



HKEx Stock Code: 0588
SSE Stock Code: 601588

2024 ANNUAL REPORT



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Financial Highlights

RESULTS

Year ended 31 December	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000 (Restated)	2020 RMB'000
Revenue	7,152,407	15,751,478	12,988,940	22,182,854	17,995,842
(Loss)/profit before income tax	(3,249,183)	1,076,351	(803,113)	1,590,588	1,512,580
Income tax expenses	337,030	1,066,161	722,064	1,350,530	1,042,383
(Loss)/profit for the year	(3,586,213)	10,190	(1,525,177)	240,058	470,197
Attributable to:					
Ordinary shareholders of the Company	(2,992,483)	140,407	(1,471,352)	207,374	21,658
Investors of perpetual bonds	—	—	25,359	137,783	143,530
Non-controlling interests	(593,730)	(130,217)	(79,184)	(105,099)	305,009

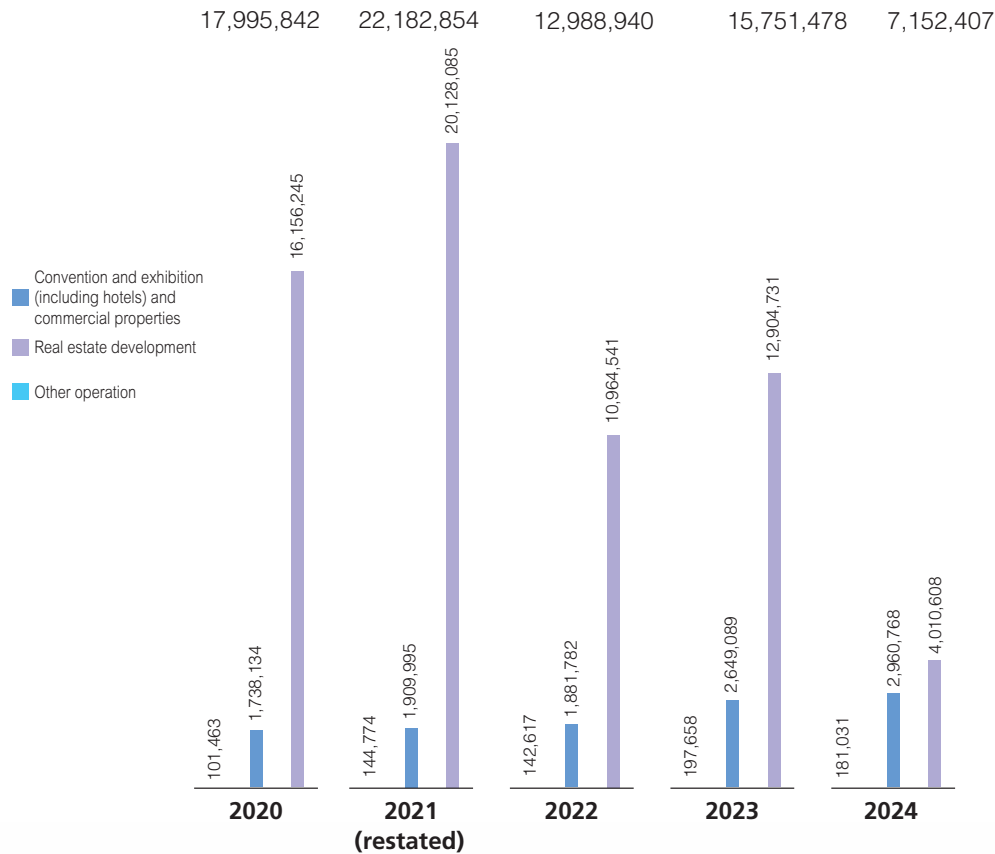
ASSETS AND LIABILITIES

As at 31 December	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000 (Restated)	2020 RMB'000
Total assets	57,619,449	65,155,827	76,112,736	88,479,352	94,929,518
Total liabilities	39,268,837	42,927,967	53,528,643	62,610,819	68,835,886
Total equity	18,350,612	22,227,860	22,584,093	25,868,533	26,093,632

Financial Highlights (Continued)

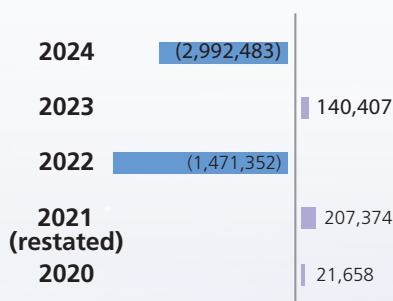
REVENUE BY BUSINESS

RMB'000



(LOSS)/PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY

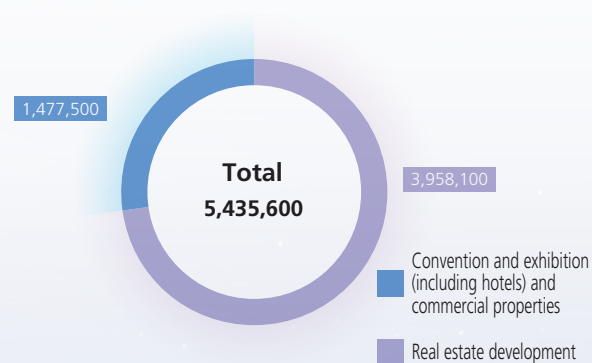
RMB'000



GROSS AREA OF PROPERTY PORTFOLIO

m²

For the year ended 31 December 2024



Chairman's Report

Dear Shareholders,

On behalf of the board of directors (the "**Board**"), I am pleased to present to you the operating results of the Company for the year ended 31 December 2024 (the "**Reporting Period**").

As of 31 December 2024, according to the Hong Kong Financial Reporting Standards ("**HKFRS**"), during the Reporting Period, the Company recorded an operating revenue of RMB7,152,407,000 representing a year-on-year decrease of 54.59%. Loss before tax and loss attributable to ordinary shareholders amounted to RMB3,249,183,000 and RMB2,992,483,000, respectively. In particular, the after-tax core operating losses of the principal activities of the Company (excluding losses arising from the changes in fair value) were RMB2,562,870,000; the loss (after taxation) on changes in fair value of investment properties during the Reporting Period was RMB429,613,000. Loss per share was RMB0.8888.

Looking back on 2024, the macroeconomic environment was complicated and volatile, with both challenges and opportunities coexisting in the market. The Company remained focused on its main responsibilities and deepened its efforts in main business, so as to consolidate the development trend of seeking progress while maintaining stability. It accelerated the synergy and integration of segments, promoted industrial digital transformation, and deeply improved the management system. In terms of the convention and exhibition (including hotels) business, the Company fully seized the market and satisfactorily completed the support for major events, thus significantly increasing the scale of the convention and exhibition sponsoring and undertaking business, steadily enhancing the professional operation capability of convention and exhibition venue and hotel management, and maintaining a leading position in the industry. In terms of the commercial properties business, the Company reinforced brand awareness, strengthened collaborative coordination, and refined asset operations with meticulous efforts, achieving a stable and positive business performance. In terms of the real estate development business, against the backdrop of an industry still undergoing profound adjustments, the Company continued to strengthen risk prevention, adopted multiple measures to boost sales and ensure timely project deliveries, optimized resource allocation and strategic positioning, and actively explored pathways for transformation. In terms of real estate development business, when the industry was still in the stage of deep adjustment, the Company continued to strengthen risk prevention, took various measures to drive sales performance and ensure project delivery timelines, integrated resources to optimize its layout, and actively explored transformation paths.

Looking forward to 2025, the Company will strengthen its confidence in development, maintain strategic focus, and make steady progress, actively serving the development of the capital in the new era and the construction of Beijing as an international consumption center. It will also coordinate high-quality development with high-level security, promote the digital transformation of the industry, and accelerate the construction of a new industrial pattern featuring mutual support, complementary advantages and coordinated development. Among them, the convention and exhibition business will take the lead in creating new competitive advantages in the industry; the commercial properties business will undergo revitalization to enhance professional operational capabilities and serve as a stabilizing force; the real estate development business will achieve transformative breakthroughs by actively exploring new models of transformation and development.

Chairman's Report (Continued)

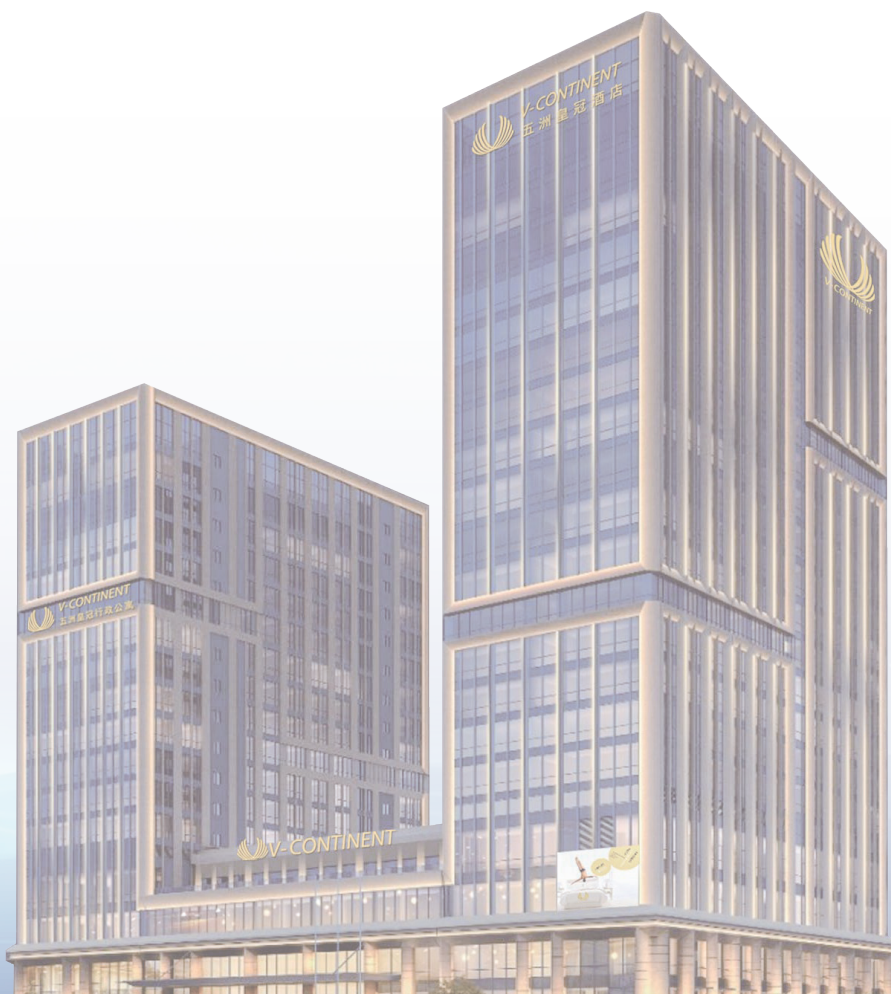
I firmly believe that, all the staff members of North Star will, with strong professional ambition and a high sense of responsibility, strive for building the Company into a first-class international convention and exhibition brand enterprise and a unique composite real estate brand enterprise, without disappointing investors who bestow trust on us.

Finally, on behalf of the Board, I would like to express our most sincere gratitude to all shareholders who have been supporting the development of the Company, and also to all the members of the Board, the supervisory committee and the management of the Company for their due diligence, and I would like to extend our heartfelt thanks to all the staff members of the Company for all the hard work they have done!

By Order of the Board



ZHANG Jie
Chairman



Management Discussion and Analysis

I. BUSINESS IN WHICH THE COMPANY WAS ENGAGED DURING THE REPORTING PERIOD

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

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

With the operating model of "Convention and Exhibition + Property", the Company continued to enhance the integration of resources and industry interaction. The Company relies on Beijing North Star Commercial Management Co., Ltd. (北京北辰商業管理有限公司) ("**North Star Commercial Management**") to carry out professional asset operation and property services management for businesses and assets held by the Company, such as office buildings, apartments and integrated commercial properties which contributes to the building of an asset operation and management model and a standard property management system with North Star's characteristics. A new development pattern featuring mutual support, complementary advantages and coordinated development among its convention and exhibition, real estate and commercial property management businesses has been formed.

The real estate development business of the Company has formed a multi-regional and multi-level development layout on a national scale, engaging in the business of diversified and multi-grade property development and operation involving residence, apartments, villas, office buildings and commercial properties. As at the end of the Reporting Period, the development projects and land reserves of the Company were located in 15 core cities, including Beijing-Tianjin-Hebei, the Yangtze River Economic Zone, the Sichuan-Chongqing City Cluster, Hainan Free Trade Port and the Greater Bay Area of Guangdong, Hong Kong and Macau, establishing a synergistic development pattern of businesses including residential, industry complex, commercial and property services.

Management Discussion and Analysis (Continued)

II. ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

The Company's advantages and core competitiveness are mainly reflected in the comprehensive brand influence of its convention and exhibition business and the development and operating capacity of composite real estate. Its leading convention and exhibition business and professional and branded businesses in the PRC such as hotels, office buildings, apartments and integrated commercial properties provide a stable income base for the Company. In recent years, the Company has focused on the convention and exhibition business as its core, using the “leading” strategy of convention and exhibition business to drive the synergistic development of its real estate and commercial property segments. Various business segments of the Company are interdependent and mutually reinforcing, thus safeguarding the steady and healthy development of the Company.

As for the convention and exhibition business segment, with its nearly 30 years of experience in professional exhibition operation and international services, the Company has actively invested in the convention and exhibition ecological industry, aiming to become a comprehensive solution service provider for the convention and exhibition industry, thereby creating a development model of the whole industry chain. In respect of activities hosting business, the Company is the main organizer of CIFTIS, responsible for the marketization and international operation of the fair; China Refrigeration Expo is one of the most influential professional exhibitions in the heating, ventilation and air conditioning and refrigeration industry in China and even in the world. As one of the main organizers, the Company has provided solid guarantee for the scale, professionalism and internationalization of the China Refrigeration Expo with its professional operating capabilities and resource advantages. In respect of exhibition venue management, the Company has maintained its position of ranking the first in the country in terms of management scale by ways of self-holding and light asset management output. Its major self-owned venues include China National Convention Center Phase I, Beijing International Convention Center, and Changsha North Star International Convention Centre, and its light asset management output covers 32 cities and regions across the country. In respect of exhibition service business, the Company has provided exhibitors with services such as construction, logistics, and information technology through management of venues.

As for the real estate business segment, the Company possesses diversified real estate development and operation capabilities, which cover projects of luxury homes, villas, apartments, affordable housing, office buildings, commercial properties, etc. It also has strong professional competence and competitiveness in the development of large-scale and comprehensive real estate projects. Taking into account the current development trend of the industry, the Company actively innovates its development model and advances the integration of “convention and exhibition + real estate” projects.

In addition, fully utilizing the advantages of the “headquarters financing” model and leveraging its good credit standing and risk management ability, the Company has established long-term and stable strategic cooperative relationships with many banks and financial institutions, with remarkable advantages in terms of loan interest rates. At the same time, the Company has actively developed diversified financing channels such as medium-term notes, corporate bonds and asset securitization to continuously optimize its overall debt structure and maintain its advantage of lower financing costs, thus effectively enhancing the risk aversion capacity of the Company.

Management Discussion and Analysis (Continued)

III. DEVELOPMENT OF THE INDUSTRY OF THE COMPANY DURING THE REPORTING PERIOD

In 2024, in the face of the complex and severe situation of increasing external pressure and internal difficulties, China responded calmly and adopted comprehensive measures. New quality productive forces developed steadily, high-quality development was promoted in a solid manner and reforms and the opening up continued to deepen. As such, risks in key areas were resolved in an orderly and effective manner, and economic operation was generally stable and has made progress, with the annual growth rate of GDP reaching 5.0%.

