



HKEx Stock Code: 0588  
SSE Stock Code: 601588

# 2021 INTERIM REPORT





## INTERIM REPORT

For the six months ended 30 June 2021

- Revenue was RMB10,244,782,000, representing an increase of 205.93% over the same period last year
- Operating profit was RMB1,453,586,000, representing an increase of 148.81% over the same period last year
- Profit attributable to the ordinary shareholders of the Company was RMB248,693,000, representing an increase of 7,827.73% over the same period last year, among others, the after-tax core operating results of the Company's principal business (excluding losses arising from the changes in fair value) were RMB349,406,000, representing an increase of 179.27% over the same period last year. Profit attributable to the owners of the Company was RMB422,106,000 (excluding losses arising from the changes in fair value), representing an increase of 79.50% over the same period last year. During the Period, the losses (after taxation) on changes in fair value of investment properties was RMB100,713,000
- Earnings per share were RMB0.0739, and earnings per share in the same period last year were RMB0.0009
- The board of directors (the "Board") resolved that no interim dividend would be declared in respect of the six months ended 30 June 2021 (six months ended 30 June 2020: nil)



# Interim Condensed Consolidated Balance Sheet

		Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right-of-use assets	7	465,050	467,600
Investment properties	7	15,624,049	15,344,734
Property, plant and equipment	7	2,661,215	2,392,887
Investments accounted for using the equity method		641,855	541,853
Deferred income tax assets		1,319,865	1,263,905
Other receivables and prepayments	9	386,680	327,715
		<u>21,098,714</u>	<u>20,338,694</u>
<b>Current assets</b>			
Properties under development	8	39,638,214	42,427,185
Completed properties held-for-sale		11,864,175	13,971,935
Other inventories		39,158	40,594
Trade and other receivables and prepayments	9	4,637,087	5,105,636
Restricted bank deposits		2,241,906	2,214,935
Cash and cash equivalents		11,208,852	10,830,539
		<u>69,629,392</u>	<u>74,590,824</u>
<b>Total assets</b>		<u><u>90,728,106</u></u>	<u><u>94,929,518</u></u>



## Interim Condensed Consolidated Balance Sheet (Continued)

	Note	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	13	21,858,335	22,373,226
Loans from other parties	12	2,130,608	2,658,262
Employee termination benefit obligations		110,338	114,240
Deferred income tax liabilities		2,140,441	2,121,516
Lease liabilities		20,792	20,066
Deferred income		2,743	2,743
		<u>26,263,257</u>	<u>27,290,053</u>
<b>Current liabilities</b>			
Trade and other payables	12	9,961,704	10,386,752
Loans/advances from other parties	12	5,648,265	5,210,695
Contract liabilities		16,459,430	17,882,773
Current income tax liabilities		2,298,281	2,409,342
Lease liabilities		33,635	30,945
Current portion of long-term borrowings	13	4,286,451	5,625,326
		<u>38,687,766</u>	<u>41,545,833</u>
<b>Total liabilities</b>		<u>64,951,023</u>	<u>68,835,886</u>
<b>Net assets</b>		<u>25,777,083</u>	<u>26,093,632</u>
<b>EQUITY</b>			
Share capital	10	3,367,020	3,367,020
Other reserves		4,868,600	4,868,600
Retained earnings		12,695,376	12,547,694
Capital and reserves attributable to ordinary shareholders of the Company		20,930,996	20,783,314
Perpetual bond	11	2,598,419	2,630,380
Non-controlling interests		2,247,668	2,679,938
<b>Total equity</b>		<u>25,777,083</u>	<u>26,093,632</u>

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

# Interim Condensed Consolidated Income Statement

		Unaudited Six months ended 30 June	
		2021	2020
	Note	RMB'000	RMB'000
<b>Continuing operations</b>			
Revenue	6	10,244,782	3,348,745
Cost of sales		(8,052,378)	(2,152,863)
<b>Gross profit</b>		<b>2,192,404</b>	1,195,882
Selling and marketing expenses		(234,152)	(128,529)
Administrative expenses		(380,738)	(381,444)
Fair value losses on investment properties	14	(134,283)	(162,639)
Net (provision for)/reversal of impairment losses on financial assets	14	(22,555)	3,166
Other income and gains – net		32,910	57,787
<b>Operating profit</b>		<b>1,453,586</b>	584,223
Finance income	15	54,746	40,709
Finance expenses	15	(391,895)	(205,811)
Finance expenses – net	15	(337,149)	(165,102)
Share of net profit of investments accounted for using the equity method		108,300	60,267
<b>Profit before income tax</b>	6	<b>1,224,737</b>	479,388
Income tax expenses	16	(938,614)	(355,743)
<b>Profit from continuing operations</b>		<b>286,123</b>	123,645
<b>Loss from discontinued operation (attributable to ordinary shareholders of the Company)</b>		<b>–</b>	(612)
<b>Profit for the period</b>		<b>286,123</b>	123,033
<b>Attributable to:</b>			
Ordinary shareholders of the Company		248,693	3,137
Holders of perpetual bond		72,700	110,044
Non-controlling interests		(35,270)	9,852
		<b>286,123</b>	123,033
<b>Earnings per share attributable to ordinary shareholders of the Company during the Period</b> (expressed in RMB cents per share) (basic and diluted)			
From continuing operations	17	7.39	0.11
From discontinued operations	17	–	(0.02)

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	
	2021 RMB'000	2020 RMB'000
<b>Profit for the period</b>	<b>286,123</b>	123,033
<b>Other comprehensive income</b>	<b>—</b>	—
<b>Total comprehensive income for the period</b>	<b>286,123</b>	123,033
<b>Attributable to:</b>		
Ordinary shareholders of the Company	248,693	3,137
Holders of perpetual bond	72,700	110,044
Non-controlling interests	(35,270)	9,852
	<b>286,123</b>	123,033
<b>Total comprehensive income for the period attributable to ordinary shareholders of the Company arises from:</b>		
Continuing operations	248,693	3,749
Discontinued operations	—	(612)
	<b>248,693</b>	3,137

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

	Note	Unaudited					
		Attributable to ordinary shareholders of the Company				Non-controlling interests	Total equity
		Share capital	Other reserves	Retained earnings	Total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Six months ended 30 June 2021</b>							
Balance at 1 January 2021		3,367,020	4,868,600	12,547,694	20,783,314	2,630,380	26,093,632
Profit for the period		-	-	248,693	248,693	72,700	286,123
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>		-	-	248,693	248,693	72,700	286,123
<b>Transactions with owners, recognised directly in equity</b>							
2020 final dividends	18	-	-	(101,011)	(101,011)	-	(101,011)
Distribution to holders of perpetual bond		-	-	-	-	(104,661)	(104,661)
Dividends provided for or paid to non-controlling interests		-	-	-	-	(397,000)	(397,000)
<b>Total transactions with owners, recognised directly in equity</b>		-	-	(101,011)	(101,011)	(397,000)	(602,672)
<b>Balance at 30 June 2021</b>		<u>3,367,020</u>	<u>4,868,600</u>	<u>12,695,376</u>	<u>20,930,996</u>	<u>2,598,419</u>	<u>25,777,083</u>
<b>Six months ended 30 June 2020</b>							
Balance at 1 January 2020		3,367,020	4,773,482	13,067,511	21,208,013	2,630,380	26,538,289
Profit for the period		-	-	3,137	3,137	110,044	123,033
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	3,137	3,137	110,044	123,033
<b>Transactions with owners, recognised directly in equity</b>							
2019 final dividends	18	-	-	(505,053)	(505,053)	-	(505,053)
Capital injection from non-controlling interests		-	3,872	-	3,872	58,908	62,780
Distribution to holders of perpetual bond		-	-	-	-	(143,530)	(143,530)
Dividends provided for or paid to non-controlling interests		-	-	-	-	(25,000)	(25,000)
<b>Total transactions with owners, recognised directly in equity</b>		-	3,872	(505,053)	(501,181)	33,908	(610,803)
<b>Balance at 30 June 2020</b>		<u>3,367,020</u>	<u>4,777,354</u>	<u>12,565,595</u>	<u>20,709,969</u>	<u>2,596,894</u>	<u>26,050,519</u>

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	
		2021 RMB'000	2020 RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from operations		4,650,915	310,586
Interest received		54,746	40,749
Interest paid		(1,014,769)	(1,168,280)
Income tax paid		(829,448)	(736,906)
Net cash from/(used in) operating activities		2,861,444	(1,553,851)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(149,432)	(20,724)
Payments for investment properties		(264,217)	(23,564)
Loans granted to an associate and a joint venture	22(iii)	(134,750)	(89,818)
Loan repayments from a joint venture		—	957,100
Interests received on loans granted		6,253	6,391
Proceeds from sale of property, plant and equipment		155	305
Disposal of a subsidiary		—	(16,969)
Return of capital from the deregistration of an associate		8,298	—
Payment for acquisition of an associate		—	(48,531)
Net cash (used in)/from investing activities		(533,693)	764,190
<b>Cash flows from financing activities</b>			
Proceeds from borrowings and issuance of bonds	13(c)	8,749,300	3,637,998
Proceeds from borrowings from Beijing North Star Industrial Group Limited Liabilities Company ("BNSIGC")	22(ii)	1,500,000	500,000
Repayments of borrowings and bonds	13(c)	(10,607,735)	(3,879,504)
Repayments of commercial mortgage backed securities issued by a subsidiary of the Company		(8,000)	(8,000)
Proceeds from loans from non-controlling interests		222,925	1,554,810
Repayments of borrowings from BNSIGC	22(ii)	(500,000)	—
Proceeds from advances from associates and joint ventures		—	240,000
Proceeds from capital injection from non-controlling interests		—	62,780
Repayments of loans/advances to non-controlling interests		(1,031,938)	(155,120)
Repayments of advances from related parties	22(v)	(172,000)	(43,850)
Dividends paid to Company's shareholders	18	(44,970)	(224,850)
Dividends paid to the non-controlling interests		—	(41,000)
Dividends paid to the holders of perpetual bond		(52,000)	(52,000)
Principal elements of lease payments		(10,063)	(13,111)
Repayments of loans from a third party		(18,358)	—
Net increase/(decrease) in deposits for obtaining borrowings		23,401	(7,890)
Net cash (used in)/from financing activities		(1,949,438)	1,570,263
<b>Net increase in cash and cash equivalents</b>		378,313	780,602
Cash and cash equivalents at 1 January		10,830,539	11,775,741
<b>Cash and cash equivalents at 30 June</b>		11,208,852	12,556,343

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



# Notes to the Condensed Consolidated Interim 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”).

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 its 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 2.4 per share and these shares were listed on the Shanghai Stock Exchange on 16 October 2006. Since then, the Company’s shares have been jointly listed on the Main Board of The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange.

The Company is principally engaged in property leasing, land and property development, property investment, provision of food and beverage services as well as the operation of hotels in the PRC. The subsidiaries are mainly engaged in property development, property management and property investment in the PRC. The Company and its subsidiaries are hereafter collectively referred to as the “Group”.

This condensed consolidated interim financial information is presented in Renminbi, unless otherwise stated. This condensed consolidated interim financial information was approved by the Board of Director of the Company for issue on 18 August 2021.

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

## 2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2021 (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 2020 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 2020, except for the adoption of new and amended standards as set out below.

The Group has applied the following new and amended standards and amendments for the first time for the Group’s financial year beginning on 1 January 2021:

- (a) Covid-19-related Rent Concessions – Amendments to Hong Kong Financial Reporting Standards (“HKFRS”) 16
- (b) Interest Rate Benchmark Reform – Phase 2 – Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16.

The adoption of these new and amended standards does not have any significant financial 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 financial period commencing 1 January 2021. 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 Condensed Consolidated Interim 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 report, the significant judgments made by management in applying the Group's significant 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 2020.

### 5. FINANCIAL RISK MANAGEMENT

#### 5.1. Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price 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 2020.

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 into relevant maturity groupings based on the remaining period at 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>
<b>As at 30 June 2021 (Unaudited)</b>					
Borrowings (including interests)	5,724,939	10,513,647	6,833,095	8,148,374	31,220,055
Trade and other payables (including interests) ( <i>Note i</i> )	15,276,395	505,264	1,049,625	1,289,522	18,120,806
Lease liabilities (including interests)	34,712	13,004	9,871	–	57,587
	<u>21,036,046</u>	<u>11,031,915</u>	<u>7,892,591</u>	<u>9,437,896</u>	<u>49,398,448</u>
<b>As at 31 December 2020 (Audited)</b>					
Borrowings (including interests)	7,156,782	13,642,308	9,769,934	3,010,482	33,579,506
Trade and other payables (including interests) ( <i>Note i</i> )	12,604,508	1,241,623	223,931	1,296,861	15,366,923
Lease liabilities	33,143	14,322	8,134	–	55,599
	<u>19,794,433</u>	<u>14,898,253</u>	<u>10,001,999</u>	<u>4,307,343</u>	<u>49,002,028</u>

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 be arising from the financial guarantee as disclosed in Note 20 to this interim financial information.

