Statement of the Company
January – March 2009

Prepared by Beijing North Star Company Limited

Unit: RMB (Unaudited)

Item	The reporting period	The corresponding period last year (Restated)
1. Operating revenue	898,883,436	294,879,062
Less: Operating costs	519,602,072	147,999,457
Business tax and auxiliary charges	89,094,119	11,942,029
Selling expenses	15,733,682	18,025,339
Administrative expenses	55,907,141	79,016,536
Finance expenses	37,975,340	21,836,536
Impairment losses on assets	-1,947,273	
Add: Gains on fair value changes		
Investment income (loss stated with “-”)	-1,026,338	
Including: Investment income from associates and jointly controlled entities (loss stated with “-”)	-1,026,338	
2. Operating profit	181,492,017	16,059,165
Add: Non-operating income	442,685	1,598,630
Less: Non-operating expenses	259,427	10,451,308
Including: Net loss on disposal of non-current assets	58,637	108,135
3. Total profit (total loss stated with “-”)	181,675,275	7,206,487
Less: Income tax expenses	47,617,692	1,583,660
4. Net profit (net loss stated with “-”)	134,057,583	5,622,827

Legal representative
of the Company:
HE Jiang-Chuan

Person-in-charge of the
accounting operations:
ZHAO Hui-Zhi

Person-in-charge of the
accounting department:
WU Zi-Hui

4.3 Consolidated Cash Flow Statement
January – March 2009

Prepared by Beijing North Star Company Limited

Unit: RMB (Unaudited)

Item	The reporting period	The corresponding period last year
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	833,293,093	708,483,212
Net increase in deposits from customers and placements from banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from policyholders and investments		
Net increase in disposal of held-for-trading financial assets		
Cash received from interest, handling charges and commissions		
Net increase in capital due to banks and other financial institutions		
Net increase in repurchases		
Refund of tax and levies received		160,000
Cash received relating to other operating activities	144,388,947	4,932,162
Sub-total of cash inflow from operating activities	977,682,040	713,575,374
Cash paid for purchase of goods and receipt of services	481,244,799	948,833,458
Net increase in loans and advances to customers		
Net increase in placements with central bank and other financial institutions		
Cash paid for claims on original insurance contracts		
Cash payment for interest, handling charges and commissions		
Cash payment for policyholder dividend		
Cash paid to and paid for employees	89,041,343	66,755,685
Taxes and auxiliary charges paid	211,056,838	80,827,087
Cash paid relating to other operating activities	29,497,774	36,172,070
Sub-total of cash outflow from operating activities	810,840,754	1,132,588,300
Net cash flows from operating activities	166,841,286	-419,012,926
2. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	8,693	444,841
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investing activities	5,000,000	1,000,000
Sub-total of cash inflow from investing activities	5,008,693	1,444,841
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	204,363,368	223,392,722
Cash paid for investment		5,509,990
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries		

and other operating entities		
Cash paid relating to other investing activities		
Sub-total of cash outflow from investing activities	204,363,368	228,902,712
Net cash flows from investing activities	-199,354,675	-227,457,871
3. Cash flows from financing activities:		
Cash received from investments		
Including: Cash received by subsidiaries from minority shareholders' investment		
Proceeds from borrowings	860,000,000	1,494,405,000
Cash received from issue of debentures		
Cash received relating to other financing activities		
Sub-total of cash inflow from financing activities	860,000,000	1,494,405,000
Cash paid for repayment of liabilities		350,000,000
Cash paid for dividend, profit distribution or interest repayment	115,404,775	164,016,159
Including: Dividend or profit paid by subsidiary to minority shareholders		64,950,943
Cash paid relating to other financing activities		
Sub-total of cash outflow from financing activities	115,404,775	514,016,159
Net cash flows from financing activities	744,595,225	980,388,841
4. Effect of foreign exchange rates under changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	712,081,836	333,918,044
Add: Balance of cash and cash equivalents at the beginning of the period	4,929,629,185	2,255,545,856
6. Balance of cash and cash equivalents at the end of the period	5,641,711,021	2,589,463,900

Legal representative
of the Company:
HE Jiang-Chuan

Person-in-charge of the
accounting operations:
ZHAO Hui-Zhi

Person-in-charge of the
accounting department:
WU Zi-Hui

Cash Flow Statement of the Company
January – March 2009

Prepared by Beijing North Star Company Limited

Unit: RMB (Unaudited)

Item	The reporting period	The corresponding period last year
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	679,137,363	634,974,349
Refund of tax and levies received		
Cash received relating to other operating activities	91,909,461	3,363,978
Sub-total of cash inflow from operating activities	771,046,824	638,338,327
Cash paid for purchase of goods and receipt of services	272,819,609	485,984,298
Cash paid to and paid for employees	66,276,631	50,041,301
Taxes and auxiliary charges paid	139,568,035	62,551,424
Cash paid relating to other operating activities	240,395,534	195,268,746
Sub-total of cash outflow from operating activities	719,059,809	793,845,769
Net cash flows from operating activities	51,987,015	-155,507,442
2. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	5,693	415,802
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investing activities		
Sub-total of cash inflow from investing activities	5,693	415,802
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	7,678,082	122,248,647
Cash paid for investment		5,509,990
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid relating to other investing activities		
Sub-total of cash outflow from investing activities	7,678,082	127,758,637
Net cash flows from investing activities	-7,672,389	-127,342,835
3. Cash flows from financing activities:		
Cash received from investments		
Proceeds from borrowings	860,000,000	1,494,405,000
Cash received relating to other financing activities		
Sub-total of cash inflow from financing activities	860,000,000	1,494,405,000
Cash paid for repayment of liabilities		350,000,000
Cash paid for dividend, profit distribution or interest repayment	115,404,775	99,065,216
Cash paid relating to other financing activities		
Sub-total of cash outflow from financing activities	115,404,775	449,065,216
Net cash flows from financing activities	744,595,225	1,045,339,784
4. Effect of foreign exchange rates under changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	788,909,851	762,489,507
Add: Balance of cash and cash equivalents at the beginning of the period	4,159,642,525	1,380,486,159
6. Balance of cash and cash equivalents at the end of the period	4,948,552,376	2,142,975,666

Legal representative
of the Company:
HE Jiang-Chuan

Person-in-charge of the
accounting operations:
ZHAO Hui-Zhi

Person-in-charge of the
accounting department:
WU Zi-Hui

By order of the Board
Beijing North Star Company Limited
HE Jiang-Chuan
Legal Representative

Beijing, the PRC
20 April 2009

As at the date of this announcement, the Board comprises 7 directors, of which Mr. HE Jiang-Chuan, Ms. ZHAO Hui-Zhi, Mr. LIU Jian-Ping, Mr. CHEN Ji are executive directors of the Company and Mr. MENG Yan, Mr. YU Jing-Song and Mr. FU Yiu-Man, Peter are independent non-executive directors of the Company.