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

In 2024, China's convention and exhibition industry maintained a good momentum of steady development. Various convention and exhibition enterprises in China actively carried out business innovation, the digital transformation and upgrading of the convention and exhibition industry has accelerated, and market vitality was released at an accelerated pace. Meanwhile, outbound exhibitions developed rapidly, and the internationalization level of the convention and exhibition industry continued to improve. Affected by weakened domestic business demand, reduced consumer budgets and intensive price competition among hotels, the hotel industry experienced a decline in occupancy rates and average room rates. Both the new supply of and the demand for new leases in the office market in Beijing declined, the vacancy rate declined slightly throughout the year, the price-for-volume situation continued, and the year-on-year decline in rents further expanded.

2. Real Estate Development

In 2024, the relationship between supply and demand in China's real estate market has undergone significant changes, and the market was still in the process of profound adjustment. The Central Government has repeatedly emphasized the importance of real estate by requiring prevention and mitigation of real estate risks, making continuous efforts to promote stability and recovery of the real estate market, thereby fully releasing the potential of the demand for essential and improved housing. Local governments insisted on implementing city-specific policies, and the efforts to optimize policies continued to increase. Currently, most cities have fully lifted restrictive regulatory policies, while releasing positive factors by means such as increasing home purchase subsidies and raising the credit limit of the provident fund loan.

In general, after the meeting of the Political Bureau of the Central Committee of the Communist Party of China (the "**CPC Central Committee**") in September, market activity has significantly increased. However, the transaction volume of the real estate market declined significantly throughout the year, with the sales of existing homes continuing to outperform forward delivery housing. Driven by the introduction of improved properties, the average transaction price of new commodity housing showed a slight structural upward trend. According to the statistics from the National Bureau of Statistics of China, in 2024, the commodity housing sales area in the real estate market of the PRC was 814.5 million square meters, representing a year-on-year decrease of 14.1%, while the sales of commodity housing amounted to RMB8,486.4 billion, representing a year-on-year decrease of 17.6%. The national land market was still under pressure, the area sold and the land premium for residential land declined significantly, while the average transaction floor price and the premium rate declined.

Management Discussion and Analysis (Continued)

IV. DISCUSSION AND ANALYSIS ON THE OPERATIONS

In 2024, the Company actively planned its business development, promoted regional innovation cooperation and consolidated the steady and progressive development trend. The Company accelerated the synergistic integration of businesses, promoted the digital transformation of industries, and continuously upgraded the management efficiency to promote the synergistic development of the convention and exhibition (including hotels) and commercial properties and real estate segments.

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

The Company seized the opportunities to promote the convention and exhibition and hotel businesses in a comprehensive manner, recording a year-on-year increase in revenue and profit. As for the commercial properties business, the Company made quality and efficiency improvement with innovative operations, thereby achieving stable and improving operations.

(1) Convention and Exhibition (Including Hotels)

During the Reporting Period, the Company held 2,243 exhibitions of various types in its self-owned venues and hotels, representing a year-on-year increase of approximately 1.9%, of which 71 were major exhibitions, attracting 5.8625 million visitors, representing a year-on-year increase of approximately 20.6%.

Focusing on serving the national strategies and the construction of the core functions of the capital, the Company continued to promote the integration of its convention and exhibition business with the construction of Beijing's city functions as an international exchange center, a science and technology innovation center and an international consumption center. The Company's convention and exhibition business has become an important platform for the national innovation ecosystem.

Successfully completing various major event assurances. The Company has successively organized and completed various service assurances and operation tasks including over 40 major exhibitions, such as the Summit of the Forum on China-Africa Cooperation, the 2024 Sibos Financial Annual Conference, Zhongguancun Forum 2024, Global Digital Economy Conference and 2024 Beijing Forum on Swift Response to Public Complaints. Hence, "North Star Service" was well received by various parties, which further enhanced the brand influence and recognition of the Company.



1 The Beijing International Convention Centre provided hospitality services for the 6th China-Africa Media Cooperation Forum and the China-Africa Think Tank High-Level Dialogue



2 V-Continent Crown Hotel provided hospitality services for the Sibos Annual Conference

Management Discussion and Analysis (Continued)



3 ZGC International Innovation Center



4 Beijing Forum on Swift Response to Public Complaints was held at the China National Convention Center

Substantially increasing the scale of the convention and exhibition sponsoring and undertaking business. As a professional operator of the CIFTIS, Capital Convention promoted the market-oriented operation of CIFTIS 2024 to achieve new breakthroughs. 85 countries and international organizations organized exhibitions and conferences, and more than 8,000 companies attended the CIFTIS online and offline, with the overall internationalization rate exceeding 20%. Approximately 258,000 visitors were received, with the number of professional visitors increasing by 20% as compared to last year. 219 achievements were released and nearly 1,000 transactions were concluded. The specialization of exhibition undertaking was improved, with the thematic exhibition on health services being included in the theme of market-oriented exhibitor invitation for the first time, thereby achieving new breakthroughs in exhibitions, presentations, conferences, forums, and market-oriented business invitation. Regular operations were achieved as 44 regular activities of the CIFTIS were held during the period, achieving new improvements in the level of openness, quality and efficiency of cooperation, and innovation momentum. Smart operations were promoted, the digital platform of the CIFTIS was optimized, and an "online and offline exhibition" model that combined "digital and reality" was created to help promote new development in cooperation between global trade in services and service industry.



5 Conference Site of 2024 CIFTIS Xinjiang Special Promotion Meeting (Intercontinental Beijing Beichen Hotel)



6 Catering Service for 2024 CIFTIS Xinjiang Special Promotion Meeting at the Buffet Restaurant of Intercontinental Beijing Beichen Hotel

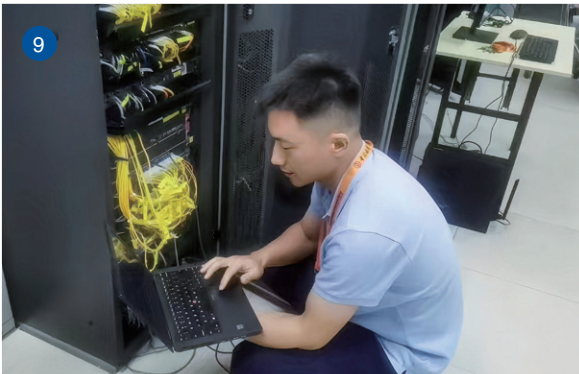
Management Discussion and Analysis (Continued)



7



8



9



10

7 V-Continent Crown Hotel successfully completed its assembly and support tasks for the opening ceremony of the CIFTIS

9 North Star Commercial Management Public Facilities Company provided service support for the 2024 CIFTIS

8 V-Continent Crown Hotel successfully completed its service support tasks for the opening ceremony of the CIFTIS

10 "Hui Yuan Snack Shop" made its debut in the No. 5 dining area of Shougang Park during the CIFTIS

Management Discussion and Analysis (Continued)

In addition, Capital Convention has actively established itself as an influential and competitive exhibition organizer, and successfully organized existing projects such as the China Refrigeration Expo, Franchise Expo, exhibitions on transportation, China Clean Expo, Trendy Toy Expo, China Game Festival and Chengdu International Logistics Expo. It successfully undertook the Second International Congress of Basic Science, the Beijing International Traditional Medicine Exhibition and the 6th Beijing Vocational Skills Competition. In an effort to expand its international development layout, Capital Convention successfully held the two touring exhibitions in Kenya and Nigeria in Africa under the 2024 China-Africa Economic and Trade Expo, creating a national-level economic and trade exchange platform with Africa, and carefully preparing for the WGC2025 World Gas Conference.



11 Beijing International Exhibition Center hosted the China Refrigeration Expo

12 Beijing Franchise Expo

13 Beijing International Exhibition Center hosted the Beijing International Exhibition on Traffic Engineering, Intelligent Transportation Technology, and Facilities (Traffic Engineering Exhibition)

14 Beijing International Exhibition Center hosted the International Clean and Maintenance Exhibition (Cleaning Expo)

15 The 10th Wuhan CGF On-site Event

16 Opening ceremony of the 2024 International Congress of Basic Science

Management Discussion and Analysis (Continued)



- 17 The World Conference on Traditional Medicine was successfully held at the China National Convention Center
- 18 The 6th Beijing Vocational Skills Competition was held at the China National Convention Center
- 19 2024 China-Africa Economic and Trade Expo into Africa (Kenya Special Event) Outdoor Atmosphere Creation
- 20 2024 China-Africa Economic and Trade Expo into Africa (Nigeria Special Event) Opening Ceremony and China-Nigeria Infrastructure Cooperation Forum
- 21 The 2025 Gas Conference joined the China International Big Data Industry Expo

Management Discussion and Analysis (Continued)

Continuing to enhance the professional operation capability of convention and exhibition venue and hotel management. During the Reporting Period, the Company entered into 7 new entrusted venue and hotel management projects and 8 new consultancy projects. To date, the Company has expanded its exhibition venue and hotel management output business into 32 cities across China, covering Beijing-Tianjin-Hebei, Guangdong-Hong Kong-Macao, Chengdu-Chongqing and other important strategic development areas in China, and owns 70 venue and hotel consultancy projects and 61 entrusted venue and hotel management projects, with a total area of nearly 5 million square meters of venues under entrusted management, enabling the Company to steadily expand its market share and maintain its leading position in the industry.



22 Xiong'an Convention & Exhibition Center



23 ZGC International Innovation Center

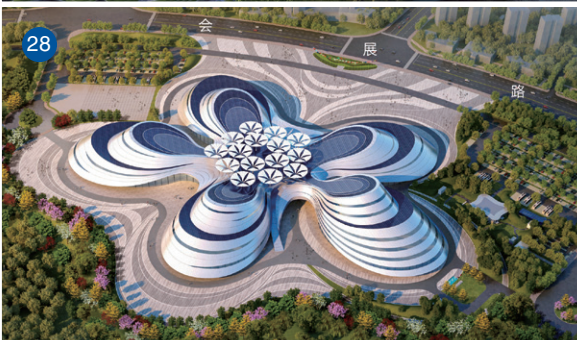


24 Nanjing Longshan Lake Hotel



25 Demonstration diagram of Zhengzhou Central Culture District Culture Exchange Center and Convention Center

Management Discussion and Analysis (Continued)



26 Demonstration diagram of Anji International Convention & Exhibition Center

27 Demonstration diagram of Dezhou Tianqu Expo Plaza

28 Demonstration diagram of Xingtai World Exhibition & Convention Center

29 Demonstration diagram of Yuncheng Convention and Exhibition Center

30 Lishui International Convention & Exhibition Center

31 Nansha International Convention & Exhibition Center

32 Demonstration diagram of Guilin International Conference and Exhibition

33 Shougang Convention & Exhibition Center

Management Discussion and Analysis (Continued)

Table 1: Convention and exhibition venue and hotel projects under entrusted management of the Company as of the end of the Reporting Period

No.	Location	Name
1	Beijing City	Beijing Jinhai Lake International Convention & Exhibition Center
2		Shougang Convention & Exhibition Center
3		ZGC International Innovation Center (former Main Venue Project of Zhongguancun Forum Permanent Venue)
4		Beijing V-Continent Tongzhou Crown Zhenpin Hotel
5	Chongqing City	Chongqing BBMG V-Continent Crown Hotel
6		Chongqing BBMG V-Continent Crown Executive Apartment
7		Chongqing V-Continent China Communications City Crown Hotel
8	Shijiazhuang City, Hebei Province	Shijiazhuang International Convention & Exhibition Center
9	Zhangjiakou City, Hebei Province	Chongli International Convention & Exhibition Center
10		V-Continent Chongli Garden-style Hotel
11		North Star V-Continent Zhangjiakou Crown Hotel
12		North Star V-Continent Wanquan Crown Hotel
13		North Star V-Continent Huai'an Garden-style Hotel
14	Xiong'an New District, Hebei	Xiong'an Convention & Exhibition Center
15		Xiong'an Convention Center Hotel
16	Langfang City, Hebei Province	North Star V-Continent Yongqing Crown Hotel
17		North Star V-Continent Yinfeng Crown Hotel
18	Xingtai City, Hebei Province	Xingtai World Exhibition & Convention Center Project, Xingtai Convention Center
19		Ancillary hotels for Xingtai Convention Center
20	Guangzhou City, Guangdong Province	Nansha International Convention & Exhibition Center (former Convention & Exhibition Project of Permanent Venue of International Finance Forum (IFF))
21	Zhuhai City, Guangdong Province	Zhuhai International Convention & Exhibition Center
22		North Star Zhuhai JinYE V-Continent Crown Hotel
23		Zhuhai V-Continent Athletes Apartment
24	Huizhou City, Guangdong Province	North Star V-Continent Huidong Executive Apartment
25	Fuzhou City, Fujian Province	Fuzhou Digital China Convention & Exhibition Center

Management Discussion and Analysis (Continued)

No.	Location	Name
26	Nanjing City, Jiangsu Province	Yangtze International Convention Center
27		Yangtze International Convention Center Hotel
28		Nanjing Biotech and Pharmaceutical Valley Business Center Project
29		V-Continent Nanjing Executive Apartment
30		Nanjing V-Continent Crown Hotel
31	Nantong City, Jiangsu Province	Nantong International Convention & Exhibition Center
32		Nantong V-Continent Crown Hotel
33	Lianyungang City, Jiangsu Province	Lianyungang Continental Bridge Convention Center
34		Ancillary hotels for Lianyungang Continental Bridge Convention Center
35	Taizhou City, Jiangsu Province	Taizhou China Medical City Exhibition Center
36	Hangzhou City, Zhejiang Province	Hangzhou International Expo Center
37		Hangzhou International Expo Center North Star Hotel
38	Lishui City, Zhejiang Province	Lishui International Convention & Exhibition Center
39		Ancillary hotels for Lishui International Convention & Exhibition Center
40	Huzhou City, Zhejiang Province	Anji International Convention & Exhibition Center
41		Ancillary hotels for Anji International Convention & Exhibition Center
42	Qingdao City, Shandong Province	Qingdao Shanghe Building (former Shanghe International Convention Center)
43		Qingdao SCODA Pearl International Expo Center Complex (Hall A)
44	Weihai City, Shandong Province	Weihai International Economic and Trade Exchange Center
45		Weihai Chengtou Beichen Hotel
46	Dezhou City, Shandong Province	Dezhou Tianqu International Convention & Exhibition (former Dezhou Tianqu Expo Plaza)
47	Yuncheng City, Shanxi	Yuncheng Convention and Exhibition Center
48	Chengdu City, Sichuan Province	Chengdu Airport International Convention Center (former Conference Center of Chengdu Airport Industrial Service Zone Construction Project)
49		Chengdu Airport International Convention Center Hotel
50	Wuhan City, Hubei Province	North Star V-Continent Wuhan China Communications City Crown Hotel

Management Discussion and Analysis (Continued)

No.	Location	Name
51	Changsha City, Hunan Province	North Star V-Continent Changsha China Communications International Center Crown Hotel
52	Zhengzhou City, Henan Province	Zhengzhou Central Culture District Culture Exchange Center and Convention Center
53		Ancillary hotels for Zhengzhou Central Culture District Culture Exchange Center and Convention Center
54	Tonghua City, Jilin Province	North Star V-Continent Tonghua Wanfeng Crown Hotel
55		Tonghua V-Continent Cancuang Crown Hotel
56	Yichun City, Jiangxi Province	North Star V-Continent Jiangxi Hongwei Crown Hotel
57	Hohhot City, Inner Mongolia Autonomous Region	V-Continent Commerce Hohhot Jinqiao Development Zone Hotel
58	Guilin City, Guangxi Zhuang Autonomous Region	Guilin International Conference and Exhibition Center
59		Ancillary hotels for Guilin International Conference and Exhibition Center
60	Yinchuan City, Ningxia Hui Autonomous Region	Ningxia International Hall
61	Nyingchi City, Tibet Autonomous Region	V-Continent Linzhi Hotel

Promoting industry development with continuous efforts. The Company continued to deepen the cooperation with international events organisations through the first international mutual recognition program for professional qualifications in the convention and exhibition industry in China entered into by the Beijing Municipal Human Resources and Social Security Bureau and International Congress and Convention Association (“**ICCA**”), which has been included in the Catalog of Recognized International Professional Qualifications in Beijing Municipality (Version 1.0), marking a milestone of a qualification in the convention and exhibition industry being included in a catalog of international professional qualifications, and taking the lead in achieving the breakthrough from unilateral recognition to mutual recognition for professional qualifications in China. Accordingly, the Company launched the “One Examination, Three Certification” system on a trial basis, setting a precedent in the convention and exhibition industry. The Company has successfully launched the first ICCA Global Venues Forum that strengthened efforts of nurturing talents in the global convention and exhibition industry. By launching the first ICCASkills program for training of talents in the global business events industry, the Company further promoted the development of the industry and enhanced the competitiveness of the industry in the world.