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 5. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 5.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. 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 2021 and 31 December 2020, 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 and financial 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 properties development and convention and exhibition and investment property (including hotels). Properties development is the segment which involves the sales of developed properties; Convention and exhibition and investment property (including hotels) 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 restaurant, 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 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 and impairment. Other information provided, except as noted below, to the Board is measured in a manner consistent with the segment information as disclosed in this condensed consolidated interim 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 and impairment. These are part of the reconciliation to total balance sheet assets.





## Notes to the Condensed Consolidated Interim 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 developed properties and revenue generated from the operation of convention and exhibition and investment property (including hotels). Revenues recognised during the six months ended 30 June 2021 and 2020 are as follows:

	<b>Unaudited</b> <b>Six months ended 30 June</b>	
	<b>2021</b> <b>RMB'000</b>	<b>2020</b> <b>RMB'000</b>
Revenue		
Properties development segment	<b>9,393,733</b>	2,644,166
Convention and exhibition and investment property (including hotels) segment	<b>786,423</b>	660,396
	<b>10,180,156</b>	3,304,562
Other segments	<b>64,626</b>	44,183
	<b>10,244,782</b>	3,348,745

For the six months ended 30 June 2021 and 2020, the Group derives revenue from the deliveries of properties, goods and services over time and at a point in time from the following segments:

	<b>At a point in time</b> <b>RMB'000</b>	<b>Over time</b> <b>RMB'000</b>
<b>For the six months ended 30 June 2021</b>		
Properties development segment	<b>9,393,733</b>	—
Convention and exhibition and investment property (including hotels) segment*	<b>78,893</b>	<b>92,472</b>
Other segments	<b>13,145</b>	<b>51,481</b>
	<b>9,485,771</b>	<b>143,953</b>
	<b>At a point in time</b> <b>RMB'000</b>	<b>Over time</b> <b>RMB'000</b>
<b>For the six months ended 30 June 2020</b>		
Properties development segment	2,257,424	386,742
Convention and exhibition and investment property (including hotels) segment*	51,937	42,903
Other segments	11,177	33,006
	<b>2,320,538</b>	<b>462,651</b>

\* 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 2021, rental income from investment properties amounted to RMB615,058,000 (for the six months ended 30 June 2020: RMB565,556,000).

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 6. SEGMENT INFORMATION (CONTINUED)

Other segments of the Group mainly comprise property management and restaurant, 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 end 30 June 2021 and 2020 is as follows:

Business segment	Properties development <i>RMB'000</i>	Convention and exhibition and investment property (including hotels) <i>RMB'000</i>	Other segments <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Six months ended 30 June 2021 (Unaudited)</b>				
Total segment revenues	9,393,733	814,663	83,068	10,291,464
Inter-segment revenues	—	(28,240)	(18,442)	(46,682)
Revenues from external customers	9,393,733	786,423	64,626	10,244,782
Adjusted profit/(loss) before income tax	793,698	42,734	(39,236)	797,196
<b>Six months ended 30 June 2020 (Unaudited)</b>				
Total segment revenues	2,644,166	680,611	67,912	3,392,689
Inter-segment revenues	—	(20,215)	(23,729)	(43,944)
Revenues from external customers	2,644,166	660,396	44,183	3,348,745
Adjusted profit/(loss) before income tax	516,992	8,687	(37,933)	487,746

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 6. SEGMENT INFORMATION (CONTINUED)

The segment information as at 30 June 2021 and 31 December 2020 is as follows:

Business segment	Properties development <i>RMB'000</i>	Convention and exhibition and investment property (including hotels) <i>RMB'000</i>	Other segments <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As at 30 June 2021 (Unaudited)</b>				
Total segment assets	65,911,580	7,526,907	117,493	73,555,980
Total assets include:				
Investments accounted for using the equity method	641,855	–	–	641,855
Additions to non-current assets (other than deferred income tax assets)	566,026	223,265	37,344	826,635
Total segment liabilities	53,638,279	1,483,789	115,292	55,237,360
Contract liabilities	16,157,433	290,564	11,433	16,459,430
<b>As at 31 December 2020 (Audited)</b>				
Total segment assets	70,510,659	7,388,960	113,103	78,012,722
Total assets include:				
Investments accounted for using the equity method	541,853	–	–	541,853
Additions to non-current assets (other than deferred income tax assets)	1,033,904	202,329	18,908	1,255,141
Total segment liabilities	58,036,392	1,351,221	159,516	59,547,129
Contract liabilities	17,760,366	118,171	4,236	17,882,773

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the condensed consolidated interim 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 Condensed Consolidated Interim 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	
	2021 RMB'000	2020 RMB'000
<b>Revenue recognised that was included in the contract liability balance at the beginning of the period</b>		
Properties development segment	7,782,417	2,280,773
Convention and exhibition and investment property (including hotels) segment	72,841	30,293
Other segments	32,739	48,114
	<u>7,887,997</u>	<u>2,359,180</u>

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

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
<b>Profit before income tax for reportable segments</b>	797,196	487,746
Corporate overheads	(61,703)	(51,636)
Corporate finance expenses	(216,995)	(157,252)
Corporate finance income	24,211	5,170
Other income and gains-net	7,524	9,754
Fair value losses on investment properties (Note 14)	(134,283)	(162,639)
Reversal of depreciation of investment properties	73,187	76,936
Reversal of impairment of investment properties	136,793	–
Land appreciation tax (Note 16)	598,807	271,309
<b>Profit before income tax</b>	<u>1,224,737</u>	<u>479,388</u>



## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 6. SEGMENT INFORMATION (CONTINUED)

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

	Unaudited As at 30 June 2021 RMB'000	Audited As at 31 December 2020 RMB'000
<b>Total segment assets</b>	<b>73,555,980</b>	78,012,722
Deferred income tax assets at corporate level	971,294	940,304
Corporate cash	7,314,047	7,275,439
Accumulated fair value gains on investment properties	5,792,089	5,926,372
Reversal of accumulated depreciation of investment properties	2,632,880	2,559,693
Reversal of impairment of investment properties	136,793	–
Corporate investment in a joint venture and corporate loan advanced to an associate	313,023	179,310
Other corporate current assets	12,000	35,678
<b>Total assets per balance sheet</b>	<b>90,728,106</b>	94,929,518

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

	Unaudited As at 30 June 2021 RMB'000	Audited As at 31 December 2020 RMB'000
<b>Total segment liabilities</b>	<b>55,237,360</b>	59,547,129
Deferred income tax liabilities at corporate level	2,140,441	2,121,516
Corporate borrowings	4,782,113	5,307,891
Other corporate liabilities	2,791,109	1,859,350
<b>Total liabilities per balance sheet</b>	<b>64,951,023</b>	68,835,886

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 2021 and 2020 are derived in the PRC.

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

At 30 June 2021 and 31 December 2020, 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 there was no significant revenue derived from any specific external customers during the six months ended 30 June 2021 and 2020.

## Notes to the Condensed Consolidated Interim 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 (note)
	RMB'000	RMB'000	RMB'000
<b>Six months ended 30 June 2021</b>			
Opening net book amount as at 1 January 2021	467,600	2,392,887	15,344,734
Fair value losses charged to profit or loss (Note 14)	—	—	(134,283)
Additions	12,168	321,792	413,598
Disposals	—	(427)	—
Depreciation	(14,718)	(53,037)	—
Closing net book amount as at 30 June 2021	<u>465,050</u>	<u>2,661,215</u>	<u>15,624,049</u>
<b>Six months ended 30 June 2020</b>			
Opening net book amount as at 1 January 2020	333,799	2,125,927	15,025,176
Fair value losses charged to profit or loss (Note 14)	—	—	(162,639)
Additions	933	20,629	20,721
Disposals	—	(3,280)	—
Others	—	—	(24,424)
Depreciation	(14,265)	(62,619)	—
Closing net book amount as at 30 June 2020	<u>320,467</u>	<u>2,080,657</u>	<u>14,858,834</u>

*Note :*

The investment properties at 30 June 2021 and 31 December 2020 were revalued by an independent and qualified valuer, Greater China Appraisal Limited ("GCAL").



## Notes to the Condensed Consolidated Interim 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 As at 30 June 2021 RMB'000	Audited As at 31 December 2020 RMB'000
Recurring fair value measurements		
Investment properties:		
Office units	6,391,000	6,361,600
Apartments	2,073,560	1,977,860
Convention centers	3,995,000	3,883,000
Shopping malls	3,158,800	3,110,900
Others	5,689	11,374
	<u>15,624,049</u>	<u>15,344,734</u>

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 2021 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 review 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 2021 and 31 December 2020, 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 Condensed Consolidated Interim 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 approach (term and reversionary method) which largely used unobservable inputs (e.g. market rent, yield, etc.) and taking into account the significant adjustment on 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 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 Condensed Consolidated Interim Financial Information (Continued)

### 8. PROPERTIES UNDER DEVELOPMENT

	Unaudited As at 30 June 2021 RMB'000	Audited As at 31 December 2020 RMB'000
Land use rights	29,665,986	31,132,544
Development costs and capitalised expenditure	7,896,544	8,984,511
Finance expenses capitalised	3,549,731	3,550,806
	<u>41,112,261</u>	<u>43,667,861</u>
Less: impairment	<u>(1,474,047)</u>	<u>(1,240,676)</u>
	<u><u>39,638,214</u></u>	<u><u>42,427,185</u></u>

### 9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Unaudited As at 30 June 2021			Audited As at 31 December 2020		
	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)	2,264,348	326,032	2,590,380	2,312,203	272,202	2,584,405
Prepayments	<u>2,372,739</u>	<u>60,648</u>	<u>2,433,387</u>	<u>2,793,433</u>	<u>55,513</u>	<u>2,848,946</u>
	<u><u>4,637,087</u></u>	<u><u>386,680</u></u>	<u><u>5,023,767</u></u>	<u><u>5,105,636</u></u>	<u><u>327,715</u></u>	<u><u>5,433,351</u></u>



## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

#### (a) Trade and other receivables

	Unaudited As at 30 June 2021			Audited As at 31 December 2020		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade receivables (i)	188,441	–	188,441	191,398	–	191,398
Less: provision for impairment of trade receivables	(60,126)	–	(60,126)	(37,507)	–	(37,507)
Trade receivables – net	128,315	–	128,315	153,891	–	153,891
Receivables due from related parties (Note 22(vi))	90,353	206,136	296,489	316	161,205	161,521
Receivables due from subsidiaries of CIFI Holdings (Group) Co., Ltd. ("CIFI") (Note 22)	986,185	–	986,185	979,900	–	979,900
Receivables due from non-controlling interests	774,824	–	774,824	860,685	–	860,685
Other receivables	302,509	120,706	423,215	335,403	111,717	447,120
	2,153,871	326,842	2,480,713	2,176,304	272,922	2,449,226
Less: provision for impairment of other receivable	(17,838)	(810)	(18,648)	(17,992)	(720)	(18,712)
Other receivables – net	2,136,033	326,032	2,462,065	2,158,312	272,202	2,430,514
	2,264,348	326,032	2,590,380	2,312,203	272,202	2,584,405

## Notes to the Condensed Consolidated Interim 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 2021 and 31 December 2020, the ageing analysis of the trade receivables based on date of services/goods provided is as follows:

	Unaudited As at 30 June 2021 RMB'000	Audited As at 31 December 2020 RMB'000
Trade receivables		
0 – 30 days	30,563	28,695
31 – 90 days	3,820	3,334
Over 90 days	154,058	159,369
	<b>188,441</b>	<b>191,398</b>

### 10. SHARE CAPITAL

	Audited As at 31 December 2020 RMB'000	Movement during the period RMB'000	Unaudited As at 30 June 2021 RMB'000
Registered, issued and fully paid	3,367,020	–	3,367,020

### 11. PERPETUAL BOND

On 20 November 2018, the National Association of Financial Market Institutional Investors has approved the Company to issue perpetual bond with principal amounts of RMB1,620,000,000 and RMB1,760,000,000 on or before 20 November 2020.

On 3 December 2018, the Company issued perpetual bond, which were redeemable only at the Company's discretion, with initial aggregate principal amount of RMB1,620,000,000 and net proceeds of RMB1,606,392,000. The Company may elect to defer interest payments and are not subject to any limit as to the number of times of deferral of interest payments.

On 28 June 2019, the Company issued perpetual bond, which were redeemable only at the Company's discretion, with initial aggregate principal amount of RMB1,000,000,000 and net proceeds of RMB991,600,000. The Company may elect to defer interest payments and are not subject to any limit as to the number of times of deferral of interest payments.