(2) Commercial Properties

The commercial properties segment of the Company has been pursuing innovative operation for quality and efficiency improvement. Firstly, the Company has proactively planned for integration of resources in convention, exhibition, culture, business,

Management Discussion and Analysis (Continued)

tourism and sports sectors in the Asian-Olympic district, initiating the establishment of the Alliances for New Consumption and Innovation in the Asian-Olympic business district. By deepening cooperation between governments and enterprises and exploring opportunities for regional economic cooperation, the Company has built new scenarios for consumption and launched the “Asian-Olympic Spending Map”, effectively guiding regional consumption scene interactions and injecting new vitality into the area. Secondly, the Company continued to optimize marketing strategies, strengthen synergistic coordination and promote brand awareness through continuous improvement in management quality and strengthened operating capacity of new media. With these efforts that play a more important role as an anchor, the Company achieved outstanding results in retaining customers and maintaining their loyalty, while realising contract-signing with major clients. Furthermore, the Company leveraged its advantage in terms of resources in serving the development of technology innovation centers as a function of Beijing, digital benchmark city and digital industries in Beijing. Leveraging resource endowment of high-quality offices, the Company participated in the establishment of Chaoyang Data Factor Industrial Park that was included in the Beijing International Data Exchange and undertook 11 industrial events including the World Artificial Intelligence LM seminar. The Company also refined asset operation in a practical manner by developing alliances for competition for regional buildings in regions and stimulating new vitality in regional markets through the asset-based small alliance of North Star. The Company conducted studies on repositioning its apartment brands, thereby enhancing the efficiency of self-owned commercial/residential buildings in generating revenue. The Company continued to promote the development of systems by completing the preparation of SOP manual for business mode of grade-A offices and obtaining three certifications for ISO system standards. The Company has been proactively developing the selling point of “North Star Yue services” by fostering the capacity of providing management services. Currently, the Company has undertaken 4 projects of serving internal and external entities. North Star New Space, the first project of changing from commercial buildings to office buildings in the Asian-Olympic district and the first urban renewal project of the Company, has been awarded the “Urban Renewal Outstanding Award 2023”.



34 Panoramic view of Hui Yuan Apartment

Management Discussion and Analysis (Continued)

Table 2: Leasing of real estate during the Reporting Period

Unit: 0'000 Currency: RMB

No.	Location	Project	Mode of operation	Construction area of the leased real estate (square meter)	Rental income of the leased real estate	Equity proportion (%)
1	No. 7 Tian Chen Dong Road, Chao Yang District, Beijing	China National Convention Center	Convention and exhibition	270,800	61,651	100
2	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Beijing International Convention Center	Convention and exhibition	58,000	10,176	100
3	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Bin Plaza	Office building	37,800	5,654	100
4	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Xin Plaza	Office building	40,900	4,872	100
5	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	North Star Times Tower	Office building	131,300	15,628	100
6	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	North Star Century Center	Office building	149,800	18,491	100
7	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Zhen Building Property	Office building	8,400	2,070	100
8	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Beijing Continental Grand Hotel	Hotel	42,000	13,800	100
9	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	National Convention Centre Hotel	Hotel	42,900	9,327	100
10	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	V-Continent Beijing Parkview Wuzhou Hotel	Hotel	60,200	16,183	100
11	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	Intercontinental Beijing Beichen Hotel	Hotel	60,000	16,409	100
12	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Intercontinental Changsha	Hotel	79,200	15,306	100
13	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Yuan Apartment	Apartment	184,300	27,610	100
14	A13 Beiyuan Road, Chao Yang District, Beijing	B5 Commercial Area of North Star Green Garden	Commercial	49,700	3,556	100
15	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Changsha North Star Delta Joy City	Commercial	100,000	11,605	100
16	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Changsha North Star International Convention Centre	Convention and exhibition	39,100	6,024	100
17	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Changsha North Star International Hotel	Hotel	62,500	8,864	100
18	No. 9, Gaoxin 2nd Road, Hongshan District, Wuhan City, Hubei Province	Wuhan Guangguli	Commercial	29,600	1,645	100
19	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	North Star New Space	Office building	31,000	3,758	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 leased real estate represents the total construction area of the project;
3. The rental income of the leased real estate is the operating income of the project;
4. Construction area and operating income of North Star Times Tower have included the construction area and operating income of the Xincheli Shopping Centre commercial project;
5. The above-mentioned properties items 2, 3, 7, 8, 10, 13 and 19 are erected on land leased from Beijing North Star Industrial Group Limited.

2. Real Estate Development

Against the backdrop of severe pressure arising from an in-depth restructuring facing the real estate market as a whole, the Company has been working to eliminate the differentiation and pursue stability in the market, and strived to improve its risk prevention ability relating to the real estate development business.

Keeping a close eye on accelerated market differentiation. The Company carried out careful research on changes in policies and trends of the industry relating to real estate, with dynamic adjustments to the marketing strategies by the strategy of “one policy for one project”, in order to seize opportunities for eliminating differentiation and promoting the industry. With efforts that integrate online and offline businesses, the Company continued to strengthen efforts to digital marketing and, placing equal emphasis on stringent appraisal and stronger incentives. With these efforts, the Company realized online commercial housing contracts of RMB4.4 billion, including the A2 Residence of Changsha North Star Delta that recorded successful sales upon its launch and is among the market leaders in terms of transaction prices. During the Reporting Period, the Company achieved contracted sales amount of RMB4.426 billion (including parking spaces) and contracted sales area of 339,500 square meters.



35 Showroom of Changsha North Star Delta A2 Zone (Yuejiangyang)

Constructing buildings with unique craftsmanship and completing in a smooth and orderly manner. The Company consolidated the management on its large-scale operation system to strengthen full-cycle management and control on all nodes. During the year, the delivery of over 3,200 residential units in five batches of four projects was completed. With its service mentality that is strengthened by the customer-oriented approach, the Company achieved a customer satisfaction that is higher than the industry average. The total area for new and resumed construction was 1,836,000 square meters and the total completed area was 742,000 square meters.

Management Discussion and Analysis (Continued)

Preventing risks while ensuring prudent operation. The Company enhanced capital utilization efficiency, optimized the development of layout in city centres and consolidated regional resources, thereby enhancing efficiency per capita and ensuring the bottom line of safety. The Company has established operation management companies to tap idle assets, thereby revitalizing assets and enhancing efficiency. The Company has been exploring opportunities for coordinated development among various business modes and proactively engaging in the development of areas for conventions and exhibitions in various regions, thereby broadening the space for new partnership and investment in areas surrounding the cities.

3. Efficient Advancement of Strategic Coordination

During the Reporting Period, the Company strengthened the advancement of strategic coordination. In alignment with its development strategy and the operational realities of its various business segments, the Company enhanced internal control mechanisms, and integrated resources across its three major business segments. By optimizing the operational management models of its self-held assets, including convention and exhibition venues, hotels, office buildings and commercial properties, the Company leveraged its internal resource integration and professional expertise to build a unified operational system characterized by industry linkage and in-depth integration. This approach maximized the utilization of resources and optimized output efficiency, paving new development pathways through professionalism and integration.

The Company continued to promote digitalization to empower synergistic development. Taking digitalization as its core driving force and with the focus on its convention and exhibition business, the Company connected North Star's full range of services, spanning the entire industry chain of convention and exhibition and consumer experiences, to create a one-stop digital marketing platform for exhibition organizers, enterprises, consumers, and other users. By integrating resources across seven major business areas, including exhibitions, venues, hotels, commercial facilities, apartments, office buildings and saleable properties, the platform has initiated a new chapter in the digital and collaborative development of the convention and exhibition and business travel industry ecosystem.

Table 3: Real estate reserve during the Reporting Period

No.	Region(s) of the land held for development	Land area held for development (square meter)	Planned plot ratio-based gross floor area (square meter)	Whether cooperative development project is involved	Area of cooperative development project (square meter)	Percentage of interest in cooperative development project (%)
1	Wuhan North Star Guangguli	134,800	337,000	No	–	100
2	Langfang North Star Xianglu	56,900	296,800	No	–	100
3	Chongqing • Yuelai Mansion One	167,400	918,000	No	–	100

Notes:

- Land area held for development represents the gross construction area of undeveloped portion of project land;
- Planned plot ratio-based gross floor area represents the data calculated with reference to the conditions of assignment at the time of project auction;
- Area of cooperative development project represents the plot ratio-based gross floor area attributable to the interest held by the Company;
- During the Reporting Period, total land reserve of the Company was 3,958,100 square meters; equity land reserve was 3,688,600 square meters, with no newly added real estate reserve.

Management Discussion and Analysis (Continued)

Table 4: Investment in real estate development during the Reporting Period

Unit: 100 million Currency: RMB

No.	Location	Project	Mode of operation	Projects under construction/ Newly commenced projects/ Completed projects	Planned plot ratio-based		Total floor area under construction (square meter)	Floor area under construction (square meter)	Completed area (square meter)	Total investment amount	Actual investment amount during the Reporting Period
					Project area (square meter)	gross floor area (square meter)					
1	Haidian, Beijing	Beijing North Star Xianglu	Residence	Completed	142,400	230,000	312,100	-	312,100	28.59	-
2	Changping, Beijing	Beijing North Star Red Oak Villa	Villa	Under construction	287,500	150,000	213,700	40,200	173,500	34.00	0.18
3	Shunyi, Beijing	Beijing Modern North Star Yue MOMA	Self-occupied commercial housing, two-limit housing	Under construction	52,800	109,300	132,500	1,400	131,100	23.47	-
4	Shunyi, Beijing	Beijing North Star • Villa 1900	Residence	Completed	101,200	140,000	213,300	-	213,300	24.45	-
5	Changping, Beijing	Beijing Jinchun Mansion	Residence	Completed	86,600	170,400	280,100	-	280,100	53.17	0.47
6	Mentougou, Beijing	Beijing Longfor North Star Lanjing	Residence	Completed	26,000	66,200	104,100	-	104,100	24.98	0.35
7	Changsha, Hunan	Changsha North Star Delta	Residence, commercial and office building etc.	Under construction	780,000	3,820,000	5,019,800	236,500	4,783,300	430.31	12.12
8	Changsha, Hunan	Changsha North Star Central Park	Residence	Completed	336,300	720,000	927,100	-	927,100	26.03	0.45
9	Changsha, Hunan	Changsha North Star Shiguangli	Residence and commercial	Completed	27,700	107,900	145,400	-	145,400	12.28	0.36
10	Wuhan, Hubei	Wuhan North Star Modern You +	Residence and commercial	Completed	104,700	241,100	313,300	-	313,300	20.77	0.0059
11	Wuhan, Hubei	Wuhan North Star Guangguli	Commercial service	Under construction	84,200	337,000	492,000	-	357,200	50.61	2.87
12	Wuhan, Hubei	Wuhan Blue City	Residence and commercial	Under construction	358,000	716,000	980,100	17,000	745,400	114.11	1.26
13	Wuhan, Hubei	Wuhan Gendale • North Star China Chic	Residence	Completed	41,800	127,000	178,900	-	178,900	13.01	0.03
14	Wuhan, Hubei	Wuhan North Star Peacock City Hangtian Mansion	Residence	Completed	75,200	172,800	220,400	-	220,400	10.44	0.24
15	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (Lot 067)	Residence and commercial	Completed	50,500	126,200	180,900	-	180,900	13.16	1.18

Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Projects under construction/ Newly commenced projects/ Completed projects	Planned				Total floor area under construction (square meter)	Completed area (square meter)	Total investment amount	Actual investment amount during the Reporting Period
					Project area (square meter)	ratio-based gross floor area (square meter)	plot area (square meter)	Floor area under construction (square meter)				
16	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (Lot 068)	Residence and commercial	Under construction	63,200	158,100	227,700	227,700	-	-	23.97	0.07
17	Wuhan, Hubei	Wuhan North Star Jindiyang Time	Residence and commercial	Completed	50,500	151,400	212,100	-	-	212,100	20.40	0.32
18	Hangzhou, Zhejiang	Hangzhou North Star Shushan Project	Residence and commercial	Completed	83,900	235,000	317,500	-	-	317,500	25.23	0.20
19	Hangzhou, Zhejiang	Hangzhou Guosongfu	Residence	Completed	21,900	48,200	69,900	-	-	69,900	17.08	0.08
20	Hangzhou, Zhejiang	Hangzhou Lingchao Mansion	Residence	Completed	12,200	25,700	44,400	-	-	44,400	12.52	0.41
21	Hangzhou, Zhejiang	Hangzhou North Star Chenchun Lancheng	Residence	Under construction	69,000	179,500	276,600	276,600	276,600	276,600	52.41	5.58
22	Ningbo, Zhejiang	Ningbo Beichenfu	Residence	Completed	47,300	137,400	189,700	-	-	189,700	46.11	0.28
23	Ningbo, Zhejiang	Ningbo Mansion • Jintian	Residence and commercial	Completed	133,000	292,500	404,800	-	-	404,800	34.33	0.23
24	Yuyao, Zhejiang	Ningbo Xianglu Bay	Residence	Completed	68,700	116,800	166,400	-	-	166,400	22.22	0.54
25	Suzhou, Jiangsu	Suzhou North Star CIFI Park No. 1 Mansion	Residence and commercial	Completed	178,700	180,500	273,900	-	-	273,900	17.28	0.02
26	Suzhou, Jiangsu	Suzhou Guanlan Mansion	Residence and commercial	Completed	170,000	268,800	392,900	84,200	84,200	392,900	71.42	3.27
27	Wuxi, Jiangsu	Wuxi Tianyi Jiuzhu	Residence	Completed	88,000	196,000	255,400	-	-	255,400	29.30	0.03
28	Chengdu, Sichuan	Chengdu North Star Langshi	Residence and commercial	Completed	63,600	158,600	237,000	-	-	237,000	10.14	0.02
29	Chengdu, Sichuan	Nanmen Lvjun	Residence and commercial	Completed	40,400	96,900	148,300	-	-	148,300	16.16	-
30	Chengdu, Sichuan	Chengdu North Star • Xianglu	Residence	Completed	88,000	210,000	297,100	-	-	297,100	26.37	0.18
31	Chengdu, Sichuan	South Lake Xianglu	Residence and commercial	Completed	26,600	79,800	120,000	-	-	120,000	18.03	0.41
32	Chengdu, Sichuan	Chengdu North Star Royal Palace	Residence and commercial	Completed	80,100	160,300	227,300	-	-	227,300	22.92	0.59
33	Meishan, Sichuan	Chengdu North Star Luming Mansion	Residence and commercial	Completed	59,900	149,800	197,400	-	-	197,400	34.49	1.66
34	Meishan, Sichuan	Sichuan North Star Guosongfu	Residence and commercial	Completed	69,900	84,000	126,600	-	-	126,600	31.28	1.87
35	Langfang, Hebei	Sichuan North Star Longxitai	Residence and commercial	Under construction	140,700	296,800	414,500	63,800	63,800	357,700	31.28	1.87

Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Projects under construction/ Newly commenced projects/ Completed projects	Planned plot ratio-based gross floor area (square meter)	Project area (square meter)	Total floor area (square meter)	Floor area under construction (square meter)	Completed area (square meter)	Total investment amount	Actual investment amount during the Reporting Period
					(square meter)	(square meter)	(square meter)	(square meter)	(square meter)		
36	Langfang, Hebei	Langfang North Star Blue City (Lot 2018-4)	Residence	Under construction	82,500	164,800	245,600	245,600	-	30.02	3.27
37	Langfang, Hebei	Langfang Xingchenli (Lot 2019-3)	Commercial	Under construction	21,100	52,800	75,400	75,400	-		
38	Langfang, Hebei	Langfang North Star (Lot 2020-5)	Residence	Under construction	46,200	92,000	135,400	135,400	-	13.43	1.19
39	Hefei, Anhui	Hefei North Star CIFI Park Mansion • Luzhou	Residence and commercial	Completed	141,700	239,000	356,200	-	356,200	22.56	0.06
40	Yubei, Chongqing	Chongqing • Yuelai Mansion One	Residence and commercial	Under construction	429,100	918,000	1,321,100	251,700	1,153,600	115.93	6.73
41	Yubei, Chongqing	Chongqing North Star Xianglu	Residence	Under construction	68,200	102,200	150,400	1,000	149,400	24.64	1.12
42	Haikou, Hainan	North Star Mansion in Haikou	Residence and commercial	Completed	106,800	206,000	281,100	-	281,100	40.02	0.93
43	Haikou, Hainan	Haikou North Star Changxiu Shijia	Residence	Completed	30,500	106,800	134,700	-	134,700	12.35	0.59
44	Guangzhou, Guangdong	Guangzhou Lanting Xianglu (Lot 116)	Residence and commercial	Under construction	25,900	77,800	113,700	113,700	-	12.00	0.57
45	Guangzhou, Guangdong	Guangzhou Lanting Xianglu (Lot 114)	Residence and commercial	Completed	25,100	76,600	110,600	64,200	110,600	10.63	0.93

Notes:

1. Total investment amount represents the estimated total investment amounts for each project;
2. During the Reporting Period, the Company's new construction area was 40,000 square meters; the area for new and resumed construction was 1,836,100 square meters; and the completed area was 742,300 square meters.

Management Discussion and Analysis (Continued)

Table 5: Sales and booked sales of real estate during the Reporting Period

Unit: 0'000 Currency: RMB

No.	Location	Project	Mode of operation	Saleable area (square meter)	Sold (including pre-sold) Area (square meter)	Booked area (square meter)	Booked revenue	Area to be booked at the end of the Reporting Period (square meter)
1	Chao Yang, Beijing	Beijing North Star Green Garden	Residence, commercial and office building	6,291	–	–	508	337
2	Haidian, Beijing	Beijing North Star Xianglu	Residence	–	–	235	444	492
3	Chao Yang, Beijing	Beijing North Star Fudi	Residence and commercial	3,131	–	–	–	–
4	Shunyi, Beijing	Beijing North Star • Villa 1900	Residence	3,959	2,979	3,050	7,003	692
5	Chao Yang, Beijing	Beijing Bihai Fangzhou	Residence	830	–	–	–	1,499
6	Changping, Beijing	Beijing North Star Red Oak Villa	Villa	27,729	–	–	–	620
7	Shunyi, Beijing	Beijing Modern North Star Yue MOMA	Self-occupied commercial housing, two-limit housing	3,243	655	655	–	–
8	Changping, Beijing	Beijing Jinchen Mansion	Residence	85,234	3,761	2,581	10,439	1,180
9	Mentougou, Beijing	Beijing Longfor North Star Lanjing	Residence	5,066	5,746	–	–	–
10	Changsha, Hunan	Changsha North Star Delta	Residence, commercial and office building etc.	112,065	37,605	51,711	88,599	44,002
11	Changsha, Hunan	Changsha North Star Central Park	Residence	12,040	3,646	6,070	6,019	5,750
12	Changsha, Hunan	Changsha North Star Shiguangli	Residence and commercial	16,429	5,222	7,384	4,619	2,010
13	Wuhan, Hubei	Wuhan North Star Modern You +	Residence and commercial	662	–	–	–	–
14	Wuhan, Hubei	Wuhan North Star Guangguli	Commercial service	73,613	13,808	14,032	2,333	139
15	Wuhan, Hubei	Wuhan North Star Blue City	Residence and commercial	60,037	16,011	14,185	8,085	2,267

Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Saleable area (square meter)	Sold (including pre-sold) Area (square meter)	Booked area (square meter)	Booked revenue	Area to be booked at the end of the Reporting Period (square meter)
16	Wuhan, Hubei	Wuhan Gemdale • North Star China Chic	Residence	849	849	849	899	–
17	Wuhan, Hubei	Wuhan North Star Peacock City Hangtian Mansion	Residence	35,865	1,584	1,660	–	273
18	Wuhan, Hubei	Wuhan North Star Jingkaixiyou+ (Lot 067)	Residence and commercial	48,022	26,342	22,886	11,498	3,455
19	Wuhan, Hubei	Wuhan North Star Jindiyang Time	Residence and commercial	34,885	5,599	–	–	–
20	Hangzhou, Zhejiang	Hangzhou North Star Shushan Project	Residence and commercial	7,304	–	190	1,465	–
21	Hangzhou, Zhejiang	Hangzhou Guosongfu	Residence	–	–	–	317	–
22	Hangzhou, Zhejiang	Hangzhou Lingchao Mansion	Residence	800	160	318	1,197	–
23	Hangzhou, Zhejiang	Hangzhou North Star Chenchun Lancheng	Residence	51,053	10,275	19,232	29,629	204
24	Ningbo, Zhejiang	Ningbo Beichenfu	Residence	7,510	–	–	199	–
25	Ningbo, Zhejiang	Ningbo Mansion • Jintian	Residence and commercial	147	146	146	217	–
26	Yuyao, Zhejiang	Ningbo Xianglu Bay	Residence	19,470	13,520	13,135	21,522	385
27	Suzhou, Jiangsu	Suzhou Guanlan Mansion	Residence and commercial	88,769	30,566	35,796	41,874	5,081
28	Chengdu, Sichuan	Chengdu North Star Langshi Nanmen Lvjun	Residence and commercial	1,816	1,092	1,092	1,338	735
29	Chengdu, Sichuan	Chengdu North Star • Xianglu	Residence and commercial	602	–	–	32	–
30	Chengdu, Sichuan	Chengdu North Star • South Lake Xianglu	Residence	7,055	307	516	1,133	–
31	Chengdu, Sichuan	Chengdu North Star Royal Palace	Residence and commercial	5,459	984	875	567	107
32	Chengdu, Sichuan	Chengdu North Star Luming Mansion	Residence and commercial	11,733	1,558	1,356	2,801	792

Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Saleable area (square meter)	Sold (including pre-sold) Area (square meter)	Booked area (square meter)	Booked revenue	Area to be booked at the end of the Reporting Period (square meter)
33	Meishan, Sichuan	Sichuan North Star Guosongfu	Residence and commercial	16,653	11,013	11,120	5,884	476
34	Meishan, Sichuan	Sichuan North Star Longxitai	Residence and commercial	68,176	15,243	12,946	9,062	2,850
35	Langfang, Hebei	Langfang North Star Xianglu	Residence and commercial	38,647	28,805	28,893	27,714	298
36	Hefei, Anhui	Hefei North Star CIFI Park Mansion • Luzhou	Residence and commercial	857	–	–	563	–
37	Yubei, Chongqing	Chongqing • Yuelai Mansion One	Residence and commercial	121,225	43,806	56,089	58,690	7,864
38	Yubei, Chongqing	Chongqing North Star Xianglu	Residence	54,717	26,695	27,411	37,796	2,820
39	Haikou, Hainan	North Star Mansion in Haikou	Residence and commercial	43,984	5,840	6,389	13,129	9,486
40	Haikou, Hainan	Haikou North Star Changxiu Shijia	Residence	2,373	100	4,032	4,614	–
41	Guangzhou, Guangdong	Guangzhou Lanting Xianglu (Lot 114)	Residence and commercial	30,893	25,537	–	–	–

Note:

During the Reporting Period, the Company's sales amount was RMB4,426,000,000; sales area was 339,453 square meters; settlement amount was RMB4,011,000,000; settlement area was 344,834 square meters; the area to be booked as at the end of the Reporting Period was 93,814 square meters.

Management Discussion and Analysis (Continued)

4. Financing

By strengthening efforts to conduct policy research, continuously optimizing its financing structure, proactively expanding financing channels and expanding its cooperation with financial institutions, the Company strived to guarantee the security and stability of its capital chain. The Company continued to strengthen cash management and control, increase capital utilization efficiency and enhance debt management and control, so as to prevent capital risk and ensure that the asset-liability ratio is maintained at a reasonable level.

Table 6: Financing of the Company during the Reporting Period

Unit: 0'000 Currency: RMB

Total financing amount as at the end of the period	Overall average financing cost (%)	Interest capitalised
2,390,768	4.07	22,717

Management Discussion and Analysis (Continued)

V. MAJOR BUSINESS CONDITIONS DURING THE REPORTING PERIOD

In 2024, the Company achieved operating revenue of RMB7,152,407,000, representing a year-on-year decrease of 54.59%, which was mainly attributable to the decrease in revenue from the real estate development segment. Meanwhile, the Company's loss before tax and loss attributable to ordinary shareholders amounted to RMB3,249,183,000 and RMB2,992,483,000, respectively, due to the loss in the real estate business. The after-tax core operating loss of the Company's main business (excluding losses arising from the changes in fair value) was RMB2,562,870,000, while during the period, the losses (after taxation) on changes in fair value of investment properties were RMB429,613,000. Loss per share was RMB0.8888.

Of which, the operating revenue from convention and exhibition (including hotels) and commercial properties segment achieved RMB2,960,768,000 during the Reporting Period, representing a year-on-year increase of 11.77%, while the profit before tax amounted to RMB492,087,000, representing a year-on-year increase of 4.80%. The real estate development segment achieved operating revenue of RMB4,010,608,000 (including parking spaces) during the Reporting Period, representing a year-on-year decrease of 68.92%, while the loss before tax amounted to RMB3,420,167,000.

VI. THE COMPANY'S DISCUSSION AND ANALYSIS OF FUTURE DEVELOPMENT OF THE COMPANY

(I) Industry Landscape and Trend

In 2025, by adhering to the general principle of seeking progress while maintaining stability, China will fully, accurately and comprehensively implement new development philosophy, accelerate the construction of a new development pattern, make efforts to promote high-quality development and pursue a more proactive and impactful macroeconomic policy. In addition, the government will step up the extraordinary counter-cyclical control policies, boost domestic demand, stabilize expectations and stimulate vitality, thereby driving continuous economic revival and recovery.

For convention and exhibition (including hotels) and commercial properties, the "Resolution of the CPC Central Committee on Further Deepening Reform Comprehensively to Advance Chinese Modernization" adopted by the Third Plenary Session of the 20th CPC Central Committee stressed that systems and mechanisms of services shall be improved. Given that the convention and exhibition industry is an important part of the modern service industries, its high-quality development is an integral part of efforts to improve and develop systems and mechanisms of the services industries. As the central government and local governments at various levels have considered the convention and exhibition industry as an important part of efforts to foster economic development, the multiplier effect of economic benefits from the convention and exhibition industry will be unleashed at a faster pace. Moreover, as China further promotes initiatives including regulating and developing the long-term rental housing market, comprehensively boosts consumption, proactively develops service consumption and accelerates the plan of establishing Beijing as an international consumption center, the convention and exhibition, hotels, office buildings and commercial properties businesses in China will have more room and opportunities for development.

Management Discussion and Analysis (Continued)

For the real estate development business, China will adjust and optimize the real estate policies in a timely manner to adapt to the new situation arising out of the major changes in the demand-supply relationship in the market. The policy toolkit will be well utilized with city-specific policies to better meet residents' essential housing demand as well as demand for improved homes, the fundamental system related to real estate will be improved and the construction of a new real estate development model will be accelerated to advance the steady and healthy development of the market.

(II) Development Strategy of the Company

The Company will align development with safety, overcome difficulties, tackle challenges head-on, fully leveraging its strategic leadership role. It will focus on “collaborative development, reform and innovation”, actively plan for business growth, deepen the integration and synergistic coordination of multi-industry resources, and strengthen inter-enterprise communication and cooperation. Through multiple measures, the Company will promote the expansion of business scale and high-quality development, enhance efficiency, improve effectiveness, and increase profitability, thereby elevating its operations to a new level.

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

The Company will focus on serving the overall national plans and the functional construction of the “four centers” of the capital city, and supporting the establishment of Beijing’s international consumption center. It will continuously enhance the strategic framework of the convention and exhibition segment, and fully leverage its role as a driving force within the industry, driving the synergistic growth of hotels, office buildings, apartments, integrated commercial properties and other business types.

In respect of the convention and exhibition business segment, the Company will **firmly advance its “leading” strategy within the segment** with a view to establishing an international first-class and domestically leading convention and exhibition brand. The Company will expand and strengthen its primary convention and exhibition business, so as to lead the development of other businesses, achieve growth in operating indicators such as revenue and profit, and fully leverage the “service assurance, driving and promoting” function of the convention and exhibition business. The Company will **scale up and enhance its upstream convention and exhibition business**, strengthen collaboration with various international organizations, government agencies, industry associations, and leading enterprises, and continuously increase the implementation of government-led exhibitions, international exhibitions, and self-branded exhibition projects. It will **promote brand building** by continuously strengthening the brand advantages of North Star’s service brand, venue management brand, and convention and exhibition think tank brand, while actively establishing digital innovation platforms and fostering new paradigms for smart conventions and exhibitions. The Company will **deepen the industrial layout** by developing the convention and exhibition organizing and undertaking business through multiple channels and fields, in a bid to consolidate the advantages of the midstream convention and exhibition business, develop the convention and exhibition service business, and build an ecosystem-oriented industry. The Company will **optimize its own strategic business layout** through opening up innovative channels and integrating cooperation resources to create a convention

Management Discussion and Analysis (Continued)

and exhibition ecosystem featuring “government, enterprises, universities, research institutions, financial institutions, intermediaries and transformation of results”. This will further enhance the core competitiveness of the convention and exhibition industry of North Star, supporting the Company’s commitment to build its convention and exhibition industry into a leading industry that can lead the development of China’s convention and exhibition industry and empower North Star’s transformation of real estate and innovation of commercial properties.



36 Hangzhou International Expo Center's Intelligent Operation Platform can instantly respond to customers' needs

In respect of the commercial properties segment, the Company will leverage North Star Commercial Management as a platform to foster innovative development with the aim to establish itself as a leading domestic brand and enterprise in the operation and management of public construction and park-related assets. The Company will concentrate on the businesses of office buildings, apartments and business parks, while thoroughly exploring the value of special assets such as hotels, industrial parks and cultural parks, so as to continue to improve operational efficiency and human resources efficiency. The Company will **pragmatically promote the normalized operation of the New Consumption Innovation Alliance in the Asia Olympic Business District**, collaborating with alliance members to drive cross-border integration of consumption scenarios. This will facilitate the interconnection of resources across conventions and exhibitions, commerce, culture, tourism, and sports, accelerating the release of new regional consumption vitality. The Company aims to achieve the organic integration of economic, political and social attributes. The Company will **scientifically optimize the management and control model**, stimulate the vitality of the organization, and focus on the “three improvements” in profits, efficiency and human resources efficiency. The Company will strengthen and optimize its asset management by comprehensively deepening market-oriented benchmarking, focusing on strengthening property management, energy management and control as well as business expansion capabilities. It will also build the product operation and product management structure

Management Discussion and Analysis (Continued)

of North Star's assets, and effectively implement the construction of the pricing system of commercial projects. The Company will **build professional product lines** in order to strengthen the synergy of internal and external resources and accelerate the construction of Chaoyang Data Element Industrial Park, thereby establishing and improving the full-chain service system for the data element industry. The Company will **accelerate the launch of digital marketing and the construction of commercial property platforms**, so as to improve the intelligent management of parks and buildings, and preliminarily realize the integration of business, finance and management in connection with business management.