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 11. PERPETUAL BOND (CONTINUED)

As the perpetual bonds only impose contractual obligations on the Group to repay principals or to pay any distribution under certain circumstances, which are at Group's discretion, they have in substance offered the Group an unconditional right to avoid delivering cash or other financial asset to settle contractual obligations. Therefore, the net proceeds of the perpetual bonds are presented in the equity of the Group. The carrying amounts of the perpetual bond as at 30 June 2021 is net of the accrued distribution payments of RMB72,700,000 (as at 31 December 2020: RMB143,530,000).

### 12. TRADE AND OTHER PAYABLES AND LOANS FROM OTHER PARTIES

	Unaudited As at 30 June 2021			Audited As at 31 December 2020		
	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)	9,961,704	–	9,961,704	10,386,752	–	10,386,752
Loans/advances from other parties (b)	5,648,265	2,130,608	7,778,873	5,210,695	2,658,262	7,868,957
	<u>15,609,969</u>	<u>2,130,608</u>	<u>17,740,577</u>	<u>15,597,447</u>	<u>2,658,262</u>	<u>18,255,709</u>

#### (a) Trade and other payables

	Unaudited As at 30 June 2021			Audited As at 31 December 2020		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade payables	6,651,151	–	6,651,151	7,055,136	–	7,055,136
Prepaid rental income from tenants	74,370	–	74,370	230,349	–	230,349
Dividends payable to non-controlling shareholders of subsidiaries	398,162	–	398,162	1,162	–	1,162
Dividends payable to ordinary shareholders of the Company	56,041	–	56,041	–	–	–
Accrued interests of perpetual bonds	52,661	–	52,661	–	–	–
Amounts due to subsidiaries of CIFI	49,569	–	49,569	54,924	–	54,924
Amounts due to related parties (Note 22(vi))	8,684	–	8,684	5,681	–	5,681
Employee termination benefit obligations-current portion	9,762	–	9,762	7,604	–	7,604
Other tax payable	1,453,365	–	1,453,365	1,701,927	–	1,701,927
Other payables	1,207,939	–	1,207,939	1,329,969	–	1,329,969
	<u>9,961,704</u>	<u>–</u>	<u>9,961,704</u>	<u>10,386,752</u>	<u>–</u>	<u>10,386,752</u>

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 12. TRADE AND OTHER PAYABLES AND LOANS FROM OTHER PARTIES (CONTINUED)

#### (b) Loans/advances from other parties

	Unaudited As at 30 June 2021			Audited As at 31 December 2020		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Loans from non-controlling interests (i)	3,196,673	310,564	3,507,237	3,198,056	1,068,872	4,266,928
Loans from a third party contractor (ii)	540,314	76,044	616,358	612,298	136,390	748,688
Loan from a third party	—	—	—	18,358	—	18,358
Loans from BNSIGC (Note 22(vi))	1,200,000	800,000	2,000,000	500,000	500,000	1,000,000
Commercial mortgage backed securities ("CMBS") issued by a subsidiary of the Company (iii)	17,000	944,000	961,000	16,000	953,000	969,000
Advances from non-controlling interests	101,618	—	101,618	101,323	—	101,323
Advances from related parties (Note 22(vi))	592,660	—	592,660	764,660	—	764,660
	<u>5,648,265</u>	<u>2,130,608</u>	<u>7,778,873</u>	<u>5,210,695</u>	<u>2,658,262</u>	<u>7,868,957</u>

(i) Loans from non-controlling shareholders of subsidiaries ("non-controlling interests") are all unsecured loans. Loans from non-controlling interests of RMB995,123,000, RMB300,018,000 and RMB104,810,000 (As at 31 December 2020: RMB3,757,957,000, RMB404,161,000 and RMB104,810,000) bear interests at fixed rates of 6.5%, 7% and 10.5% (As at 31 December 2020: 6.5%, 7% and 10.5%) per annum respectively while loans from non-controlling interests of RMB2,107,286,000 (As at 31 December 2020: Nil) are interest free.

(ii) The loans are unsecured, bear interests of a fixed rate of 6.5% per annum.

(iii) On 20 December 2018, Beijing North Star Real Estate Group Co. Limited ("NSREG") issued CMBS 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. The senior tranches A and B of the CMBS were guaranteed by the Group. During the six months ended 30 June 2021, the Group repaid CMBS of RMB8,000,000 according to the payment schedule (six months ended 30 June 2020: RMB8,000,000).

(c) The carrying amounts of the Group's trade and other payables and loans/advances from other parties are denominated in Renminbi.

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 12. TRADE AND OTHER PAYABLES AND LOANS FROM OTHER PARTIES (CONTINUED)

- (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.

As at 30 June 2021 and 31 December 2020, the ageing analysis of the trade payables based on date of services/goods received is as follows:

	Unaudited As at 30 June 2021 RMB'000	Audited As at 31 December 2020 RMB'000
Trade payables		
0 – 180 days	2,148,762	2,674,492
181 – 365 days	1,328,418	1,630,539
Over 365 days	3,173,971	2,750,105
	<u>6,651,151</u>	<u>7,055,136</u>

### 13. BORROWINGS

	Unaudited As at 30 June 2021 RMB'000	Audited As at 31 December 2020 RMB'000
<b>Non-current</b>		
Long term borrowings		
– Secured and guaranteed borrowings	21,414,766	22,857,290
– Unsecured bank borrowings	66,288	122,200
– 7 year bonds of 2015 (b)	1,496,378	1,495,129
– 5 year bonds of 2016 (b)	–	359,258
– 5 year medium term note of 2017 (b)	1,117,314	1,116,267
– 5 year bonds of 2019 (b)	1,194,361	1,193,430
– 5 year bonds of 2020 (b)	596,503	596,045
– 2 year medium term notes of 2020 (b)	259,176	258,933
	<u>26,144,786</u>	<u>27,998,552</u>
Less: current portion of long-term borrowings	<u>(4,286,451)</u>	<u>(5,625,326)</u>
	<u>21,858,335</u>	<u>22,373,226</u>
<b>Current</b>		
Current portion of long-term borrowings	<u>4,286,451</u>	<u>5,625,326</u>
Total borrowings	<u>26,144,786</u>	<u>27,998,552</u>



## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 13. BORROWINGS (CONTINUED)

#### (a) Secured and guaranteed borrowings

##### Secured borrowings

As at 30 June 2021, long term borrowings of RMB13,833,229,000 were secured by certain right-use-of assets, investment properties, hotel properties, properties under development and completed properties held for sale (As at 31 December 2020: long term borrowings of RMB15,086,730,000 were secured by certain right-use-of assets, investment properties, property, plant and equipments and properties under development). Out of these secured borrowings, borrowings of RMB995,000,000 (As at 31 December 2020: RMB3,891,333,000) are guaranteed by BNSIGC (Note 22(ix)).

##### Guaranteed borrowings

As at 30 June 2021, long term borrowings of RMB7,193,000,000 (As at 31 December 2020: RMB7,770,560,000) obtained by certain subsidiaries are unsecured and guaranteed by the Company and borrowings of RMB388,537,000 was unsecured and guaranteed by subsidiaries (As at 31 December 2020: nil).

- (b) On 20 January 2015, the Company issued corporate bonds amounting to RMB2,500,000,000. Among which, corporate bonds of RMB1,500,000,000 which has a term of 7 years ("7 year bonds") carry an interest rate of 5.2% per annum and also embedded a put option to the investors at the end of the fifth year. On 20 January 2020, certain investors put to sell back 7 year bonds of RMB2,225,000 to Company and the remaining 7 year bonds carries an interest rate of 5.2% per annum. The interests on the 7 year bonds are payable annually and the principals are fully repayable on 20 January 2022.

On 21 April 2016, the Company issued corporate bonds with an aggregate principal amount of RMB1,500,000,000. These bonds have a term of 5 years, carry a coupon rate of 4.48% per annum and also embedded a put option to the investors at the end of the third year. The net proceeds of this bond were RMB1,488,000,000 (net of issuance costs of RMB12,000,000). On 22 April 2019, certain investors put to sell back bonds of RMB1,140,000,000 to the Company and the remaining bonds carry an interest rate of 4.48% per annum. The interests on these bonds were paid annually and the principal was fully repaid on 21 April 2021.

On 20 September 2017, the Company issued medium term note with an aggregate principal amount of RMB1,320,000,000. This term note has a term of 5 years, carries a coupon rate of 5.14% per annum, and also embedded a put option to the investors at the end of the third year. On 20 September 2020, certain investors put to sell back medium term note of RMB200,000,000 to Company and the remaining medium term note carries an interest rate of 3.80% per annum. The interests on this medium term note were paid annually and the principal is fully repayable on 20 September 2022.

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 embedded 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). The interests on these bonds were paid annually and the principal is fully repayable on 16 April 2024.

On 15 January 2020, the Company issued corporate bonds with an aggregate principal amount of RMB600,000,000. These bonds have a term of 5 years, carry 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). The interests on these bonds were paid annually and the principal is fully repayable on 15 January 2025.

On 28 October 2020, the Company issued medium term note with an aggregate principal amount of RMB260,000,000. This medium term note has a term of 2 years, carries a coupon rate of 3.78% per annum. The net proceeds of this medium term note were RMB258,830,000 (net of issuance costs of RMB1,170,000). The interests on these bonds were paid annually and the principal is fully repayable on 28 October 2022.

# Notes to the Condensed Consolidated Interim Financial Information (Continued)

## 13. BORROWINGS (CONTINUED)

(c) Movements in borrowings are analysed as follows:

	Unaudited Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
<b>Opening amount as at 1 January</b>	<b>27,998,552</b>	29,684,863
Addition of borrowings	8,749,300	3,042,798
Addition of bonds	—	595,200
Repayment of borrowings	(10,247,735)	(3,278,077)
Repayment of bonds	(360,000)	(601,427)
Amortisation of issuance costs of bonds	4,669	3,926
<b>Closing amount as at 30 June</b>	<b>26,144,786</b>	29,447,283

## 14. OPERATING PROFIT

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

	Unaudited Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Fair value losses on investment properties charged to profit or loss (Note 7)	(134,283)	(162,639)
Provision of impairment for properties under development and completed properties held-for-sale	(502,652)	(85,919)
Net (provision for)/reversal of impairment losses on financial assets	(22,555)	3,166
Gain on deemed disposal of a subsidiary	—	45,811
Loss on disposal of property, plant and equipment and investment properties	(273)	(2,941)
Government grants	18,889	6,628
Penalty and compensation and others	7,453	1,736

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 impairment is charged or reversed for the six months ended 30 June 2021 and 2020.

No properties under development, completed properties held for sale and other inventories were written off as at 30 June 2021 (As at 31 December 2020: Nil).

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 15. FINANCE INCOME AND EXPENSES

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Interest expenses	(953,642)	(1,100,553)
Less: amounts capitalised in properties under development, investment properties and property, plant and equipment	564,322	896,628
Finance expenses	(389,320)	(203,925)
Bank charges and others	(2,575)	(1,886)
	(391,895)	(205,811)
Finance income		
– Interest income	54,746	40,709
Net finance expenses	(337,149)	(165,102)

### 16. INCOME TAX EXPENSES

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 2021 and 2020. The PRC enterprise income tax is computed according to the relevant laws and regulations in the PRC. The applicable income tax rate for the six months ended 30 June 2021 and 2020 was 25%.

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Current income tax		
– PRC enterprise income tax	376,842	141,860
– PRC land appreciation tax	598,807	271,309
Deferred income tax credit	(37,035)	(57,426)
	938,614	355,743

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 17. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the number of shares in issue during the six months ended 30 June 2021 and 2020.

Diluted earnings per share is equal to the basic earnings per share since the Company has no potential dilutive ordinary shares during the six months ended 30 June 2021 and 2020.

	<b>Unaudited</b> <b>Six months ended 30 June</b> <b>2021</b>	2020
Profit attributable to ordinary shareholders of the Company ( <i>RMB'000</i> )	<b>248,693</b>	3,137
Number of ordinary shares in issue ( <i>thousands</i> )	<b>3,367,020</b>	3,367,020
Earnings per share (basic and diluted) ( <i>RMB cents per share</i> )	<b>7.39</b>	0.09
From continuing operations	<b>7.39</b>	0.11
From discontinued operations	–	(0.02)

### 18. DIVIDENDS

The final dividend that relates to the year ended 31 December 2020 (the "2020 final dividend") amounting to RMB101,011,000 was approved at the annual general meeting in May 2021 (Final dividend related to the year ended 31 December 2019 of RMB505,053,000 was approved at the annual general meeting in June 2020). Total 2020 final dividend which were paid by the Group to the ordinary shareholders of the Company during the six months ended 30 June 2021 amounted to RMB44,970,000. The remaining 2020 final dividend were paid in full in July 2021.