37 Opening ceremony of Chaoyang Data Factor Industrial Park

2. Real Estate Development

The Company will continue to strengthen the overall planning by accelerating the return of funds, strictly adhering to the bottom line of cash flow safety, and taking various measures to reduce inventory, ensure delivery, mitigate risks, seek transformation, in an effort to promote the transformation of North Star's real estate from traditional real estate development to complex real estate development led by "high quality" and "big service". The Company will **strengthen analysis, research and judgment**, seize policy windows, adjust strategies in a timely manner, increase online promotion efforts, and accelerate the destocking of projects outside Beijing. The Company will **actively promote asset integration**, formulate leasing and sales strategies based on stratification and classification, accelerate the revitalization of existing commercial assets, and improve the integrated management system of project development, holding and operation. The Company will **improve its operation and management level** by continuing to promote the optimization of the organizational structure, strengthening the bottom line of cost control, strictly preventing capital risks, and improving the

Management Discussion and Analysis (Continued)

efficiency of capital use in order to ensure a positive cycle of operating cash flow. The Company will **innovate its development model** by focusing on the connotation model and brand characteristics of complex real estate to explore new development paths and deeply cultivate in key cities. Based on the local commercial, convention and exhibition resources, the Company will effectively give full play to the synergy and interaction of business types.



38 Night view of Wuhan Guangguli

3. *Financing and Capital Expenditure*

The Company will enhance its capital planning by fully leveraging the “headquarters financing” model, diversifying financing methods, and broadening financing channels while strengthening liability management and control. Additionally, the Company will prioritize improving the efficiency of capital utilization, effectively reducing expenditures, and ensuring the quality of collection of sales proceeds to safeguard the cash flow of the Company.

In 2025, the Company’s estimated fixed asset investment is RMB145 million, the payment of which will be made according to the construction progress. The source of funds will be internal funds.

(III) **Operation Plans**

In 2025, in respect of the real estate development business of the Company, it is estimated that the area for new and resumed construction will be 1,093,800 square meters and the completed area will be 223,000 square meters. Overcoming the impact of the regulatory policies on the real estate industry, in 2025, the Company will strive to achieve sales area of 463,100 square meters with contracts signed (including parking spaces) amounting to RMB5.510 billion.

Management Discussion and Analysis (Continued)

As for convention and exhibition (including hotels) and commercial properties, the Company will innovate the business development models while upgrading the existing operational service abilities, strengthen the brand impact on upstream and downstream industry chains, and actively cultivate new performance growth points.

(IV) Potential Risks Faced

1. *Market Risk*

The real estate market is currently in a period of adjustment. Although the policy front continues to release positive signals, such as the introduction of a series of favorable measures including reserve requirement ratio cuts, interest rate reductions, optimization of purchase restrictions, and support for housing consumption, homebuyer confidence has not yet significantly recovered. Market sentiment remains cautious, and the persistently sluggish market environment may lead to continued low levels of both volume and price in real estate market transactions. This could directly impact the efficiency of sales collections, posing certain risks to corporate financial liquidity and operational stability.

In response to the aforesaid risks, the Company will pay close attention to the development trend of the market, and select cities and regions with relatively mature market development, favorable investment environment, net population inflow and relatively reasonable price-to-income ratio. At the same time, it will continuously optimize development strategies, maintain an appropriate scale, and strive to strengthen professional management to improve the cash recovery rate, avoiding market risks.

2. *Risks of Talent Reserve*

The steady development of the convention and exhibition and commercial properties business of the Company in recent years has led to soaring demands for all kinds of talents, especially professional personnel and senior management personnel. The Company faces the risk of talent shortage.

In response to the aforesaid risk, the Company will proactively develop a work pattern of "Great Talent" with a focus on the urgently needed talents for high-quality corporate development. It will strengthen the overall planning for the sources of talent introduction and continue to attract and gather talents through a variety of channels and means, such as the launch of the "Excellence Training Programme", school-enterprise cooperation and market-oriented selection of professional managers. While continuously refining and improving the system and mechanism that are conducive to the growth of young cadres and talents, the Company will step up its efforts in nurturing a pool of young cadres and talents, and enhance the targeted education and training as well as purposeful practical exercises based on the development needs of various sectors and industries, including the convention and exhibition industry, real estate industry and commercial property sector. In addition, consistent efforts will be devoted to boosting the professional competence of dedicated talents in each business line and the integrated management capability of composite cadres in various segments, in an endeavor to build a high-quality and professional cadre talent team.

Report on Corporate Governance

We seek to achieve the highest standards in corporate governance, the cornerstone of which is to have an experienced and committed board, and to enhance transparency for shareholders. The Company strives for adhering to the principles of corporate governance and has already adopted a well-accepted governance and disclosure practice, and will keep improving such practices, so as to nurture a corporate culture reaching high ethical standards.

The Company has fully complied with all the code provisions as set out in the Corporate Governance Code (as effective during the year) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) during the year.

THE BOARD

Under the stewardship of the chairman, the Board is charged with the responsibility of approving and monitoring the overall strategic plans and policies of the Company, approving operation plans and investment proposals, regularly evaluating performance of the Company and overseeing the work of the Company's management.

A total of nine directors currently serve on the Board, including the chairman, five executive directors and three independent non-executive directors.

In accordance with the requirements of the Listing Rules, independent non-executive directors must be confirmed by the Board to have no direct or indirect material relationships with the Company before they are regarded as independent. The Company has received the annual written confirmation from each independent non-executive director of his independence and considers all independent non-executive directors to be independent of the Company. There is no financial, business, family or other material/related relationship existing among the directors.

In 2024, in order to ensure the directors being fully informed and accommodated with the needs for their contribution to the Board, all the directors of the Company actively participated in continuing professional development and participated in the themed training relevant to corporate governance organised by the regulatory authorities, and studied the laws, regulations and documents issued by regulatory authorities in a timely manner. On the first occasion of his/her appointment, every newly appointed director has received a comprehensive, formal and tailored induction on the responsibilities and ongoing obligations to be observed by directors pursuant to relevant laws and regulations.

Based on the training records provided to the Company by the directors, the directors have participated in the following training during the year ended 31 December 2024:

Name of Directors	Reading regulatory updates/attending training provided by regulatory authorities	Attending internal training sessions/seminars relevant to the business of the Company/directors' duties
Mr. ZHANG Jie (appointed on 28 November 2024)	✓	✓
Mr. LI Wei-Dong (resigned on 17 October 2024)	✓	✓
Ms. LIANG Jie (appointed on 13 March 2024)	✓	✓
Mr. YANG Hua-Sen	✓	✓
Ms. ZHANG Wen-Lei	✓	✓
Mr. GUO Chuan (resigned on 29 January 2024)	✓	✓
Mr. HU Hao (appointed on 16 May 2024)	✓	✓
Mr. WEI Ming-Qian (appointed on 16 May 2024)	✓	✓
Dr. CHOW Wing-Kin, Anthony	✓	✓
Mr. GAN Pei-Zhong	✓	✓
Mr. CHEN De-Qiu (resigned on 24 January 2025)	✓	✓
Ms. QIAN Ai-min (appointed on 24 January 2025)	N/A	N/A

Report on Corporate Governance (Continued)

The terms of the independent non-executive directors of the Company have not exceeded the length limitation as stipulated by the domestic and foreign regulations.

The Board should meet regularly, and the Board meetings should be held at least 4 times a year. The Board had met 36 times in total during 2024.

The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to the executive directors, senior management and certain specific responsibilities to the Board committees.

The attendance of each of the directors is set out below:

Directors	No. of meetings attended in person/ No. of meetings held	No. of meetings attended by proxy (Note)/ No. of meetings held
<i>Executive directors</i>		
Mr. ZHANG Jie (appointed on 28 November 2024)	5/5	0/5
Mr. LI Wei-Dong (resigned on 17 October 2024)	25/25	0/25
Ms. LIANG Jie (appointed on 13 March 2024)	32/32	0/32
Mr. YANG Hua-Sen	34/36	2/36
Ms. ZHANG Wen-Lei	36/36	0/36
Mr. GUO Chuan (resigned on 29 January 2024)	0/1	0/1
Mr. HU Hao (appointed on 16 May 2024)	22/22	0/22
Mr. WEI Ming-Qian (appointed on 16 May 2024)	22/22	0/22
<i>Independent non-executive directors</i>		
Dr. CHOW Wing-Kin, Anthony	36/36	0/36
Mr. GAN Pei-Zhong	36/36	0/36
Mr. CHEN De-Qiu (resigned on 24 January 2025)	35/36	1/36
Ms. QIAN Ai-min (appointed on 24 January 2025)	N/A	N/A

Note: Pursuant to Article 137 of the Articles of Association of the Company, a director can delegate in writing another director to attend Board meetings on his or her behalf if that director cannot attend the meetings for any reason.

Subsequent to the appointments, all directors must offer themselves for re-election in the annual general meeting in order to be able to continue to serve their terms, and should retire once every three years. In the event of a vacancy in the Board, recommended candidates should be referred to shareholders' general meeting for consideration and approval, with a view to appointing people possessing leadership abilities, in order to maintain and enhance the Company's competitiveness.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

In January 2005, the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as the disciplinary rules governing securities dealings by the relevant directors of the Company. In 2024, having made specific enquiries to all directors and supervisors of the Company, the Company confirmed that its directors and supervisors have complied with the required standards as set out in the Model Code throughout the year.

Report on Corporate Governance (Continued)

THE CHAIRMAN AND GENERAL MANAGER

The positions of chairman of the Board and the general manager are respectively held by Mr. LI Wei-Dong (resigned on 17 October 2024), Mr. ZHANG Jie (appointed on 28 November 2024) and Ms. LIANG Jie (appointed on 6 February 2024), which are two clearly defined positions.

The chairman is responsible for leading and supervising the operations of the Board, effectively planning the Board meetings, ensuring the Board is acting in the best interests of the Company. The chairman shall proactively encourage directors to fully participate in the business of the Board and to make contributions to the functioning of the Board. To this end, the Board meets at regular intervals while the chairman must meet at least once annually with the independent non-executive directors individually. Under the stewardship of the chairman, the Board of the Company has adopted well accepted practices and procedures in corporate governance, and has undertaken appropriate measures to maintain effective channels of communication with the shareholders.

The general manager is responsible for the administration of the Company's business, as well as the formulation and implementation of Company's policies, and answerable to the Board in relation to the Company's overall operation. The general manager of the Company works in close collaboration with the other executive directors and the administrative and managerial team of each core business department of the Company, ensuring the Board is made fully aware of the development status of the Company's businesses. Assisted by the financial controller of the Company, the Company's general manager ensures the funding needs of the business operation of the Company are sufficiently met and at the same time closely monitors the operation and financial performance of the Company according to the business plans and budget of the Company, and takes remedial measures as the circumstance requires, and offers opinions to the Board on substantive development and matters. The general manager of the Company is required to keep in close liaison with the chairman and all directors, ensuring that the latter are well briefed on all substantive business development and matters of the Company, and taking a leading role in building and maintaining a highly efficient administrative support team to help him or her to discharge the assigned duties in this position.

ACCOUNTABILITY OF DIRECTORS ON COMPANY'S FINANCIAL STATEMENTS

Directors are charged with the responsibility to compile the Company's financial statements in each financial year with support from the accounting department, and to ensure that the applicable accounting policies are applied consistently and the accounting standards issued by the Hong Kong Institute of Certified Public Accountants are complied with in the preparation of the financial statements and to report the state of affairs of the Company in a true and fair manner.

The statement issued by the auditor on its reporting responsibilities is set out in the Independent Auditor's Report on pages 74 to 81 of this annual report.

FUNCTIONS OF CORPORATE GOVERNANCE

The Board of the Company adopted terms of reference of directors with the duties of corporate governance, these terms of reference include formulating and reviewing on the policy and practice of corporate governance of the Company, and submitting recommendation thereof to the Board; the review and supervision on the training and continuing professional development of the directors and senior management as well as the policy and practice of the Company in compliance with laws and regulations; the formulation, review and supervision on the code of conduct and compliance manual of the employees and directors; the review on the compliance with the Corporate Governance Code and the disclosure of the same in the Report on Corporate Governance.

In the year of 2024, the Board has fulfilled the aforesaid functions of corporate governance.

To ensure that independent views and input are available to the Board, the implementation and effectiveness of the relevant mechanisms will be reviewed annually by the Board. At least one-third of the Board are independent non-executive directors in compliance with the requirements of the Listing Rules, and the Company will assess the independence of the independent non-executive directors on at least an annual basis. The special committees of the Board are entitled to engage independent professional advisors as and when it is required.

The Board considered that the above mechanisms are effective in ensuring that independent views and input are provided to the Board.

Report on Corporate Governance (Continued)

AUDIT COMMITTEE

The Company has established an audit committee since September 2004. The audit committee comprises three independent non-executive directors, namely Ms. QIAN Ai-min as the chairman (appointed on 24 January 2025), Mr. CHEN De-Qiu as the chairman (resigned on 24 January 2025), Dr. CHOW Wing-Kin, Anthony and Mr. GAN Pei-Zhong. Their duties include reviewing and supervising the Company's financial reporting process, risk management and internal control systems. The audit committee and the management have jointly reviewed the accounting principles and major policies adopted by the Group and have discussed matters on auditing, risk management, internal control and financial reporting, as well as reviewing the unaudited interim financial report and the audited annual financial statements of the Group. The audit committee has also reviewed the annual results and draft financial statements of the Group for the year ended 31 December 2024.

In accordance with the stipulations in the Rules of Procedures of Meetings of the Audit Committee of the Board of Directors of the Company, the audit committee of the Board of the Company performed their duties of due diligence. During the Reporting Period, the audit committee held 7 meetings in total, at which, they mainly considered the audit opinion of the external auditors on the financial report and internal control report for the year of 2023 of the Company, and the review results of the external auditors on the interim report for the year of 2024 of the Company as well as change of accounting firms. In addition, the audit committee of the Company gave full play to their functions as a professional committee and proactively promoted the establishment of the internal control system of the Company. Moreover, the committee guided the internal audit work of the Company in real earnest and coordinated the communication and cooperation between the Company and the external auditors, so as to improve the relevant work efficiency.

The attendance of each of the members is set out below:

Members	No. of meetings attended/ No. of meetings held
Mr. CHEN De-Qiu (resigned on 24 January 2025)	7/7
Dr. CHOW Wing-Kin, Anthony	7/7
Mr. GAN Pei-Zhong	7/7
Ms. QIAN Ai-min (appointed on 24 January 2025)	N/A

REMUNERATION AND EVALUATION COMMITTEE

The remuneration and evaluation committee of the Board of the Company comprises three independent non-executive directors. This committee is chaired by Mr. GAN Pei-Zhong, with the other two members being Dr. CHOW Wing-Kin, Anthony, Mr. CHEN De-Qiu (resigned on 24 January 2025) and Ms. QIAN Ai-min (appointed on 24 January 2025).

The terms of reference of the remuneration and evaluation committee of the Board of the Company are to study the assessment standards for directors and managerial staff, and to carry out the assessment and to make recommendations, to study the remuneration policy and schemes for directors and senior management personnel, to recommend to the Board on the remuneration of individual executive directors and senior management as well as the remuneration of non-executive directors.