The Board resolved that no interim dividend will be declared in respect of the six months ended 30 June 2021 (for the six months ended 30 June 2020: Nil).

### 19. PLEDGED ASSETS

As at 30 June 2021, certain investment properties with fair value of RMB10,644,000,000 (as at 31 December 2020: RMB12,572,860,000), right-of-use assets with net book value of RMB423,937,000 (as at 31 December 2020: RMB428,247,000), property, plant and equipment with net book value of RMB1,811,703,000 (as at 31 December 2020: RMB1,821,855,000), properties under development with carrying amount of RMB5,598,219,000 (as at 31 December 2020: RMB15,125,097,000), completed properties held for sale with carrying amount of RMB3,471,456,000 (as at 31 December 2020: RMB2,774,641,000) were pledged by the Group as securities for borrowings of RMB13,833,229,000 (as at 31 December 2020: RMB15,086,730,000).

### 20. 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 RMB15,041,916,000 as at 30 June 2021 (As at 31 December 2020: RMB17,950,665,000).

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.

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 20. FINANCIAL GUARANTEES (CONTINUED)

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.

### 21. COMMITMENTS

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

	Unaudited As at 30 June 2021 RMB'000	Audited As at 31 December 2020 RMB'000
Properties under development		
– Contracted but not provided for	9,606,546	9,328,273
– Authorised but not contracted for	9,831,268	6,729,734
	<u>19,437,814</u>	<u>16,058,007</u>
Investment properties and hotel properties		
– Contracted but not provided for	331,320	694,524
– Authorised but not contracted for	312,858	425,775
	<u>644,178</u>	<u>1,120,299</u>

- (b) As at 30 June 2021 and 31 December 2020, the Group had future aggregate minimum rental receivables under non-cancellable operating leases as lessor as follows:

	Unaudited As at 30 June 2021 RMB'000	Audited As at 31 December 2020 RMB'000
Rental receivables in respect of investment properties		
Not later than one year	830,143	799,785
Later than one year and not later than five years	990,718	906,079
Later than five years	798,331	664,450
	<u>2,619,192</u>	<u>2,370,314</u>



## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 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 2021 and 2020, 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 properties development, convention and exhibition and investment property (including hotels) 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 of, have been adequately disclosed.

For the six months ended 30 June 2020, CIFI (a non-controlling shareholder of certain subsidiaries of the Group) has significant influence over the related subsidiaries which were material to the Group and hence was deemed as a related party of the Group for the purpose of this related party transaction disclosure note. Nanjing Ningkan Investment Management Co., Ltd. ("NJNK"), Hefei Xuhui Business Management Co., Ltd. ("HFXH"), Xu Zhao (HK) Co., Ltd. ("XZHK"), and Shanghai Xinzhi Construction Engineering Co., Ltd. ("SHXZ") are subsidiaries of CIFI (collectively the "subsidiaries of CIFI") and hence their transactions with the Group are also considered as related party transactions for the purpose of this disclosure note.

For the six months ended 30 June 2021, the above mentioned subsidiaries become immaterial to the Group and hence CIFI and its subsidiaries are no longer deemed as a related party of the Group for the purpose of this related party transaction disclosure note.

In addition to the above-mentioned transactions with the government related 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 indicated below:

#### (i) Purchases/provision of services with related parties

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
BNSIGC (brand royalty fee)	5	5
BNSIGC (right-of-use assets in respect of the Land)	—	3,719
BNSIGC (rental income)	450	450
Beijing Asia Olympic Technology Co., Ltd. ("KCYA") (purchases of various goods and services)	7,925	8,837
Beijing North Star Exhibition Investment Co., Ltd. ("BNSEIC") (internet service income)	472	472
BNSEIC (rental income)	2,345	2,524
Beijing International Exhibition Center ("BIEC") (rental income)	962	866
	<u>12,159</u>	<u>16,873</u>

- (a) Purchases of services and goods are carried out in accordance with the terms as mutually agreed between the parties.

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (ii) Loans From BNSIGC

	Unaudited 2021 RMB'000	Unaudited 2020 RMB'000
At 1 January	1,001,232	–
Proceeds from loans	1,500,000	500,000
Repayments	(500,000)	–
Interest accrued	37,087	791
Interest paid	(36,152)	(791)
At 30 June	<u>2,002,167</u>	<u>500,000</u>

On 15 May 2020, the Company obtained a loan of RMB200,000,000 from BNSIGC, which was unsecured, bore interests at an interest rate equaling to national benchmark interest rate, and was fully repaid on 14 May 2021.

On 28 June 2020, the Company obtained a loan of RMB300,000,000 from BNSIGC, which was unsecured, bore interests at a fixed interest rate of 4.35% per annum, and was fully repaid on 27 June 2021.

On 17 December 2020, the Company obtained a loan of RMB500,000,000 from BNSIGC, which is unsecured, bears interests at a fixed interest rate of 4.75% per annum, and is repayable on 16 December 2023.

On 8 January 2021, the Company obtained a loan of RMB500,000,000 from BNSIGC, which is unsecured, bears interests at a fixed interest rate of 4.35% per annum, and is repayable on 7 January 2022.

On 21 January 2021, the Company obtained a loan of RMB200,000,000 from BNSIGC, which is unsecured, bears interests at a fixed interest rate of 4.35% per annum, and is repayable on 20 January 2022.

On 24 March 2021, the Company obtained a loan of RMB200,000,000 from BNSIGC, which is unsecured, bears interests at a fixed interest rate of 4.35% per annum, and is repayable on 23 March 2022.

On 25 June 2021, the Company obtained a loan of RMB300,000,000 from BNSIGC, which is unsecured, bears interests at a fixed interest rate of 4.75% per annum, and is repayable on 24 June 2024.

On 28 June 2021, the Company obtained a loan of RMB300,000,000 from BNSIGC, which is unsecured, bears interests at a fixed interest rate of 4.35% per annum, and is repayable on 27 June 2022.

# Notes to the Condensed Consolidated Interim Financial Information (Continued)

## 22. RELATED PARTY TRANSACTIONS (CONTINUED)

### (iii) Project cooperation funds to a joint venture and an associate

The Group has provided project cooperation funds to its joint venture, Wuhan Jinchenyingchuang Real Estate Co., Limited ("WHJCYC"), and its associate, Guangzhou Guangyue Real Estate Co., Limited ("GZGY").

Six months ended at 30 June 2021 (Unaudited)	WHJCYC (a) RMB'000	GZGY (b) RMB'000	Total RMB'000
At 1 January 2021	–	161,521	161,521
Project cooperation funds granted	19,600	115,150	134,750
Interest income accrued	191	6,280	6,471
Interest income received	(156)	(6,097)	(6,253)
At 30 June 2021	19,635	276,854	296,489
Six months ended at 30 June 2020 (Unaudited)	WHJCYC (a) RMB'000	GZGY (b) RMB'000	Total RMB'000
At 1 January 2020	1,020,130	–	1,020,130
Project cooperation funds granted	–	89,818	89,818
Repayments of project cooperation funds	(988,100)	–	(988,100)
Interest income accrued	20,812	407	21,219
Interest income received	(52,842)	(245)	(53,087)
At 30 June 2020	–	89,980	89,980

- (a) On 8 May 2021, the Company granted project cooperation funds of RMB19,600,000 to WHJCYC, which is unsecured, bears interests at a fixed interest rate of 6.5% per annum, and is repayable by installment prior to 7 May 2023.
- (b) On 31 December 2020, the funds to GZGY amounts of RMB161,205,000 are unsecured, bear interests at fixed rate of 6.5% per annum, and are repayable by installments prior to December 2022.

On 4 February 2021, the Company granted project cooperation funds of RMB9,800,000 to GZGY, which is unsecured, bears interests at a fixed interest rate of 6.5% per annum, and is repayable by installment prior to 3 February 2023.

On 19 March 2021, the Company granted project cooperation funds of RMB14,700,000 to GZGY, which is unsecured, bears interests at a fixed interest rate of 6.5% per annum, and is repayable by installment prior to 18 March 2023.

On 2 June 2021, the Company granted project cooperation funds of RMB90,650,000 to GZGY, which is unsecured, bears interests at a fixed interest rate of 6.5% per annum, and is repayable by installment prior to 1 June 2023.



## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (iv) Funds granted to HFXH

	Unaudited Six months ended 30 June 2021 RMB'000	2020 RMB'000
HFXH	—	10,000

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

#### (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"), Wuxi North Star Shengyang Real Estate Development Co., Limited ("WXSJ"), and its associate, Wuxi ChenWan Real Estate Co., Limited ("WXCW").

Six months ended 30 June 2021 (Unaudited)	WHML RMB'000	HZJH RMB'000	HZCX RMB'000	WXSJ RMB'000	WXCW RMB'000	Total RMB'000
At 1 January 2021	42,000	137,500	58,160	380,000	147,000	764,660
Funds obtained	—	—	—	—	—	—
Repayment of funds	—	—	—	(172,000)	—	(172,000)
At 30 June 2021	42,000	137,500	58,160	208,000	147,000	592,660
Six months ended 30 June 2020 (Unaudited)	WHML RMB'000	HZJH RMB'000	HZCX RMB'000	WXSJ RMB'000	WXCW RMB'000	Total RMB'000
At 1 January 2020	58,000	312,500	76,010	20,000	122,500	589,010
Funds obtained	—	—	—	240,000	—	240,000
Repayment of funds	(16,000)	—	(17,850)	—	—	(33,850)
At 30 June 2020	42,000	312,500	58,160	260,000	122,500	795,160

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

## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Other receivables from related parties		
– GZGY	276,854	161,521
– WHJCYC	19,635	–
	<u>296,489</u>	<u>161,521</u>
Other receivables from subsidiaries of CIFI		
– XZHK	–	705,000
– HFXH	–	25,000
– NJNK	–	249,900
	<u>–</u>	<u>979,900</u>
	<u>296,489</u>	<u>1,141,421</u>
Trade and other payables to related parties		
– BNSIGC	2,166	1,232
– KCYA	6,518	4,449
	<u>8,684</u>	<u>5,681</u>
Trade and other payables subsidiaries of CIFI		
– NJNK	–	17,262
– SHXZ	–	12,249
– XZHK	–	25,413
	<u>–</u>	<u>54,924</u>
	<u>8,684</u>	<u>60,605</u>
Loans/advances from related parties		
– BNSIGC	2,000,000	1,000,000
– HZJH	137,500	137,500
– HZCX	58,160	58,160
– WHML	42,000	42,000
– WXSJ	208,000	380,000
– WXCW	147,000	147,000
	<u>2,592,660</u>	<u>1,764,660</u>
	<u>2,601,344</u>	<u>1,825,265</u>

At 30 June 2021 and 31 December 2020, no provisions for impairment of receivables from related parties and subsidiaries of CIFI have been recognised as the directors of the Company considered that all these receivables are fully recoverable.



## Notes to the Condensed Consolidated Interim Financial Information (Continued)

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (vii) Key management compensation

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Salaries and other short-term employee benefits	6,303	5,542
Post-employment benefits	993	382
	<u>7,296</u>	<u>5,924</u>

#### (viii) Lease liabilities

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
BNSIGC (lease liability in respect of the Land)	<u>15,433</u>	<u>15,070</u>

#### (ix) 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 RMB995,000,000 as at 30 June 2021 (As at 31 December 2020: Beijing Rural Commercial Bank RMB812,000,000, Beijing International Trust Company Limited RMB996,000,000 and Industrial and Commercial Bank of China RMB2,083,333,000, respectively).

### 23. EVENTS AFTER THE BALANCE SHEET DATE

Beijing North Star Convention Group Co., Limited ("North Star Convention Group"), a wholly-owned subsidiary of the Company, implemented the capital injection and introduction of strategic investor by way of public tender on China Beijing Equity Exchange. Upon public solicitation, four qualified investors, namely Beijing Capital Tourism Group Co., Ltd. (北京首都旅遊集團有限責任公司) ("Beijing Tourism"), Beijing Shougang Construction Investment Co., Ltd. (北京首鋼建設投資有限公司) ("Shougang Construction"), Jingdong Technology Holding Co., Ltd. ("JD Technology") and GL events China Limited ("GL events") (collectively, the "Strategic Investors"), participated in the capital injection (the "Capital Injection").

On 5 July 2021, the Company and the aforementioned four Strategic Investor signed the capital injection agreement. Up to the date of this report, the Strategic Investor each invested RMB50,367,120 to the North Star Convention Group. After completion of the Capital Injection, the Company's shareholding in North Star Convention Group will be changed from 100% to 60%, while the respective shareholding ratios of each of the aforementioned four Strategic Investors will be 10%. North Star Convention Group will remain as a subsidiary of the Company.

## 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 2021 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 HKFRS issued by the HKICPA are summarised as follows:

	Profit attributable to owners of the Company For the six months ended 30 June		Capital and reserves attributable to owners of the Company As at 30 June As at 31 December	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
As stated in accordance with CAS	264,621	177,458	17,108,095	17,049,146
Impact of HKFRS adjustments:				
1. Reversal of depreciation of investment properties under CAS	54,890	57,702	1,974,659	1,919,769
2. Fair value adjustment of investment properties under HKFRS	(100,713)	(121,979)	4,344,066	4,444,779
3. Reversal of impairment of investment properties	102,595	—	102,595	—
As stated in accordance with HKFRS (including those attributable to both ordinary shareholders of the Company and holders of perpetual bond)	321,393	113,181	23,529,415	23,413,694





# Management Discussion and Analysis

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

### (I) Summary of the Businesses of the Company

Beijing North Star Company Limited was established by its sole promoter, Beijing North Star Industrial Group Limited Liabilities Company on 2 April 1997. The shares of the Company were listed on the Hong Kong Stock Exchange in May in the same year. In October 2006, the Company's A shares were issued and listed on the Shanghai Stock Exchange. As at the end of the Reporting Period, the Company's total registered capital is 3,367,020,000 shares, of which 2,660,000,000 shares (representing 79.002% of the total share capital) are A shares and 707,020,000 shares (representing 20.998% of the total share capital) are H shares.

With over 20 years of development, the principal businesses of the Company include development properties and convention and exhibition and investment properties (including hotels).

The development properties business mainly set foot in Beijing aiming to expand beyond Beijing. In recent years, as the Company continued to deepen the regional exploration and development in new cities, a multi-level nationwide scale development layout covering a number of regions is gradually taking shape, and a property development system of different classes and features, covering residential units, apartments, villas, offices and commercial buildings, has been established. As at the end of the Reporting Period, the development properties projects have established presence in 15 cities, namely, Beijing, Guangzhou, Changsha, Wuhan, Hangzhou, Chengdu, Suzhou, Nanjing, Langfang, Hefei, Ningbo, Chongqing, Wuxi, Haikou and Meishan, and the development scale of the Company has been continuously enhanced.

The investment properties business taking convention and exhibition as a lead to actively drive the synergetic development of hotels, office buildings, apartments and other businesses. Properties held and operated by the Company include the National Convention Centre, Beijing International Convention Centre, Intercontinental Beijing Beichen, North Star V-Continent Beijing Parkview Wuzhou Hotel, Beijing Continental Grand Hotel, National Convention Centre Hotel, North Star Century Center, Hui Bin Offices, Hui Xin Offices, North Star Times Tower, and Hui Yuan Apartment in the Asian-Olympic core district in Beijing, and Intercontinental North Star Hotel and Changsha North Star International Conference Center in Changsha, with a gross area exceeding 1,280,000 m<sup>2</sup>.



## Management Discussion and Analysis (Continued)

While optimising and consolidating properties held, the Company relied on its affiliated Capital Convention (Group) Co., Ltd. (首都會展(集團)有限公司), strengthened resources integration in its convention and exhibition business, exerted continued efforts on the expansion of new businesses and new technologies of exhibition industry, explored and developed various businesses, including operation and management of exhibition venues, sponsoring and undertaking of conventions and exhibitions and supporting services, education and consulting services related to conventions and exhibitions, and security services for high-end state-level and political level activities and events, and constantly carry out innovation in operation with light assets in respect of the convention and exhibition business, thus facilitating high-quality development of the Company.

### (II) DEVELOPMENT OF OUR INDUSTRY

In the first half of 2021, China coordinated pandemic prevention and control and promoted economic and social development. As a result, the economy continued to recover steadily, major macroeconomic indicators continued to rebound, high-quality development achieved new progress, and the overall trend of the economy has stabilized and improved. The annual growth rate of China's GDP for the first half of 2021 reached 12.7%, with an average of 5.3% for the past two years.

#### 1. *Development Properties*

In the first half of 2021, the real estate market of the PRC began to show a recovery trend after the situation of pandemic had gradually stabilized. However, because the central government adhered to the principle of "housing properties are for accommodation, not speculation", the regulation and supervision of the real estate market continued to increase, and local governments strictly implemented the decisions and arrangements of the central government, carried out precise regulation and control over the new situations and problems that emerged in the real estate market in the first half of the year, which led to a decline in the popularity of transactions in some of the cities. In general, there was a nationwide increase in the new construction area and the completed area of commodity housing in the first half of the year, leading to an active release of demand, with a stable and slight increase in the average transaction price, and the transaction scale increased significantly compared with the low base of the corresponding period last year. There was a nationwide decrease in the scale of residential land transactions, the average floor price of transactions increased significantly, and the average premium rate maintained at a high level. According to the statistics provided by the National Bureau of Statistics (the same applied hereinafter), commodity housing sales area in the real estate market of the PRC in the first half of 2021 was 790,810,000 square meters, representing an increase of 29.39% as compared to the corresponding period last year, and the average sales price of commodity housing was RMB10,702 per square meter, representing an increase of 9.7% as compared to the corresponding period last year.

Among the first-tier cities, the transaction scale of the commodity housing market in Beijing maintained at a high level, and the average transaction price decreased slightly year-on-year due to increase in the de-stocking rate of low-price projects; the transaction volume of the commodity housing market in Guangzhou significantly increased. The average transaction price of commodity housing in second-tier and third-tier cities increased slightly, while the transaction volume increased significantly.

#### 2. *Convention and Exhibition and Investment Properties (Including Hotels)*

In the first half of 2021, the convention and exhibition enterprises proactively developed businesses by various manners such as exhibitions in an integrated online and offline mode, online presentations, network press conferences, by which the impact of the pandemic has been hedged against to a certain extent. The convention and exhibition industry of China has gradually recovered and accelerated the transformation to digitalization. The hotel industry has improved as a result of the recovery of the tourism industry. The office building market in Beijing has gradually revived with a decrease in vacancy rate and an increase in average rental of the apartment market after a falling trend.





## Management Discussion and Analysis (Continued)

### II. ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

The Company's comprehensive development and operating capacity in the real estate market and the comprehensive brand influence of its convention and exhibition business have become its advantages and core competitiveness. The real estate development business, presenting in multi-type and large-scale form, has become the source of revenue growth of the Company; and the leading convention and exhibition business in the PRC, with its brand effect accumulated over years through serving high-end political and state-level activities and events, drives synergetic development of office building, apartment and hotel businesses of the Company and provides a basis for stable income for the Company. Such two segments are interdependent and mutually reinforcing, thus giving escort for the steady and healthy development of the Company.

On the one hand, the Company has the ability to develop and operate composite real estate. Property types developed by the Company include 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 with the title of "Professional Leading Brand of China Complex Estate" by China TOP10 Real Estate Research Group for fourteen consecutive years. Besides, in recent years, the Company continued to promote its expansion into new cities and regional penetration as well as balanced regional layout. As at the end of the Reporting Period, it has launched real estate development business in 15 cities, representing the Company's foundations and professional capability for nationwide development.



Real view of Wuhan Blue City



Beijing North Star Red Oak Villa



Joy City in Changsha North Star Delta-Main Atrium



Initial launch of Hanjiang Mansion at Block D4 in Changsha North Star Delta on June 2021

On the other hand, as one of the PRC's largest exhibition venues operators, the Company boasts the comparative advantage in the fields of high-end exhibition and hotel operation and services and exhibition venues management, and its brand awareness and influence have continuously increased. The Company holds and operates more than 1.2 million square meters of investment properties (including hotels) in the Asian-Olympic core district in Beijing. With more than 20 years of experience in exhibition and hotel professional operation and the ability in providing internationalized operation service standards and teams, the Company carries out active exploration and practice for the whole value chain covering the operation and management of convention and exhibition venues, sponsoring and undertaking of conventions and exhibitions, informationization of convention and exhibition, and research and development on exhibitions, forming the integration and interaction ability for the whole industry chain of conventions and exhibitions. In recent years, it has successfully delivered hosting services for an array of national, integrated and international



## Management Discussion and Analysis (Continued)

conferences such as the Olympic Games, APEC summit, CIFTIS, G20 Hangzhou Summit and “Belt and Road” Forum for International Cooperation, BRICS Xiamen Summit, China-Arab States Expo, the Qingdao Summit of Shanghai Cooperation Organization, Beijing Summit of the Forum on China-Africa Cooperation, the first session of United Nations World Geospatial Information Congress and Beijing Xiangshan Forum, International Horticultural Exhibition Beijing China and Conference on Dialogue of Asian Civilizations, creating a globally renowned service brand of North Star.



National Convention Centre



Exhibition Hall of National Convention Centre

In addition, fully utilizing the advantages of the “headquarters financing” and leveraging on 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 develops diversified financing channels such as medium-term notes, corporate bonds, asset securitization, etc., continuously optimizes its overall debts structure, and maintains its advantage of low financing cost, thus effectively enhancing the anti-risk capacity of the Company.

### III. DISCUSSION AND ANALYSIS ON BUSINESS CONDITIONS

In the first half of 2021, the Company has comprehensively promoted the stable and healthy development of its main businesses by keeping the corporate mission of “servicing international communication and creating ideal space”, grasping the favorable opportunity of the continuous and stable economic recovery, continuously optimizing its operating strategies with the enhancement of quality and efficiency as the mainline, and increasing the resources integration, as a result of which, the revenue and profits of the Company has increased significantly as compared with the corresponding period last year.

During the Reporting Period, the Company recorded an operating revenue of RMB10,244,782,000, representing a year-on-year increase of 205.93%. The Company's profit before tax and profit attributable to ordinary shareholders amounted to RMB1,224,737,000 and RMB248,693,000, respectively, representing a year-on-year increase of 155.48% and 7,827.73%, respectively. In particular, the after-tax core operating results of the Company's principal activities (excluding losses arising from the changes in fair value) were RMB349,406,000, representing a year-on-year increase of 179.27%. Losses (after tax) arising from the changes in fair value of investment properties were RMB100,713,000 during the Period. Earnings per share were RMB0.0739.

#### 1. Development Properties

Under the background of the political measures which gradually tend towards precision and systematization as a result of the upgrade on regulation of real estate industry, the Company made in-depth study of policies and market situation and steadfastly advanced the refined management in compliance with the overall strategy of “one policy for one city” and “one policy for one property”, so as to promote the balanced development in the areas of the scale, quality and efficiency of the development properties.

In the first half of 2021, the areas to be settled of the development properties increased, the operating revenue was RMB9,393,733,000 (including parking spaces), and the profit before tax was RMB793,698,000, representing a year-on-year increase of 255.26% and 53.52% respectively. As at the end of the Reporting Period, the Company has entered into 15 cities, with a total land reserve of 6,230,000 square meters. During the Reporting Period, the new construction area was 410,000 square meters, the area for new and resumed construction was 5,520,000 square meters, and the completed area was 630,000 square meters.

## Management Discussion and Analysis (Continued)

**Significantly recovering sales results.** In the face of changes in the industry and market fluctuations, the Company, after consolidating factors including the locations, competition situation, policy environment and market environment, differentiated its project marketing strategies, flexibly gathered the pace of de-stocking, and has achieved good sales results by seizing the opportunity during the window period of market recovery. During the Reporting Period, the contracted sales area was 600,000 square meters, and the contracted sales amount was RMB11.1 billion (including parking spaces) of the development properties, representing a year-on-year increase of 116% and 125%, respectively. In particular, the contracted sales recorded from the projects in Beijing, Chongqing, Changsha and Chengdu amounted to RMB2.7 billion, RMB2.2 billion, RMB1.9 billion and RMB1.2 billion, and the sales volume of many projects such as Chongqing Yuelai No.1 and North Star Mansion in Haikou ranked at the forefront in their respect regional markets in the first half of the year, and Chengdu North Star Luming Mansion was sold out immediately at the opening.



Beijing North Star • Villa 1900 Showroom



Real view of Phase II of Chongqing, Yuelai No.1



Real View of Block C in Changsha North Star Central Park



Real view of Chengdu North Star Royal Palace



High-rise of North Star Mansion in Haikou



Launch of the Third Batch of  
Chengdu North Star Luming Mansion

**Continuously improving system and mechanism construction.** Guided by the philosophy of “large-scale operation”, the Company further improved the system of vertical operations and standardized management, and reviewed the operations of each city center combining delivery schedules, policy environment and characteristics of the projects, so as to establish a planned operating and management system; meanwhile, the management and control efficiency of the Company has been improved through the deepened full-cycle assessment of projects and the optimized “four-dimension” innovation incentive system.