Report on Corporate Governance (Continued)

In accordance with the stipulations in the Rules of Procedures of Meetings of the Remuneration and Evaluation Committee of the Board of Directors of the Company, the remuneration and evaluation committee earnestly performed their duties of due diligence. During the Reporting Period, the remuneration and evaluation committee of the Board of the Company held 2 meetings to carefully consider the remuneration of directors and senior management and the operating results appraisal and remuneration approval plan for deputy managers of the Company with a view to enhancing corporate efficiency, and recommended earnest implementation of the plan, so as to maximize the incentive effect of remuneration to enhance the competitiveness of the Company.

For the year ended 31 December 2024, the remuneration of the members of the senior management by band is set out below:

Remuneration band (RMB)	Number of persons
Less than 1,000,000	4

Note: The members of the senior management disclosed above refer to the employees other than directors and supervisors.

Further particulars regarding the directors, supervisors and senior management's emoluments and the five highest paid employees as required to be disclosed pursuant to Appendix D2 of the Listing Rules are set out in notes 26, 35(viii) and 37 to the financial statements.

The attendance of each of the members is set out below:

Members	No. of meetings attended/ No. of meetings held
Mr. GAN Pei-Zhong	2/2
Dr. CHOW Wing-Kin, Anthony	2/2
Mr. CHEN De-Qiu (resigned on 24 January 2025)	2/2
Ms. QIAN Ai-min (appointed on 24 January 2025)	N/A

DIRECTORS' REMUNERATION POLICY

The Company strictly implements the directors' remuneration policy to ensure the remuneration is at appropriate levels to attract and retain the experienced and high-caliber individuals, with an aim to supervise the business and development of the Group. The directors' remuneration will be reviewed at least once annually and determined with reference to their skills and knowledge, their job duties, as well as the level of their involvement in the Group's affairs, the performance of the Company, their personal performances and the prevailing market conditions. The remuneration comprises of the directors' fees, salary, allowance and contribution to retirement benefit.

NOMINATION COMMITTEE

The nomination committee of the Board of the Company comprises three independent non-executive directors and two executive directors. This committee is chaired by Mr. GAN Pei-Zhong, with the other four members being Mr. LI Wei-Dong (resigned on 17 October 2024), Ms. LIANG Jie (appointed on 14 March 2024), Mr. ZHANG Jie (appointed on 28 November 2024), Dr. CHOW Wing-Kin, Anthony, Mr. CHEN De-Qiu (resigned on 24 January 2025) and Ms. QIAN Ai-min (appointed on 24 January 2025).

The nomination committee of the Board of the Company is responsible for the nomination of the directors and managerial staff of the Company. It is also responsible for the review of the structure, number of members and composition of the Board, as well as the evaluation on the independence of the independent non-executive directors.

Report on Corporate Governance (Continued)

DIVERSITY POLICY

The Company is of the view that the diversity of the Board is one of the essential factors in sustaining the competitive edge of the Company and facilitating the sustainable development of the Company. In accordance with the diversity policy of the Company, when considering the composition of the Board, various aspects would be considered for the diversity of the Board, including but not limited to factors such as gender, age, culture, race, educational background, professional qualifications, knowledge and expertise, skills, etc. Meanwhile, the Company is committed to creating an inclusive and fair working environment for the employees, and treats employees of different genders, ages, religious beliefs, nationalities, cultural backgrounds and health conditions with respect and fairness.

In 2024, the male-to-female ratio of the Board members of the Company was 7:2, while the male-to-female ratio of the employees was 5:4, achieving gender diversity in the Board and among all the staff members.

To further ensure gender diversity of the Board in a long run, the Company will take into account the factor of gender diversity when recruiting suitable candidates for the Board and senior management in the future, so as to develop a pipeline of potential successors for the Board and enhance gender diversity in the Board in the coming years.

The nomination committee of the Board of the Company is responsible for reviewing the application of the principle of diversified selection in nomination of directors, assisting and maintaining the diversified visions and various educational backgrounds and professional knowledge, which include an in-depth understanding of the real estate industry, property development, hotel and convention and exhibition operation and management, and the professional qualifications in the fields of law and accounting. Directors have years of experience in their respective professional fields. Whatever backgrounds or experiences the directors have, they all share the common goal of driving the industry forward in order to bring sustainable growth for the Company. According to the changes of external laws and regulations, and based on the internal procedures and actual situation of the Company, the Company updates the relevant policy documents from time to time to ensure the relevant policy content is up-to-date.

The Company has reviewed the implementation and effectiveness of the above policy during the year.

NOMINATION POLICY

In accordance with the nomination policy of the Company (the “**Nomination Policy**”), in evaluation and selection of candidates for the directors, the nomination committee will:

1. review the structure, size and composition (including the gender, age, cultural and educational background, race, term of service, skills, knowledge and experience) of the Board at least once a year and make recommendations to the Board regarding any proposed changes to the Board with reference to the Company's strategies;
2. identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. assess the independence of independent non-executive directors;
4. make recommendations to the Board in respect of the appointment or re-appointment of and succession planning for directors, in particular the Chairman and the chief executive;
5. study and make recommendations on the selection standards and procedures of directors and senior management;
6. identify individuals suitably qualified to be senior management;

Report on Corporate Governance (Continued)

7. conduct vetting of candidates of directors and senior management and make recommendations thereon;
8. in the performance of the duties under the above items 1 to 7, consider the relevant individuals on merit, contributions to the Board and suggestions to the Board based on measurable objectives including adoption of a series of diversity categories as selection basis and against the objective criteria, with due regard for the benefits of diversity on the Board; and
9. review the Board Diversity Policy, as appropriate, and review the measurable objectives under the policy and the progress on achieving the objectives and make disclosure of review results in the Corporate Governance Report annually to ensure the effective implementation of the policy.

Directors of the Company shall be elected at the shareholders' general meeting for a term of three years. Upon expiry of the term, a director shall be eligible for re-election.

In accordance with the stipulations in the Rules of Procedures for Meetings of the nomination committee of the Company, during the Reporting Period, the nomination committee of the Board of the Company held 7 meetings, at which, it reviewed and made recommendations on candidates for the directors of the new session of the Board upon the expiry of the term of office of the Board of the Company and resignation of directors, which were ultimately submitted to the shareholder's general meeting of the Company for approval, safeguarding the integrity of and compliance with the corporate governance structure of the Company. The nomination committee of the Board also verified the structure, number and composition of the Board of the Company and evaluated and verified the independence of the independent non-executive directors of the Company, and considered that the structure of the directors of the Company was in compliance with the requirements of corporate governance and the independence of the independent non-executive directors was not compromised. In addition, the nomination committee of the Board reviewed and made recommendations on selection and appointment of senior management, giving full play to the role of a professional committee.

The attendance of each of the members is set out below:

Members	No. of meetings attended/ No. of meetings held
Mr. GAN Pei-Zhong	7/7
Mr. LI Wei-Dong (resigned on 17 October 2024)	5/5
Mr. ZHANG Jie (appointed on 28 November 2024)	1/1
Ms. LIANG Jie (appointed on 14 March 2024)	5/5
Dr. CHOW Wing-Kin, Anthony	7/7
Mr. CHEN De-Qiu (resigned on 24 January 2025)	7/7
Ms. QIAN Ai-min (appointed on 24 January 2025)	N/A

STRATEGIC COMMITTEE

The strategic committee of the Board of the Company comprises three independent non-executive directors and two executive directors. This committee is chaired by Mr. LI Wei-Dong (resigned on 17 October 2024) and Mr. ZHANG Jie (appointed on 28 November 2024), and the other four members are Ms. LIANG Jie (appointed on 14 March 2024), Dr. CHOW Wing-Kin, Anthony, Mr. GAN Pei-Zhong, Mr. CHEN De-Qiu (resigned on 24 January 2025) and Ms. QIAN Ai-min (appointed on 24 January 2025).

The principal duties of the strategic committee of the Board of the Company are to carry out research and make recommendations on the Company's long-term development strategies and major investment decisions.

In accordance with the stipulations in the Rules of Procedures for Meetings of the Strategic Committee of the Company, during the Reporting Period, the strategic committee of the Board of the Company held 2 meetings, at which, the members of the strategic committee earnestly performed their duties under the principle of due diligence and considered the resolutions on the three-year dividend distribution plan for shareholders and the entrusted management of convention and exhibition projects in view of the actual operation of the Company, to provide professional support for the Company's strategic decision-making.

Report on Corporate Governance (Continued)

The attendance of each of the members is set out below:

Members	No. of meetings attended/ No. of meetings held
Mr. LI Wei-Dong (resigned on 17 October 2024)	2/2
Mr. ZHANG Jie (appointed on 28 November 2024)	0/0
Ms. LIANG Jie (appointed on 14 March 2024)	2/2
Dr. CHOW Wing-Kin, Anthony	2/2
Mr. GAN Pei-Zhong	2/2
Mr. CHEN De-Qiu (resigned on 24 January 2025)	2/2
Ms. QIAN Ai-min (appointed on 24 January 2025)	N/A

LEGAL COMPLIANCE COMMITTEE

The legal compliance committee of the Board of the Company was established on 20 October 2020, and comprises three independent non-executive directors and two executive directors. This committee is chaired by Mr. LI Wei-Dong (resigned on 17 October 2024) and Mr. ZHANG Jie (appointed on 28 November 2024), and the other four members are Mr. GUO Chuan (resigned on 29 January 2024), Ms. LIANG Jie (appointed on 14 March 2024), Dr. CHOW Wing-Kin, Anthony, Mr. GAN Pei-Zhong, Mr. CHEN De-Qiu (resigned on 24 January 2025) and Ms. QIAN Ai-min (appointed on 24 January 2025).

The legal compliance committee of the Board of the Company is mainly responsible for promoting the legal construction and guiding the standardized management of the Company.

In accordance with the stipulations in the “Rules of Procedures for Meetings of the Legal Compliance Committee of Beijing North Star Company Limited”, the legal compliance committee of the Company earnestly performed their duties based on the principle of diligence and conscientiousness, and convened 1 meeting during the Reporting Period to listen to a report on the Company’s litigation cases, and provided recommendations on the rule of law development of the Company.

Members	No. of meetings attended/ No. of meetings held
Mr. LI Wei-Dong (resigned on 17 October 2024)	0/0
Mr. ZHANG Jie (appointed on 28 November 2024)	1/1
Mr. GUO Chuan (resigned on 29 January 2024)	0/0
Ms. LIANG Jie (appointed on 14 March 2024)	1/1
Dr. CHOW Wing-Kin, Anthony	1/1
Mr. GAN Pei-Zhong	1/1
Mr. CHEN De-Qiu (resigned on 24 January 2025)	1/1
Ms. QIAN Ai-min (appointed on 24 January 2025)	N/A

Report on Corporate Governance (Continued)

SUPERVISORY COMMITTEE

The supervisory committee of the current session of the Company now comprises three supervisors, with two shareholder representative supervisors and one employee representative supervisor. During 2024, the supervisory committee is chaired by Ms. LI Xue-Mei (resigned on 11 January 2024) and Ms. DU Yan (elected as chairlady on 16 May 2024), and the other members are Mr. MO Fei (resigned on 13 March 2024), Mr. TIAN Zhen-Hua (ceased on 16 May 2024), Ms. LV Yi-Hong (ceased on 16 May 2024), Mr. ZHAN Wei (appointed on 16 May 2024) and Ms. HE Shu-Fang (appointed on 16 May 2024).

During 2024, the supervisory committee of the Company exercised its supervisory authority according to the law and protected the legal interests of the shareholders, the Company and the staff. For details of the supervisory committee's work, please refer to Report of the Supervisory Committee in this annual report.

The supervisory committee held 5 meetings in 2024.

The attendance of each of the supervisors is set out below:

Supervisors	No. of meetings attended/ No. of meetings held
Ms. LI Xue-Mei (resigned on 11 January 2024)	0/0
Mr. MO Fei (resigned on 13 March 2024)	0/0
Ms. DU Yan	5/5
Mr. TIAN Zhen-Hua (ceased on 16 May 2024)	2/2
Ms. LV Yi-Hong (ceased on 16 May 2024)	2/2
Ms. HE Shu-Fang (appointed on 16 May 2024)	3/3
Mr. ZHAN Wei (appointed on 16 May 2024)	3/3

In accordance with the provisions of the Company's Articles of Association, the term of office for the supervisors shall be three years, and they shall be eligible for re-election upon expiry of the term.

COMPANY SECRETARY

The company secretary is appointed by the Board of the Company. The company secretaries of the Company are Mr. GUO Chuan, an executive director and deputy general manager of the Company and company secretary on the PRC activities (resigned on 29 January 2024), Mr. HU Hao, an executive director, the deputy general manager, financial controller, representative for securities affairs of the Company and company secretary on the PRC activities (appointed on 30 October 2024), and Mr. LEE Ka-Sze, Carmelo, external service provider and company secretary on Hong Kong activities. Mr. LEE was appointed as company secretary of the Company in 1997. The company secretary is responsible to provide opinions on corporate governance to the Board and to ensure satisfactory exchange of information between members of the Board and compliance with the policies and procedures of the Board as well as the arrangement of training and professional development to the directors of the Company. The internal major contact person of the Company is Mr. HU Hao, company secretary on the PRC activities.

They have received relevant professional training, which fulfilled the requirements of Rule 3.29 of the Listing Rules.

Report on Corporate Governance (Continued)

AUDITORS AND THEIR REMUNERATION

The external auditors currently appointed by the Company are Cheng & Cheng Limited and Zhongxinghua Certified Public Accountants LLP. The work which the external auditors are engaged to perform must produce measurable benefits and added values to the Company and should not cause adverse effects on the independence of its audit work or its image of independence. The fees paid to the Company's auditors, Cheng & Cheng Limited and Zhongxinghua Certified Public Accountants LLP, for the year of 2024 were RMB5,620,000 (tax inclusive) (financial report audit and related services) and RMB580,000 (tax inclusive) (review services), all of which were related to auditing, reviewing and other annual audit services. Save as disclosed above, there are no other non-audit services provided by Cheng & Cheng Limited and Zhongxinghua Certified Public Accountants LLP for the year ended 31 December 2024.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has established an audit department. The department reports to the Board of the Company, and is responsible for performing auditing duties including organising and implementing regular audits, specific audits and economic liability audits for the Company and its subsidiaries, with the approval of the Board of the Company.

The Board has the ultimate responsibility in overseeing the operation of business units under the Company's management. The Board shall appoint suitable and qualified personnel to serve on the Board of all subsidiaries and associates operating in key businesses, attending their board meetings to oversee the operation of such companies. The management in each business area shall be accountable for the operation and performance of the business under its area of responsibility.

The financial controller of the Company is required to prepare guidelines and procedures for the approval and control of expenditure. All business expenditure must be monitored and controlled according to overall budget, and internally controlled by business centres against the approval level appropriate to the level of responsibilities of the relevant executives. Capital expenditure must be subject to comprehensive monitoring and control in accordance with the annual budget preparation and allocation approval procedures, major items of capital expenditure within allocation approval limits as well as expenditure not included in annual budget preparation must be subject to further detailed monitoring and allocation approval by the financial controller or other executive directors of the Company before the projects can be initiated.

In 2024, pursuant to the requirements in the Basic Standard for Enterprise Internal Control 《企業內部控制基本規範》 in Mainland China and the supporting guidelines and other internal control regulatory requirements, the Company conducted self-assessment on the effectiveness of the internal control of the Company and issued the Internal Control Evaluation Report. Through implementation of timely update and improvement of internal control system, self-assessment of the management, independent assessment of the audit department, immediate improvement on internal control issues and other internal control work, the Company effectively guarantees the reasonableness of design and effectiveness of operation of the internal control system of the Company. Meanwhile, Zhongxinghua Certified Public Accountants LLP carried forward audit on the effectiveness of the internal control in relation to the financial report of the Company and issued the Audit Report on Internal Control with unqualified opinions.

The Board is responsible to oversee the Group's risk management and internal control systems on an ongoing basis, and to ensure a sound and effective risk management and internal control system of the Group and would review the effectiveness of such systems from time to time, so as to safeguard investments of shareholders and assets of the Group. The above risks included but not limited to the significant risks in relation to the environmental, social and governance. However, such systems are created to manage but not eliminate the risk of failure to achieve business objectives, therefore, the Board can only provide reasonable but not absolute assurance against the risks of material misstatement or loss.

The audit department and the management of the Company review the effectiveness of risk management and internal control at least once annually and report to the Board after being considered by the audit committee. As of 31 December 2024, the Board was of the view that the Company's risk management and internal control were effective and adequate during the Reporting Period, and no significant events which may affect the shareholders were identified.

Report on Corporate Governance (Continued)

Besides, the Board has conducted review of the effectiveness of the risk management and internal control system of the Company and its subsidiaries for the year of 2024 and considered the adequacy of resources, qualifications and experience of staff in respect of the Company's accounting and financial reporting function and in relation to the environmental, social and governance performance of the Company, and their training programs and the relevant budget in accordance with code provisions D.2.1 and D.2.2 of the Corporate Governance Code of the Listing Rules effective during the Reporting Period.

The Company has adopted an anti-corruption policy to regulate the acceptance of benefits by the employees, while a whistleblowing policy has also been adopted in order to provide guidance for reporting any possible or actual misconduct in relation to the Group by the employees and related external stakeholders.

MANAGEMENT OF INSIDE INFORMATION

The Company has formulated the Management System for the Holders of Inside Information so as to regulate inside information management of the Company, strengthen confidentiality of inside information and safeguard the principles of openness, fairness and justice of information disclosure of the Company. With respect to the procedures for handling and dissemination of inside information and internal control measures, the Company:

- strictly keeps the inside information of the Company confidential before disclosure, and disclose the inside information immediately upon approval by the Board;
- conducts registration of insiders strictly according to the requirements of Management System for the Holders of Inside Information;
- regulates all relevant securities transactions by giving notice to insiders in a timely manner, including registration of specific insiders before the price-sensitive period (including 60 days prior to annual results announcement and 30 days prior to interim results announcement), and sending notice of restrictions on trading shares and prohibitions on insider dealings at the same time.

The Company performs its information disclosure obligations strictly in accordance with the standards of truthfulness, accuracy, completeness, timeliness, fairness and effectiveness. In August 2016, the Company formulated and adopted the Management System for Information Disclosure Deferral and Exemption which had specified the scope of information disclosure deferral and exemption and relevant approval procedures, strengthening its risk prevention ability and further strengthening the identification and evaluation of inside information.

During the Reporting Period, there was no leakage of inside information, and none of the directors, supervisors or senior management of the Company made use of any inside information to deal with the shares of the Company in contravention of relevant rules, nor was the Company subject to the investigation or sanctions of the regulatory authorities.

Dividend Policy

In order to fully protect the lawful rights enjoyed by the shareholders of the Company such as return on assets, continuously optimise the decision-making procedures and mechanisms of the Board and the shareholders' general meeting on matters of profit distribution of the Company, further refine the terms regarding profit distribution policy in the Articles of Association, improve the transparency and operability of decision-making on profit distribution of the Company, and facilitate the shareholders' supervision on the Company's operation and profit distribution, the Board of the Company formulated the "Dividend Distribution Plan for Shareholders of the Company", which has been published on the Company's website.

Report on Corporate Governance (Continued)

INVESTOR RELATIONS AND SHAREHOLDER'S INTEREST

The Board of the Company has formulated the shareholders' communication policy to ensure on-going communication between the Company and shareholders as well as investors.

The Company has established various communication channels with the shareholders, including: (i) the provision of electronic versions of corporate communications; (ii) the provision of company information on the Company's website in a timely manner; (iii) the holding of annual general meetings to provide a platform for the shareholders to advise and exchange opinions with the Board; and (iv) the arrangement of providing services to the shareholders in respect of all share registration matters.

After publication of the Company's annual financial results, the Company has proactively arranged for results presentations for people from the investment industry in order to promote investor relations and two-way communication. Through the investor relations manager, the Company also responds to information requests and inquiries of people from the investment industry.

At shareholders' general meetings, the Company will explain the detailed procedures for voting by poll to the shareholders and answer any questions of shareholders thereon. The website of the Company also publishes periodically updated financial and other information of the Company for the inspection of shareholders at any time.

The Board has reviewed the effectiveness of the implementation of the shareholders' communication policy during the year, and considered that such policy has continuously and effectively enhanced the timely, transparent, accurate and open communication between the Company and the shareholders.

SHAREHOLDERS' GENERAL MEETINGS

In 2024, the Company held three shareholders' general meetings, being the first extraordinary general meeting of 2024, the 2023 annual general meeting and the second extraordinary general meeting of 2024.

Attendance of the directors at the shareholders' general meetings is set out below:

Directors	Shareholders' general meetings	Attendance rate
<i>Executive directors</i>		
Mr. ZHANG Jie (appointed on 28 November 2024)	0/0	N/A
Mr. LI Wei-Dong (resigned on 17 October 2024)	2/2	100%
Ms. LIANG Jie (appointed on 13 March 2024)	2/2	100%
Mr. YANG Hua-Sen	2/3	67%
Ms. ZHANG Wen-Lei	1/3	33%
Mr. GUO Chuan (resigned on 29 January 2024)	0/0	N/A
Mr. HU Hao (appointed on 16 May 2024)	1/1	100%
Mr. WEI Ming-Qian (appointed on 16 May 2024)	1/1	100%
<i>Independent non-executive directors</i>		
Dr. CHOW Wing-Kin, Anthony	2/3	67%
Mr. GAN Pei-Zhong	2/3	67%
Mr. CHEN De-Qiu (resigned on 24 January 2025)	1/3	33%
Ms. QIAN Ai-min (appointed on 24 January 2025)	N/A	N/A

Report on Corporate Governance (Continued)

CONSTITUTION

In 2024, the Company made amendments to the Articles of Association in accordance with the “Guidelines on Articles of Association of Listed Companies” issued by the China Securities Regulatory Commission (the “CSRC”), the “Regulations on the Administration of Independent Directors of Listed Companies” and the “Shanghai Stock Exchange Stock Listing Rules (Revised in August 2023)” issued by the CSRC and the Shanghai Stock Exchange, as well as the “Proposals to Expand the Paperless Listing Regime and Other Rule Amendments” of the Hong Kong Stock Exchange and other relevant documents, to better meet the requirements of corporate governance and compliance operations and implement the relevant requirements of the above-mentioned laws and regulations and, in combination with the actual situation of the Company. The above amendments to the Company’s Articles of Association have been approved by the 2023 annual general meeting.

RIGHTS OF SHAREHOLDERS

Convening of an Extraordinary General Meeting or a Class Meeting of Shareholders by Shareholders’ Requisition

Pursuant to Article 86 of the Articles of Association, shareholders holding more than 10% of the shares of the Company individually or in aggregate may propose the convening of an extraordinary general meeting or a class shareholders’ meeting in accordance with the procedures stipulated in Article 86 of the Articles of Association. Shareholders can submit a written requisition to the Board to convene an extraordinary general meeting or a class shareholders’ meeting. Such written requisition shall state the matters to be discussed at the meeting and shall be signed by the shareholders concerned and submitted to the work department of the Board of the Company.

Requirements under Article 86 of the Articles of Association are set out in the Articles of Association of the Company.

PUTTING FORWARD PROPOSALS TO THE GENERAL MEETINGS

According to Article 61 of the Articles of Association, shareholders solely or collectively holding more than 3% of the shares of the Company may submit in writing interim proposals to the convener ten (10) days before the date of the convening of the shareholders’ general meeting.

The convener shall, within two (2) days upon receipt of such proposals, review the proposals and serve a supplementary notice of the shareholders’ general meeting to announce the content of the interim proposals.

Except for the circumstances prescribed in the preceding provision, the convener may not change the proposal listed in the notice of the shareholders’ general meeting or add new proposals after the notice of the shareholders’ meeting has been served.

The proposals that have not been listed in the notice of the shareholders’ general meeting or that are not in compliance with Article 60 of the Articles of Association shall not be voted on and resolved at the shareholders’ general meeting.

Procedures in relation to the nomination of directors by shareholders have been published on the website of the Company.

The contact details of the convener can be obtained by contacting the work department of the Board.

Report on Corporate Governance (Continued)

PROCEDURES FOR DIRECTING PROPOSALS, ENQUIRIES OF SHAREHOLDERS TO THE BOARD

Shareholders can at any time send their proposals, enquiries and concerns to the Board in writing through the work department of the Board of the Company. The contact details of the work department of the Board are set out in Corporate Information on page 202 of this annual report.

The work department of the Board shall forward the proposals, enquiries and concerns of the shareholders to the Board and/or relevant committees under the Board, as appropriate, to answer the questions of the shareholders.

In 2025, the Company will continue to dedicate itself to improving the standards of its corporate governance according to changing regulatory requirements, the Company's latest development and feedback from shareholders, so as to ensure the stable and healthy growth of the Company while enhancing shareholders' value.

By Order of the Board
ZHANG Jie
Chairman

Beijing, the PRC, 26 March 2025

Profile of Directors, Supervisors and Senior Management

CHAIRMAN

ZHANG Jie, aged 55, is the chairman of the Company. Mr. ZHANG successively graduated from China University of Political Science and Law and Peking University with a bachelor's degree in law and a master's degree in business administration. He is a senior economist and lecturer. Mr. ZHANG served as the deputy secretary of the Communist Youth Party Committee of Beijing Automotive Industry Company (北京汽車工業總公司), the director of the education division and director of the training center of Beijing Automotive Industry Group Head Company (北京汽車工業集團總公司), the deputy secretary of the Party Committee and secretary of the Disciplinary Committee of BEIJING-HYUNDAI AUTO, the director of the Party Committee Office (the Office of the board of directors), the secretary of the board of directors, the general counsel, the deputy secretary of the Disciplinary Committee, the deputy general manager and the deputy secretary of the Party Committee of Beijing Infrastructure Investment Co., Ltd., as well as the deputy secretary of the Party Committee, director and general manager of Beijing State-owned Assets Management Co., Ltd. He was elected as the chairman of the Company in November 2024. Mr. ZHANG has extensive experience in corporate operation, corporate governance and investment management.

EXECUTIVE DIRECTORS

LIANG Jie, aged 55, is an executive director, general manager, member of the nomination committee, the strategic committee and the legal compliance committee of the Company. Ms. LIANG successively graduated from China University of Political Science and Law and Tsinghua University with a bachelor's degree in law and a postgraduate degree in business administration. Ms. LIANG served as the director-general of the Investment Promotion Agency under the Beijing Municipal Administrative Commission of Zhongguancun Science Park (Haidian Park) (Haidian Investment Promotion Agency) (北京市中關村科技園區海淀園管理委員會投資促進處(海淀區投資促進局)), the executive deputy director of the Administrative Commission of Zhongguancun Science Park (Haidian Park) (中關村科技園區海淀園管理委員會), the deputy secretary of the Working Committee of Zhongguancun Science Park (Haidian Park) (中關村科技園區海淀園工作委員會), the director of the Haidian District Science & Technology Commission (海淀區科學技術委員會), and the deputy director, secretary of the Party group and director of the Haidian District Commission of Development and Reform (海淀區發展和改革委員會). From September 2016 to January 2024, Ms. LIANG successively served as deputy general manager of Shougang Corp (首鋼總公司), and the deputy general manager, general legal counsel and chief compliance officer of Shougang Group Co., Ltd. (首鋼集團有限公司). Ms. LIANG has served as the general manager of the Company and a director of BNSIGC (北辰集團), the controlling shareholder of the Company, since February 2024 and was elected in March 2024 as an executive director and general manager of the Company. Ms. LIANG possesses extensive experience in corporate operation and management, legal and compliance as well as risk prevention and control.

YANG Hua-Sen, aged 51, is an executive director of the Company. Mr. YANG graduated from Northern Jiaotong University, Huazhong University of Science and Technology and Party School of the CPC Central Committee successively, with a bachelor's degree in engineering, a master's degree in business administration and a postgraduate degree in philosophy of science and technology. He is a senior logistician and engineer. Mr. YANG successively served as the assistant to the general manager and the deputy general manager of Guangxi Liutie Economic and Technological Development Corporation (廣西柳鐵經濟技術開發總公司), the general manager of Nanning Sales Department of China Railway Special Cargo Company (中鐵特貨公司), the general manager of Shanghai China Railway Auto Logistics Company Limited (上海中鐵達汽車物流有限公司), and the deputy general manager of Beijing Capital Highway Development Group Co., Ltd. (北京市首都公路發展集團有限公司). From March 2019 to October 2021, he served temporarily as a member of the Standing Committee and deputy mayor of Tangshan City, Hebei Province, the secretary of the Party Working Committee of the Beijing-Hebei Caofeidian Co-development Exhibition Zone (京冀曹妃甸協同發展展示範區), and was elected as the executive director of the Company in February 2022. Mr. YANG has extensive experience in corporate management and logistics industry.

Profile of Directors, Supervisors and Senior Management (Continued)

ZHANG Wen-Lei, aged 57, is an executive director and a deputy general manager of the Company. Ms. ZHANG graduated from the School of Economics and Management of Northern Jiaotong University and has received postgraduate education and is a senior economist and a senior accountant as well as an engineer. Ms. ZHANG served as the chief economist of the Fourth Office of China Railway 18th Engineering Bureau (中鐵第十八工程局四處) and the deputy-chief economist of China Railway 18th Engineering Bureau. She joined BNSIGC in 2001. She was the chief economist and the chief legal advisor of BNSIGC. Ms. ZHANG has become the deputy general manager of the Company since 2012, and was elected as an executive director of the Company in May 2018. Ms. ZHANG has extensive experience in construction engineering, tendering, works pricing and works supervision.

HU Hao, aged 46, is an executive director, a deputy general manager and the secretary to the board of the Company. Mr. HU graduated from the Central University of Finance and Economics with a bachelor's degree in economics. Mr. HU joined the Company in 2002 and served successively as the deputy head and head of the investment and financing department, the head of the strategic operation department, the assistant to the general manager and the shareholder representative supervisor of the Company. He has served as the deputy general manager of the Company since January 2021, was elected as an executive director of the Company in May 2024, and was appointed as the secretary to the board of the Company in October 2024. Mr. HU has extensive experience in real estate development, corporate capital operation and operation control.

WEI Ming-Qian, aged 57, is an executive director and a deputy general manager of the Company. Mr. WEI successively graduated from Beijing International Studies University and Renmin University of China with a bachelor's degree in economics and a master's degree in law. He is a senior economist, and successively served as the deputy general manager and property owner's representative of Intercontinental Beijing Beichen Hotel (北辰洲際酒店), the deputy general manager of China National Convention Center (國家會議中心), the general manager of Beijing North Star Convention Group Co., Limited (北京北辰會展集團有限公司) and an assistant to general manager of the Company. He has served as the deputy general manager of the Company since February 2023, and was elected as an executive director of the Company in May 2024. Mr. WEI has extensive experience in convention, exhibition and hotel and tourism management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHOW Wing-Kin, Anthony, aged 74, is an independent non-executive director, member of the audit committee, the nomination committee, the remuneration and evaluation committee, the strategic committee and the legal compliance committee of the Company. Dr. CHOW is a qualified solicitor admitted to practise in Hong Kong and England and Wales. He has been a practising solicitor in Hong Kong for over 40 years and served as a member of the National Committee of the Chinese People's Political Consultative Conference, chairman of the board of stewards of The Hong Kong Jockey Club, the chairman of the Process Review Panel of the Hong Kong Financial Reporting Council, the chairman of the Process Review Panel of the Securities and Futures Commission of Hong Kong, the president of the Law Society of Hong Kong and etc. He is currently the senior consultant and global chairman of the law firm Messrs. Guantao & Chow Solicitors and Notaries and an official China-Appointed Attesting Officer appointed by the Ministry of Justice of the PRC, an arbitrator of the South China International Economic and Trade Arbitration Commission (Shenzhen International Arbitration Court), the vice-chairman of the Council of the Hong Kong Academy for Performing Arts, member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority, member of its Governance Sub-Committee and Investment Sub-Committee, and Member of the Advisory Body on Part 10A of the Arbitration Ordinance (Cap. 609 of the Laws of Hong Kong). Dr. CHOW was appointed as a Justice of the Peace and awarded with a Silver Bauhinia Star medal by the Government of the Hong Kong Special Administrative Region in 1998 and 2003, respectively, awarded as an Honorary Fellow of the Hong Kong Institute of Education in 2010, an Honorary Fellow of King's College London in England in 2013, an Honorary Doctorate of Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong) in 2018 and an Honorary Doctorate of Laws of The Hong Kong University of Science and Technology in 2021. Dr. CHOW has extensive experience in corporate law and securities businesses.