## Management Discussion and Analysis (Continued)

Table 1: Real Estate Projects during the Reporting Period

Unit: square meter

No.	Project name	Location	Operating state	Project status	Project interests	Total investment (RMB'000 million)	Actual investment amount during the reporting period (RMB'000 million)	Project area	Total floor area	Planned plot ratio-based gross floor area	Equity held for area development	Land area held for development	New construction area during the reporting period	Completed area during the reporting period	Accumulated completed area during the reporting period	Salesable area during the reporting period	Contracted area during the reporting period	Booked area during the reporting period	Area to be booked during the reporting period
1	Beijing North Star Xianglu	Haidian, Beijing	Residence	Completed	100%	28.59	-	142,400	312,100	230,000	-	-	-	-	312,100	6,973	5,131	6,068	12,057
2	Beijing North Star Red Oak Villa	Changping, Beijing	Villa	Under Construction	100%	34.00	1.39	287,500	213,700	150,000	-	-	-	213,700	40,200	173,500	33,930	5,004	4,690
3	Beijing Modern Beichen Yue MONA	Shunyi, Beijing	Owner occupied commercial housing and housing of two limits	Under Construction	50%	23.47	-	52,800	132,500	109,300	54,700	-	-	132,500	1,400	131,100	4,902	-	-
4	Beijing North Star • Villa 1900	Shunyi, Beijing	Residence	Completed	100%	24.45	-	101,200	213,300	140,000	-	-	-	213,300	-	213,300	36,272	7,585	8,296
5	Beijing Jinchun Mansion	Changping, Beijing	Residence	Under Construction	51%	53.17	1.17	86,600	283,200	170,400	86,900	-	-	283,200	283,200	-	149,586	41,802	-
6	Changsha North Star Delta	Changsha, Hunan	Residence, commercial and office building	Under Construction	100%	371.68	9.44	780,000	5,200,000	3,820,000	-	416,700	-	4,783,300	636,900	4,213,000	195,510	98,723	233,966
7	Changsha North Star Central Park	Changsha, Hunan	Residence	Under Construction	51%	24.48	0.71	336,300	927,100	720,000	367,200	-	-	927,100	212,800	714,300	55,275	22,146	1,182
8	Changsha North Star Shiguangli	Changsha, Hunan	Residence and commercial	Under Construction	100%	13.07	0.68	27,700	145,400	107,900	-	-	-	145,400	145,400	-	22,971	1,747	-
9	Wuhan North Star Contemporary Best+	Wuhan, Hubei	Residence and commercial	Completed	45%	21.00	0.42	104,700	313,300	241,100	108,500	-	-	313,300	-	313,300	3,083	360	-
10	Wuhan North Star Guangguli	Wuhan, Hubei	Commercial Service	Under Construction	51%	17.31	1.19	84,200	492,000	337,000	171,900	134,800	-	357,200	75,100	282,100	51,867	10,938	59,646
11	Wuhan Blue City	Wuhan, Hubei	Residence and commercial	Under Construction	100%	105.72	3.73	358,000	980,100	716,000	-	234,700	-	745,400	128,800	85,300	83,659	20,674	113,894
12	Wuhan Gendale • North Star • China Chic	Wuhan, Hubei	Residence	Under Construction	51%	20.99	0.68	41,800	178,900	127,000	64,900	-	-	178,900	130,900	48,000	16,607	11,994	-
13	Wuhan North Star Peacock Shoal	Wuhan, Hubei	Residence	Completed	60%	10.79	0.65	75,200	220,400	172,800	103,700	-	-	220,400	220,400	220,400	45,207	4,093	81,088
14	Wuhan North Star Jingkaiyou+ (Lot 067)	Wuhan, Hubei	Residence and commercial	Under Construction	80%	16.00	0.76	50,500	177,200	126,200	101,000	-	-	177,200	177,200	-	74,472	9,346	-
15	Wuhan North Star Jingkaiyou+ (Lot 068)	Wuhan, Hubei	Residence and commercial	Under Construction	80%	12.96	0.77	63,200	227,700	158,100	126,500	-	-	227,700	227,700	-	-	-	-
16	Wuhan North Star Jindiyang Time	Wuhan, Hubei	Residence and commercial	Under Construction	49%	18.72	0.61	50,500	212,100	151,400	74,200	-	-	212,100	212,100	-	75,760	22,727	-



## Management Discussion and Analysis (Continued)

No.	Project name	Location	Operating state	Project status	Project interests	Actual investment amount during the reporting period		Project area	Total floor area	Planned plot ratio-based gross floor area	Equity held for area development	Land area during the reporting period	New construction area		Completed area during the reporting period	Accumulated completed area during the reporting period		Saleable area during the reporting period		Contracted area during the reporting period		Booked revenue during the reporting period	
						Total investment	Period						Land area	during the reporting period		area	Period	area	Period	area	Period	area	Period
17	Hangzhou North Star Shushan Project	Hangzhou, Zhejiang	Residence and commercial	Completed	80%	22.09	0.13	83,900	317,500	235,000	188,000	-	-	-	317,500	-	317,500	7,777	455	87	1,329	931	
18	Hangzhou Honor Mansion Grand Lot	Hangzhou, Zhejiang	Residence and commercial	Completed	35%	14.85	-	41,900	108,400	75,000	26,300	-	-	-	108,400	-	108,400	-	-	-	-	-	
19	Hangzhou Honor Mansion Small Lot	Hangzhou, Zhejiang	Residence and commercial	Completed	35%	4.90	0.02	13,400	32,600	23,000	8,100	-	-	-	32,600	-	32,600	-	-	-	-	-	
20	Hangzhou Gusuogongfu	Hangzhou, Zhejiang	Residence	Completed	100%	16.27	0.35	21,900	69,900	48,200	-	-	-	-	69,900	-	69,900	533	404	8,569	36,970	404	
21	Hangzhou Jinhu Art Villa of City	Hangzhou, Zhejiang	Residence and commercial	Completed	25%	5.50	0.03	57,400	209,700	144,000	36,000	-	-	-	209,700	-	209,700	4,000	-	-	-	-	
22	Hangzhou North Star Lingchao Mansion	Hangzhou, Zhejiang	Residence	Under Construction	100%	11.03	0.57	12,200	44,400	25,700	-	-	-	-	44,400	44,400	-	-	-	-	-	-	
23	Hangzhou Fuyang Project	Hangzhou, Zhejiang	Residence	New Construction	100%	36.75	0.33	69,000	276,900	179,500	-	-	276,900	276,900	-	-	-	-	-	-	-	-	
24	Ningbo Beichenlu	Ningbo, Zhejiang	Residence	Completed	100%	46.49	1.11	47,300	189,700	137,400	-	-	-	-	189,700	-	189,700	10,374	1,446	2,103	7,776	677	
25	Ningbo Mansion • Jintian	Ningbo, Zhejiang	Residence and commercial	Completed	51%	34.62	1.09	133,000	404,800	292,500	149,200	-	-	-	404,800	-	404,800	939	86	86	5,572	-	
26	Ningbo Xianglu Bay	Yuyao, Zhejiang	Residence	Under Construction	100%	21.82	1.27	68,700	166,500	116,800	-	-	-	-	166,500	166,500	-	-	50,788	30,723	-	-	30,723
27	Nanjing North Star CIFI Park Mansion • Jin Ling	Nanjing, Jiangsu	Residence	Completed	51%	15.18	0.08	25,300	105,000	70,700	36,100	-	-	-	105,000	-	-	-	-	-	-	-	-
28	Suzhou North Star CIFI No. 1 Courtyard	Suzhou, Jiangsu	Residence and commercial	Completed	50%	12.94	0.26	178,700	273,900	180,500	90,300	-	-	-	273,900	-	-	2,485	-	-	-	-	-
29	Suzhou Guanlan Mansion	Suzhou, Jiangsu	Residence and commercial	Under Construction	100%	64.51	2.86	170,000	392,900	268,800	-	-	-	-	392,900	307,500	139,000	224,500	89,879	8,184	37,410	64,340	9,883
30	Wuxi Tianyijuzhu	Wuxi, Jiangsu	Residence	Completed	49%	28.60	0.11	88,000	255,400	196,000	96,000	-	-	-	255,400	-	-	-	-	-	-	-	-
31	Wuxi Times City	Wuxi, Jiangsu	Residence	Under Construction	40%	46.79	1.08	137,900	535,400	413,800	165,500	-	-	-	535,400	185,200	-	350,300	31,348	2,439	-	-	-
32	Chengdu North Star • Landsea Southern Gate Green Shire	Chengdu, Sichuan	Residence and commercial	Completed	40%	8.39	0.09	63,600	237,000	158,600	63,400	-	-	-	237,000	-	237,000	3,809	820	85	1,024	735	
33	Chengdu North Star • Xianglu	Chengdu, Sichuan	Residence and commercial	Completed	100%	18.35	0.29	40,400	148,300	96,900	-	-	-	-	148,300	-	-	4,165	15	197	388	131	
34	Chengdu North Star • South Lake Xianglu	Chengdu, Sichuan	Residence	Completed	100%	29.16	0.41	88,000	297,100	210,000	-	-	-	-	297,100	-	-	14,070	1,930	5,318	12,010	2,886	

## Management Discussion and Analysis (Continued)

No.	Project name	Location	Operating state	Project status	Project interests	Actual investment amount during the reporting period		Project area	Total floor area	Planned plot ratio-based gross floor area	Equity area development	Land area held for development	New construction area during the reporting period	Completed area under construction during the reporting period	Accumulated completed area during the reporting period	Saleable area during the reporting period	Contracted area during the reporting period	Booked revenue during the reporting period	Area to be booked during the reporting period		
						Period	(RMB100 million)													Period	(RMB100 million)
35	Chengdu North Star Royal Palace	Chengdu, Sichuan	Residence and commercial	Completed	100%	17.28	0.56	26,600	120,000	79,800	-	-	-	-	120,000	48,605	19,197	15,697	28,329	13,285	
36	Chengdu North Star Luming Mansion	Chengdu, Sichuan	Residence and commercial	Under Construction	80%	23.78	1.48	80,100	227,100	160,300	128,200	-	-	227,100	227,100	-	48,022	38,640	-	94,763	
37	Sichuan North Star Guosonglu	Maishan, Sichuan	Residence and commercial	Completed	100%	16.24	0.39	59,900	197,400	149,800	-	-	-	197,400	-	197,400	83,781	18,674	16,302	13,356	
38	Sichuan North Star Longxitai	Maishan, Sichuan	Residence and commercial	Under Construction	100%	10.94	0.54	69,900	126,600	84,000	-	-	-	126,600	126,600	-	-	-	-	-	
39	Langfang North Star Xianglu	Langfang, Hebei	Residence and commercial	Under Construction	100%	25.73	1.46	140,700	357,700	296,800	-	-	-	357,700	264,000	-	93,700	75,595	6,952	19,234	
40	Langfang North Star Blue City (Lot 2018-4)	Langfang, Hebei	Residence	Under Construction	100%	30.76	0.71	82,500	241,600	164,800	-	145,800	-	95,800	95,800	-	-	-	-	-	
41	Langfang Xingcheni (Lot 2019-3)	Langfang, Hebei	Commercial	In the pipeline	100%	5.75	0.22	21,100	72,800	52,800	-	72,800	-	-	-	-	-	-	-	-	
42	Langfang Lot 2020-5 Project	Langfang, Hebei	Residence	In the pipeline	100%	13.43	0.46	46,200	138,300	92,000	-	138,300	-	-	-	-	-	-	-	-	
43	Hebei North Star CIFI Park Mansion • Luzhou	Hebei, Anhui	Residence and commercial	Completed	50%	21.07	0.35	141,700	356,200	239,000	119,500	-	-	356,200	-	356,200	3,532	2,688	6,864	9,173	
44	Chongqing, Yuelai No.1	Yubei, Chongqing	Residence and commercial	Under Construction	100%	100.66	5.17	429,100	1,274,000	918,000	-	372,000	-	902,000	666,000	114,300	162,058	129,218	83,234	87,490	
45	Chongqing North Star Xianglu	Yubei, Chongqing	Residence	Under Construction	100%	21.93	1.49	68,200	150,400	102,200	-	-	-	150,400	150,400	-	35,638	26,886	-	26,886	
46	North Star Mansion in Haikou	Haikou, Hainan	Residence and commercial	Under Construction	70%	41.91	1.61	106,800	263,400	206,000	144,200	29,200	-	234,200	162,700	-	71,500	85,851	44,137	30,393	
47	Haikou Changjiu Shijia	Haikou, Hainan	Residence	New Construction	100%	12.28	1.09	30,500	134,700	106,800	-	3,300	131,400	131,400	-	-	-	-	-	-	
48	Guangzhou Lanting Xianglu (Lot 116)	Guangzhou, Guangdong	Residence and commercial	Under Construction	51%	17.66	0.21	25,900	112,800	77,800	39,700	-	-	112,800	112,800	-	-	-	-	-	
49	Guangzhou Lanting Xianglu (Lot 114)	Guangzhou, Guangdong	Residence and commercial	Under Construction	49%	9.66	0.47	25,100	110,300	76,600	37,500	-	-	110,300	110,300	-	9,148	1,547	-	-	
Total					-	1,603.72	48.47	5,337,500	18,177,500	13,156,300	2,587,500	1,547,500	408,300	16,630,000	5,519,600	625,600	11,736,100	1,628,470	596,710	734,402	938,788



## Management Discussion and Analysis (Continued)

### Notes:

1. Total investment represents the estimated total investment amounts for each project.
2. Planned plot ratio-based gross floor area and equity area represent the data calculated with reference to the conditions of assignment at the time of project auction.
3. Equity area (i.e. area of cooperative development projects) represents the plot ratio-based gross floor area attributable to the percentage of interest in the Company.
4. Land area held for development represents the gross construction area of undeveloped portion of project land.
5. During the Reporting Period, total land reserve of the Company was 6,234,100 square meters and equity land reserve was 5,562,300 square meters, with no newly added real estate reserve; new construction area was 408,300 square meters, representing a year-on-year decrease of 49.06%; area for new and resumed construction was 5,519,600 square meters, representing a year-on-year decrease of 21.53%; the completed area was 625,600 square meters, representing a year-on-year increase of 59.44%; sales area was 596,710 square meters, representing a year-on-year increase of 115.56%; sales amount was RMB11,060,000,000, representing a year-on-year increase of 125.10%; settlement area was 734,620 square meters, representing a year-on-year increase of 286.05%; the settlement amount was RMB9,394,000,000, representing a year-on-year increase of 255.26%; the area to be booked as at the end of the Reporting Period was 1,210,610 square meters, representing a year-on-year decrease of 29.27%.

## Management Discussion and Analysis (Continued)

### 2. Convention and exhibition and investment properties (including hotels)

In the face of the opportunities and challenges from the pandemic in mainland China and abroad, the Company, based on the strategic positioning of the capital city, insists on the development mode of synergistic progress in asset-heavy investment businesses and asset-light service businesses, and takes the high-quality development of convention and exhibition business as guidance to make in-depth exploration of the development path of service industry in the era of “post-pandemic”.

In the first half of 2021, the convention and exhibition and investment properties (including hotels) achieved operating income and profit before taxation of RMB786.423 million and RMB42.734 million, respectively, representing an increase of 19.08% and 391.93% year-on-year, respectively. The fair value losses on investment properties for the period was RMB134.283 million.

#### 1) *Convention and exhibition business*

During the Reporting Period, the pandemic occurred in some cities in the PRC from time to time. Although the convention and exhibition industry has gradually recovered, the negative impact suffered by it has not been completely eliminated, so the Company has made concerted efforts to continuously improve the ability to seek opportunities in crises and turn crises into opportunities.

**Introduction of strategic investors to launch a new phase of development of convention and exhibition business.** In order to enhance the capital strength of convention and exhibition business and promote its transformation and upgrading, North Star Events Group, a subsidiary of the Company, introduced four strategic investors including Beijing Shougang Construction Investment Co., Ltd. (北京首鋼建設投資有限公司), Beijing Capital Tourism Group Co., Ltd. (北京首都旅遊集團有限責任公司), Jingdong Technology Holding Co., Ltd. and GL events China Limited<sup>1</sup> through capital increase, and after the capital increase, North Star Events Group was officially upgraded and renamed as Capital Convention (Group) Co., Ltd. Based on the new footing of the capital exhibition platform, the Company is going to further carry out strategic cooperation in respect of its convention and exhibition business, and continuously improve the marketization, professionalization, branding and internationalization development level of the convention and exhibition business by taking advantage of the resources in fields relating to conventions and exhibitions of each investor such as the “Cloud Services”, international exhibition resources, accommodation and catering, space layout, etc..



Establishment of Capital Convention (Group) Co., Ltd.

**In terms of venue operation and management,** relying on the geographical advantages of the Asian-Olympic core district and the complete surrounding supporting facilities, the Company's self-owned National Convention Center and Beijing International Convention Center have effectively realized the docking of conventions and exhibitions with tourism, trading, office buildings and other related business, capability of comprehensive reception services ranks first in the industry. During the Reporting Period, the Company seized the window period for market recovery in the second quarter,

<sup>1</sup> Being the parent company of GL events (Shanghai) Co., Ltd.

## Management Discussion and Analysis (Continued)

actively expanded new projects and increased density of scheduling when the number and scale of conventions and exhibitions have been affected by the pandemic to varying degrees, and successfully completed reception services of a series of exhibition activities such as Alibaba Cloud Summit, a launch conference for Perfect World, a brand of game, China Civil Aviation Technology and Equipment Exhibition and Pet Fair Asia. In the first half of 2021, the average unit price and quantity of the exhibitions of National Convention Center ranked first in the industry in Beijing. With the accumulated experience in convention and exhibition operation for many years and continuous improvement of its brand influence, the Company vigorously promotes the operation and management of exhibition venues and hotel brands. During the Reporting Period, the Company entered into 2 new entrusted management projects for Xiong'an International Science and Technology Achievement Exhibition and Trading Center (雄安國際科技成果展示交易中心) and supporting hotels and Chengdu Airport Industrial Service Zone Conference Center (成都空港產業服務區會議中心) and supporting hotels, and entered into 8 new consulting projects for exhibition venues or hotels in provinces, autonomous regions and municipalities such as Nanjing, Guangzhou, Chongqing, Shanxi and Changzhou. As at the end of the Reporting Period, the Company established presence in 26 cities across the country, and had a total of 17 contracted convention and exhibition venues under entrusted management covering a total floor area of 3.34 million square meters and 15 contracted hotels under entrusted management. The Company has become the convention and exhibition enterprise that runs the largest number of convention and exhibition venues, and it is the largest in terms of overall scale and is capable of undertaking the finest convention and exhibition in China.

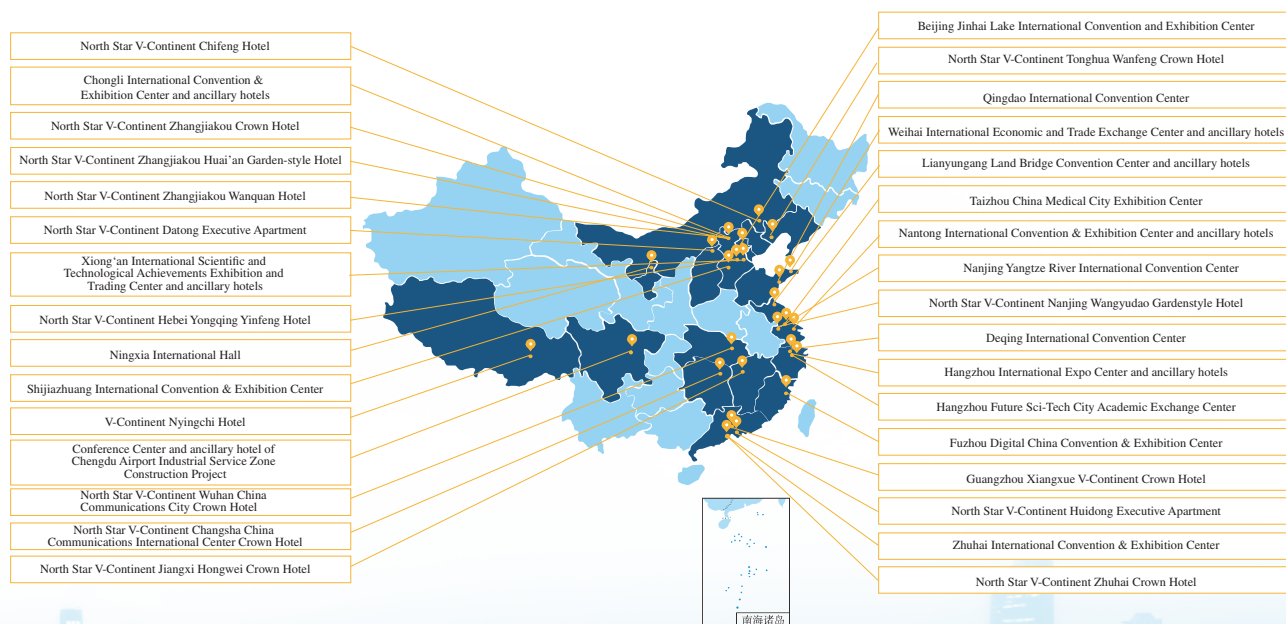


Xiong'an International Technological Achievements Exhibition and Trade Centre and Commercial Hotel



Demonstration diagram of Convention Centre of Construction Project of Chengdu Airport Industry Service Zone

Chart 1: Entrusted exhibition venue and hotel management projects of the Company as at the end of the Reporting Period





## Management Discussion and Analysis (Continued)

**In terms of sponsoring and undertaking of conventions and exhibitions**, during the Reporting Period, the Company grasped the trend and successfully organized its own IP consumer exhibition – 2021 Beijing International Art & Toys Exhibition (2021北京國際藝術設計玩具展覽會), with a scale of 11,000 square meters, 18,000 visitors and more than 90% audience satisfaction; successfully organized three 2021 CGF China Animation Comic Game Festival Exhibitions (2021CGF中國遊戲節巡展) in Beijing and Wuhan, with a total area of 48,000 square meters and 57,000 visitors; made preparations actively for the fourth Western China Aviation Logistics Cooperation Forum 2021 (2021第四屆中國西部航空物流合作論壇) and the Western China (Chengdu) International Supply Chain and Smart Logistics Expo 2021 (2021中國西部成都國際供應鏈與物流技術裝備博覽會) certified by the Union of International Fairs (UFI).



2021 CGF China Animation Comic Game Festival Tour Show

**In terms of research and development on exhibitions**, the Company focused on the forefront of industry development, gave full play to its professional advantages in serving the government and research industry, completed the China Exhibition Index Report (2020), and successively launched research projects including the Development Plan of the Convention and Exhibition Industry during the "14th Five-Year Plan" period in Beijing (《北京市「十四五」時期會展業發展規劃》) and the Research on the Development of Shougang Park Exhibition Industry by Taking the Service Trade Fair as an Opportunity (《以服貿會為契機首鋼園會展業發展研究》), prepared and published exhibitor marketing guide books.

## Management Discussion and Analysis (Continued)

### 2) *Other Investment Properties*

The Company's office building business carried out a differentiated positioning and a multi-project joint sales strategy. On the one hand, it has focused on enhancing customer satisfaction by adding flexible leasing terms such as health clubs and parking spaces, opening up an underground commuter shuttle bus and organizing customer events to enhance the added value and competitiveness of its products, while on the other hand, it has continued to broaden sales channels by organizing seminars for agents and holding new product launches, with an emphasis on exploring a new round of leasing demand led by the internet technology industry. It has successfully leased to leading internet enterprises such as "ByteDance", with the occupancy rates and rentals of office buildings remaining at a relatively high level during the Reporting Period. The apartment business continued to experience pressure on occupancy rates and average room rates with price rising sluggishly due to a considerable impact of the pandemic on micro, small and medium-sized companies, which are the primary customer segment. To this end, the Company adopted flexible and diversified sales strategies, strengthened on-line promotion, increased tariff concessions as appropriate and continuously developed its customer base. The hotel business made renovation and upgrading during the operation gap period and saw a moderate rebound in operating indicators as demand rebounded.



North Star Times Tower



Lobby of Block D of North Star HuiYuan Apartment



Corridor of Office Building of National Convention Centre



## Management Discussion and Analysis (Continued)

**Table 2: Operating and Leasing of Real Estate during the Reporting Period**

Unit: 0'000 Currency: RMB

No.	Region	Project	Operation format	Construction area of the real estate leased (square meter)	Rental income of the real estate leased	Equity proportion (%)
1	No. 7 Tian Chen Dong Road, Chao Yang District, Beijing	National Convention Centre	Convention and exhibition	270,800	14,246	100
2	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Beijing International Convention Centre	Convention and exhibition	58,000	3,639	100
3	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Bin Offices	Office building	37,800	3,377	100
4	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Xin Offices	Office building	40,900	2,900	100
5	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	North Star Times Tower	Office building	131,300	7,882	100
6	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	North Star Century Center	Office building	149,800	13,766	100
7	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Zhen Building Property	Office building	8,400	1,067	100
8	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Beijing Continental Grand Hotel	Hotel	42,000	3,578	100
9	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	National Convention Centre Hotel	Hotel	42,900	2,237	100
10	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	V-Continent Beijing Parkview	Hotel	60,200	2,668	100
11	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	Intercontinental Beijing North Star Hotel	Hotel	60,000	139	100
12	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Intercontinental Changsha	Hotel	79,200	8,415	100
13	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Yuan Apartment	Apartment	184,300	9,370	100
14	A13 Beiyuan Road, Chao Yang District, Beijing	B5 Commercial Area of North Star Green Garden	Commercial	49,700	1,659	100

## Management Discussion and Analysis (Continued)

### 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 real estate leased represents the total construction area of the project.
3. The rental income of real estate leased is the operating income of the projects.
4. Construction area and operating revenue of North Star Times Tower have included the construction area and operating revenue of the Xincheli Shopping Centre commercial project.
5. The above-mentioned properties items 2, 3, 7, 8, 10 and 13 are erected on land leased from BNSIGC.

### 3. Financing Work

Against the backdrop of enhanced financial regulation and de-leveraging, the Company took ensuring the stability of cash flow as the core. On the one hand, it speeded up the sales and collection speed of project, on the other hand, it actively carried out diversified financing models including the "headquarters financing" to adjust the liability structure of the Company. The Company has further broadened the financing channels of the capital market and obtained the approval from the China Securities Regulatory Commission ("CSRC") for the issuance of corporate bonds of RMB3 billion, and issued the first tranche of bonds of RMB319 million with a coupon rate of 3.46%, and the financing cost was at an all-time low.

**Table 3: Financing of the Company during the Reporting Period**

Unit: 0'000 Currency: RMB

Total financing amount at the end of the period	Overall average financing cost (%)	Interest capitalised
2,710,579	5.98	56,432

## IV. DEVELOPMENT STRATEGY OF THE COMPANY

With the recurrence of local pandemic in China and the increasingly normalized macro-control of real estate, the Company faces a series of new challenges in its development. The Company will orient itself towards "expansion at low cost, operation with light assets, support by new economy and development of high-end service industry", embed the drive of innovation into all aspects of high-quality development to accelerate the promotion of the quality and efficiency of traditional business and the advancement of new business, and strive for developing into an international first-class convention and exhibition brand enterprise and a leading composite real estate brand enterprise in the PRC.

## Management Discussion and Analysis (Continued)

### 1. Development Properties

Despite of active performance of the real estate market in hotspot cities in the first half of the year, against the backdrop of continued tightening of regulatory controls and increasing differentiation between regions, the Company's property development will continue to promote refined management to further strengthen its capability to resist risks in a complex environment. In respect of development strategies, the Company will depend on the window period of concentrated land supply, scientifically study and judge land information, increase efforts to make complementary cooperation, focus on the Beijing-Tianjin-Hebei region, Yangtze River Delta, the Greater Bay Area, Chengdu-Chongqing region and the group of central cities, strengthen the deep urban exploration strategy, and continue to optimize the selection and layout of urban land. As for innovation in the development model, the Company will strengthen product research and development and advance integrated development of both product standardization and brand IP to constantly improve the competitiveness of products in the market. In terms of project operation, the Company will adhere to "one policy for one property" and the establishment of a standardized system, classify and formulate different development strategies based on the features of projects and a comprehensive streamlining of regional policy, market and product features, meanwhile, it will further increase the income from the project by establishing and improving standardized management system, increasing cost control and quality control of projects.

In the second half of 2021, it is expected that the new construction area of the Company will be 340,000 square meters, the equity area for new construction projects will be 340,000 square meters, the area for new and resumed construction will be 5,220,000 square meters and the completed area will be 1,390,000 square meters. The Company will strive to achieve sales area of 460,000 square meters with contracts signed (including parking spaces) amounting to RMB7,900,000,000.

### 2. Convention and Exhibition and Investment Properties (Including Hotels)

The Company will focus on the strategic positioning of "Four Centers" in Beijing and the construction of an international consumption center city, take the establishment of Capital Convention (Group) Co., Ltd. (首都會展(集團)有限公司) as an important opportunity to integrate high-quality resources to strengthen the Company's convention and exhibition business, and take convention and exhibition as a lead to drive the joint development of office buildings, apartments, hotels and other business forms.

In terms of the convention and exhibition business, the Company will hold the CIFTIS (服貿會) well on the basis of conducting normal pandemic prevention and control to improve the level of market-oriented operation of the CIFTIS, accelerate the construction of digital industrial chains, cultivate digital ecosystems, lead the transformation and upgrading of CIFTIS by scientific and technological innovation. At the same time, the Company will give full play to the spillover effect of the CIFTIS, effectively consolidate the convention and exhibition resources and improve the industry chain of the Company's convention and exhibition. By nurturing and introducing the convention and exhibition projects to expand the upstream business, and expand the midstream business of the convention and exhibition business focusing on the operating and management of convention output, and take the project demand as the starting point to improve the plan and design of the convention and exhibition to continuously expand the brand influence of the convention and exhibition business. In terms of the investment properties, the Company will closely focus on the development of the pandemic, flexibly adjust the operation strategy and take the improvement of customers' satisfaction as core to gradually innovate experiences of new products and services, enrich the promotion channels and gather the diversified business forms of office buildings, apartments and hotels.



## Management Discussion and Analysis (Continued)

### 3. Financing and Capital Expenditure

The Company will pay close attention to changes of the market and industry, fully utilize the advantages of the “headquarters financing” mode, actively expand diversified financing channels for real estate, continue to optimize the structure of debt and equity financing, pay attention to risk management in the rapid development of business, balance the relationship between the expansion and development of the principal business and the scale of financing, and perform the management and control of both debt scale and asset-liability ratio in a satisfactory manner, so as to maintain financial stability.

In the second half of 2021, the Company's investment in fixed assets is expected to be RMB770 million, which will be paid according to project progress and funded by internal resources.

## V. POTENTIAL RISKS FACED BY THE COMPANY

### 1. Risks in relation to the Novel Coronavirus Pneumonia pandemic

Despite a gradual improvement in the prevention and control of Novel Coronavirus Pneumonia pandemic in China, the pandemic overseas has not yet been under full control. Under the globalization pattern, the risk of overseas importation, local sporadic outbreaks and local outbreaks still exists. If the pandemic prevention and control is not satisfactory, the progress of part of the real estate development projects and the income from the convention and exhibition and investment properties (including hotels) of the Company may be affected in the short term. The degree of impact will depend on the progress and duration of the pandemic prevention and control, and the implementation of local prevention and control policies.

In response to the above risks, the Company established and improved the pandemic prevention and control mechanism, coordinated and implemented the pandemic prevention and control work. In addition, the Company will actively take effective measures to minimize or eliminate possible adverse impacts of the pandemic on the production and operation of the Company in accordance with the development of the pandemic.

### 2. Policy Risks

The development of the real estate industry is closely related to national policy directions, which are cyclical. The real estate project has a long operating cycle. Any significant adjustment to relevant policies during the cycle may pose certain risks on real estate companies in terms of land acquisition, project development and construction, sales, fundraising, etc..

In response to the aforesaid risks, for the purpose of development properties, the Company's will conduct further analysis on national macro policies, pay close attention to market changes, improve its responsiveness to policies and market changes, and place importance on risk management and control during the fast development of business. Meanwhile, it will continuously optimize the direction of business development, strengthen the potential for sustainability of development properties and enhance overall competitiveness according to policy directions.

### 3. Market Risks

The differentiation in real estate market continues to sustain 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, and excessive housing prices can easily trigger regulatory policies. Under the dual influence of large land costs and difficulty in increasing selling price, the profit margin is likely to be narrowed, which will impose 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 on the newly entered cities, and select cities and regions in which market is mature with favorable investment atmosphere and a relatively rational net inflow of population and housing price-to-income ratio. The Company will continue to adhere to the idea of low-cost expansion, expand new land acquisition methods, and reduce funding pressure. At the same time, the Company is committed to strengthening professional management, shortening the development cycle and accelerating the turnover rate, and improving the cash recovery rate and avoiding market risks.

## Management Discussion and Analysis (Continued)

### 4. Short-term Risks of Talent Reserve

As the Company has continuously strengthened its national business layout for real estate development and steadily advanced the entrusted management of the convention and exhibition venues and hotels and other businesses, which has led to soaring demands for all kinds of talents, especially people with expertise and senior management personnel, the Company may be exposed to the risk of talent shortage in the near future.

In response to the aforesaid risks, the Company set up a talent work leading group to promote the construction of a high-quality and professional leadership team and select and form a high-caliber talents team by taking measures including internal promotion and cultivation and market-based recruitment as well as providing training to corporate leaders and young talents to expand talents reserve by conducting the three-tier talent cultivation systems of "Strong Eagle, Flying Eagle, Elite Eagle (雄鹰、飞鹰、精鹰)" of the Convention Group and "Navigating, Voyaging, Sailing (领航、远航、启航)" of the Real Estate Group; and to strengthen the construction of basic talents by increasing the introduction and cultivation of fresh graduates.

## DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE

### Financial Resources and Liquidity

As at 30 June 2021, the equity attributable to ordinary shareholders of the Company increased by 0.71% compared with 31 December 2020.

The Group's bank and other borrowings (excluding bonds) as at 30 June 2021 amounted to RMB21,481,054,000. At the end of the Period, net values of the Group's 5-year corporate bonds, 7-year corporate bonds, 5-year medium term notes and 2-year medium term notes were RMB1,790,864,000, RMB1,496,378,000, RMB1,117,314,000 and RMB259,176,000, respectively; and the asset-backed securities were RMB961,000,000.

Current assets of the Group, which mainly comprise cash at bank and on hand, completed properties held for sale and properties under development, amounted to RMB69,629,392,000, whereas the current liabilities amounted to RMB38,687,766,000. As at 30 June 2021, the balance of cash at bank and on hand amounted to RMB11,208,852,000 (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 2021, the Group had secured borrowings from banks and other financial institutions of RMB13,833,229,000 with certain 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 72% as at the end of the Reporting Period (31 December 2020: 73%).

The Group's operations take place within the territory of mainland China and all transactions are settled in Renminbi. Accordingly, there is 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 have no material impact on the financial position of the Group. As at 30 June 2021, the outstanding amount of financial guarantees provided in phases was RMB15,041,916,000 (31 December 2020: RMB17,950,665,000).





## Management Discussion and Analysis (Continued)

### SHARE CAPITAL AND SHAREHOLDERS

#### Share Capital

The Company's registered capital as at 30 June 2021 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 2021, 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"):

#### 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 ("BNSIGC")	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 2021.

### INTERESTS OF DIRECTORS AND SUPERVISORS OF THE COMPANY

As at 30 June 2021, 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 to 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 2021.

## Management Discussion and Analysis (Continued)

### 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 2021 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

The Company had not redeemed any of its listed securities during the Period. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during the Period.

### DESIGNATED DEPOSITS AND DUE FIXED DEPOSITS

As at 30 June 2021, 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 2021, the Company had 5,117 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 does not maintain any share option scheme for its employees and the employees do not enjoy bonus. The Company regularly provides administrative personnel with trainings on various subjects, including operation 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 2021 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.beijingns.com.cn> in due course.



## Management Discussion and Analysis (Continued)

### DOCUMENT FOR INSPECTION

The original copy of the 2021 interim report, signed by the Chairman, will be available for inspection at the work department of the Board, of which the address 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  
18 August 2021



## 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

Address:	12th Floor, Tower A, Hui Xin Building No. 8 Bei Chen Dong Road Chao Yang District, Beijing, the PRC
Postal code:	100101
Telephone:	(8610) 6499 1277
Fax:	(8610) 6499 1352
Website:	<a href="http://www.beijingns.com.cn">www.beijingns.com.cn</a>

## REGISTRATION

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



## Corporate Information (Continued)

### 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
Postal code:	200021
Telephone:	(8621) 2323 8888
Fax:	(8621) 2323 8800
<i>International auditor:</i>	PricewaterhouseCoopers Certified Public Accountants Registered Public Interest Entity Auditor
Address:	22/F, Prince's Building Central, Hong Kong
Telephone:	(852) 2289 8888
Fax:	(852) 2810 9888

### LEGAL ADVISERS

<i>PRC lawyer:</i>	Beijing Da Cheng Solicitors Office
Address:	7th Floor, Building D Parkview Green FangCaoDi No. 9 Dongdaqiao Road Chaoyang District, Beijing the PRC
Postal code:	100020
Telephone:	(8610) 5813 7799
Fax:	(8610) 5813 7788
<i>Hong Kong lawyer:</i>	Woo Kwan Lee & Lo
Address:	26/F, Jardine House, 1 Connaught Place Central, Hong Kong
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Fax:	(852) 2845 9225



## Corporate Information (Continued)

### HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Hong Kong Registrars Limited  
Shops 1712–1716, 17/F  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### STOCK CODE

H share:	0588
A share:	601588