Profile of Directors, Supervisors and Senior Management (Continued)

Dr. CHOW currently serves as an independent non-executive director of Ping An Healthcare and Technology Company Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 01833) and also served as a non-executive director of Kingmaker Footwear Holdings Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 01170), an independent director of OneConnect Financial Technology Co., Ltd, a company listed on the New York Stock Exchange (NYSE Stock Ticker: OCFT) and the Hong Kong Stock Exchange (Stock Code: 06638) and an independent director of China Resources Beverage (Holdings) Company Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 02460). Dr. CHOW ceased to act as independent non-executive director of MTR Corporation Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 00066) with effect from 25 May 2022. Dr. CHOW was elected as an independent non-executive director of the Company in May 2021.

GAN Pei-Zhong, aged 68, is an independent non-executive director, member of the audit committee, the strategic committee and the legal compliance committee, and chairman of the nomination committee and the remuneration and evaluation committee of the Company. Mr. GAN graduated from Department of Law of Peking University, and is a doctor of law. He served as a professor and a tutor of doctoral students of Peking University Law School, and served as the dean, professor and tutor of doctoral students of Lanzhou University Law School. He is a legal counsel to the People's Government of Liaoning Province. Mr. GAN currently serves as the president of China Business Law Society (中國商業法研究會), a standing director of the Chinese Economic Law Research Society, an advisor to the Supreme People's Court, a member of the Expert Guiding Cases Commission of the Supreme People's Court (最高人民法院案例指導專家委員會), and a member of the Consultation Commission of the Executive Council of the Supreme People's Court (最高人民法院執行局諮詢委員). Mr. GAN was elected as an independent non-executive director of the Company in October 2020. Mr. GAN has extensive experience in field of economic law, enterprise law, corporate law and securities law.

Mr. GAN currently serves as an independent non-executive director of Jinhui Wine Co., Ltd. (金徽酒股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 603919), and an independent director of Jinhui Mining Co., Ltd. (金徽礦業股份有限公司) · a company listed on the Shanghai Stock Exchange (Stock Code: 603132).

QIAN Ai-min, aged 54, is an independent non-executive director of the Company. Ms. Qian graduated from the University of International Business and Economics with a doctorate degree in economics. She is a professor of accounting and doctoral supervisor, a fellow (non-practising) member of the Chinese Institute of Certified Public Accountants. Previously, she served as the deputy dean of the International Business School of University of International Business and Economics and currently serves as the deputy dean of the Governance Research Institute of University of International Business and Economics. She is also a member of the National Steering Committee for Accounting Professional Degree Graduate Education and the vice president of the Digital Finance Branch of the China Pharmaceutical Accounting Association. She was elected as an independent non-executive director of the Company in January 2025. Ms. Qian has extensive theoretical and practical experience in corporate financial management and corporate governance.

Ms. QIAN currently serves as the deputy dean and professor of the Corporate Governance Institute of University of International Business and Economics, the independent director of Yihai Kerry Arawana Holdings Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 300999), the independent director of Beijing Sanyuan Gene Pharmaceutical Co., Ltd., a company listed on the Beijing Stock Exchange (stock code: 837344) and the independent director of Xindao Technology Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 603132). From December 2022 to December 2024, Ms. Qian was an independent non-executive director of Huafang Group Inc. (a company formerly listed on the Main Board of the Stock Exchange, former stock code: 3611 and delisted on 16 December 2024).

Profile of Directors, Supervisors and Senior Management (Continued)

CHAIRMAN OF SUPERVISORY COMMITTEE

DU Yan, aged 48, is the Chairperson of the Supervisory Committee of the Company. Ms. Du graduated from Capital University of Economics and Business with a bachelor's degree in economics and holds the title of certified senior accountant. Ms. Du joined BNSIGC in 1999 and previously served as accountant of the finance department of Beijing Beichen Shopping Center, accountant in charge of the finance department of Beichen Department Store Branch, as well as manager and deputy head of the planning and finance department of the Company. She currently serves as the head of the finance and treasury department of the Company. In May 2024, he was elected as the chairperson of the Supervisory Committee of the Company. Ms. Du has extensive experience in accounting practice and financial management.

SUPERVISORS

HE Shu-Fang, aged 47, is a shareholder representative supervisor of the Company. Ms. He graduated from Beijing Technology and Business University with a master's degree in law and is qualified to practice law. Ms. He previously served as the deputy director of the Third Division of Legal Affairs of the Legal Affairs Office of the Beijing Municipal People's Government and the director of the Legal Review Division of the Legal Affairs Department of the Beijing Winter Olympics Organizing Committee. She was appointed as the head of the legal affairs department of the Company in November 2022 and was elected as a shareholder representative supervisor of the Company in May 2024. Ms. He has extensive experience in legal affairs management.

ZHAN Wei, aged 51, is an employee representative supervisor of the Company. Mr. Zhan graduated from the Chemical Defense Command College of the People's Liberation Army with a university degree. Mr. Zhan joined BNSIGC in 1991 and has successively served as the manager of the individual customer department of the apartment branch of the Company, the deputy general manager of Beijing North Star Xin Cheng Property Management Co., Limited, the deputy director of the Construction Bureau (Environmental Protection Bureau and the Transportation Bureau) of the Fourteenth Division during an aid program in Xinjiang, deputy general manager of Wuzhou Conference Center of the Company, general manager of Nanjing Beichen Yangtze River Conference and Exhibition Co., Ltd., general manager of Nanjing Yangtze River International Convention Center. He currently serves as vice chairperson of the Company's Labor Union and was elected as employee representative supervisor of the Company in May 2024. Mr. Zhan has extensive experience in property management and operation of convention and exhibition venues.

Profile of Directors, Supervisors and Senior Management (Continued)

SENIOR MANAGEMENT

KONG Lei, aged 53, is the deputy general manager of the Company. Mr. KONG graduated from the Nanjing Academy and obtained a bachelor's degree and a master's degree in law successively. He has served as deputy regimental officer, regimental secretary, regimental staff officer, deputy divisional staff officer, director of the armed forces department and director of the university. Mr. KONG has extensive experience in public administration, security and large-scale event service assurance.

ZHANG Yu-Mei, aged 54, is the deputy general manager of the Company. Ms. Zhang graduated from Beijing University of Chemical Technology. Ms. Zhang successively worked at Beijing Municipal Commission of Development and Reform, Beijing Research Center for Climate Change Response, Beijing General Supply and Marketing Cooperative and Beijing Environmental Sanitation Engineering Group Co., Ltd., during which she was on secondment to China Development Bank. In July 2024, she was appointed as the deputy general manager of the Company. Ms. Zhang has extensive experience in energy and dual carbon management, project management and environmental governance.

FANG Di, aged 47, is the deputy general manager of the Company. Mr. Fang graduated from Beijing Institute of Architecture and Engineering and Renmin University of China with a bachelor's degree in engineering and a master's degree in economics. Mr. Fang joined the Company in 2001 and has successively served as the director of the general office of Changsha Beichen Real Estate Development Co., Ltd., the director of the general manager's office of the Beichen Land Branch of the Company, the director of the general manager's office of the Company, the general manager of the Company's apartment operation and management branch and the general manager of the office operation and management branch of the Company. He has been serving as the director of the Organization Department of Party Committee (the United Front Department and the Inspection Work Office of the Party Committee) of the Company since 2022 and was appointed as the deputy general manager of the Company in May 2024. Mr. Fang has extensive experience in commercial property operation and management, organization, personnel and administrative management.

MO Fei, aged 54, is the chief legal advisor of the Company. Mr. Mo graduated from Southwest University of Political Science and Law with a bachelor's degree in law and is qualified to practice law. Joined BNSIGC in 2003, Mr. Mo has successively served as deputy head of the legal affairs department of BNSIGC, head of the legal affairs department of the Company, shareholder representative supervisor and deputy general manager of Beijing Beichen Exhibition Investment Co., Ltd. and was appointed as the chief legal advisor of the Company in March 2024. Mr. Mo has extensive experience in the management of corporate legal affairs.

COMPANY SECRETARY

LEE Ka Sze, Carmelo, JP, aged 64, is company secretary of the Company and such office is served by him as a representative of external service provider. He is responsible for ensuring that the Company is in compliance with the regulations of Hong Kong. Mr. LEE graduated from the University of Hong Kong with a bachelor's degree in law. He is a practicing solicitor in Hong Kong and a partner of Woo Kwan Lee & Lo, the Company's legal adviser on Hong Kong laws. Mr. LEE was appointed as the company secretary of the Company in 1997.

Report of the Directors

The Board of the Company is pleased to present to the shareholders the Report of the Directors together with the audited financial reports of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in real estate development and convention and exhibition (including hotels) and commercial properties. The subsidiaries are mainly engaged in property development and property investment within the territory of the PRC.

BUSINESS REVIEW

1. Business performance, principal risks and uncertainties and future developments

The Group’s business performance, principal risk and uncertainties and future development for the year ended 31 December 2024 are discussed in the section “Chairman’s Report” on page 4 and the section “Management Discussion and Analysis” on pages 6 to 36 of this annual report.

2. Subsequent events after the Reporting Period

The Group has no subsequent events after the Reporting Period.

3. Environmental policies and performance

The environmental policy and performance of the Group for the year ended 31 December 2024 is set out in the separately published “2024 Corporate Social Responsibility and Environmental, Social and Governance Report” of the Company.

4. Laws and regulations that have a significant impact on the Company

The Company has strictly complied with the Listing Rules, the SFO, the Company Law, Securities Law, the Rules for Governance of Securities Companies and other relevant laws and regulations and industry rules which had significant influence on the business and operation of the Company during the year, which has facilitated the Company to operate in a regulated way and is conducive to protecting the interests of the shareholders and other stakeholders.

5. Key relationships

The explanation on the key relationships between the Company and its employees, customers and suppliers and the personnel who has a material impact on and is the key to the prosperity of the Company is set out in the Report of the Directors of this annual report.

6. Financial key performance indicators

The financial performance of the Group for the year ended 31 December 2024 analysed based on the financial key performance indicators is set out in the section “Financial Highlights” on pages 2 to 3, the section “Chairman’s Report” on pages 4 to 5 and the section “Management Discussion and Analysis” on pages 6 to 36 of this annual report.

Report of the Directors (Continued)

RESULTS

The results of the Group for the year ended 31 December 2024 and the financial positions of the Group and the Company as at the same date prepared in accordance with HKFRS are set out on pages 82 to 199 of this annual report.

DIVIDEND

The Board resolved to propose that no final dividend will be declared in respect of the year ended 31 December 2024.

FIVE YEAR FINANCIAL SUMMARY

The Group's consolidated results and summaries of assets and liabilities for the last five financial years are set out on pages 2 to 3 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, sales to the top five customers of the Group amounted to approximately RMB195,249,600, accounting for approximately 2.73% of the total sales for the year. Sales to the largest customer of the Group accounted for approximately 0.71% of the total sales of the Group. Among the sales to the top five customers, sales to related parties was RMB0, accounting for 0% of the total sales for the year.

Purchases from the top five suppliers of the Group amounted to approximately RMB1,297,509,600, accounting for approximately 31.30% of the total purchases for the year. Purchases from the largest supplier of the Group accounted for approximately 21.22% of the total purchases of the Group. Among the purchases from the top five suppliers, purchases from related parties was RMB1,179,387,400, accounting for 28.45% of the total purchases for the year.

None of the directors, their associates or any shareholders (which to the knowledge of the directors owned more than 5% interest in the Company's share capital) had any interest in the major suppliers or customers mentioned above.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements of property, plant and equipment of the Group and of the Company during the year are set out in note 8 to the consolidated financial statements.

RESERVES

Details of movements of the reserves of the Group and the Company during the year are set out in note 19 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

In accordance with the Articles of Association of the Company, the profit available for appropriation by the Company for the purpose of dividend payments is based on the lesser of the net profit of the Company determined in accordance with China Accounting Standards for Business Enterprises; and the net profit of the Company determined in accordance with HKFRSs.

Distributable reserves of the Company as at 31 December 2024 amounted to RMB3,141,043,827 (2023: RMB2,460,403,778).

Report of the Directors (Continued)

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CONTINUING DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 18 September 2018, the Company (as borrower) entered into a trust loan agreement (the "**Loan Agreement**") with Beijing International Trust Co., Ltd. (as lender) (the "**Lender**") for loans of up to RMB1 billion under the Beijing Trust-Wisdom Capital Collective Fund Trust Plan (北京信託•盈瑞資本集合資金信託計劃貸款) (the "**Loans**"). The term of each Loan shall be 10 years from the date of drawdown. BNSIGC, the controlling shareholder of the Company, has provided guarantee to the Lender in respect of the Loan Agreement. Pursuant to the Loan Agreement, an event of default shall occur if (i) the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality (the "**Beijing SASAC**") directly or indirectly holds less than 51% of the shares of BNSIGC or Beijing SASAC loses the de facto control over BNSIGC; and/or (ii) BNSIGC loses the de facto control over the Company. In the event of default under the Loan Agreement, the Lender may unilaterally and unconditionally cancel the undrawn Loans under the Loan Agreement and/or declare that all or a part of the Loans under the Loan Agreement, together with the interests accrued thereon and all other monies accrued or payable to be immediately due and payable, and demand immediate repayment by the Company through legitimate means. Such loans were fully repaid on 28 September 2023.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The directors, supervisors and senior management during the year and up to the date of this report are as follows:

Executive Directors

ZHANG Jie (appointed on 28 November 2024)	<i>Chairman and Director</i>
LI Wei-Dong (resigned on 17 October 2024)	<i>Chairman and Director</i>
LIANG Jie (appointed on 13 March 2024)	<i>Director</i>
YANG Hua-Sen	<i>Director</i>
ZHANG Wen-Lei	<i>Director</i>
GUO Chuan (resigned on 29 January 2024)	<i>Director</i>
HU Hao (appointed on 16 May 2024)	<i>Director</i>
WEI Ming-Qian (appointed on 16 May 2024)	<i>Director</i>

Independent Non-Executive Directors

CHOW Wing-Kin, Anthony	<i>Director</i>
GAN Pei-Zhong	<i>Director</i>
CHEN De-Qiu (resigned on 24 January 2025)	<i>Director</i>
QIAN Ai-min (appointed on 24 January 2025)	<i>Director</i>

Report of the Directors (Continued)

Supervisors

DU Yan	<i>Chairman of the Supervisory Committee</i>
LI Xue-Mei (resigned on 11 January 2024)	<i>Chairman of the Supervisory Committee</i>
MO Fei (resigned on 13 March 2024)	<i>Supervisor</i>
TIAN Zhen-Hua (ceased on 16 May 2024)	<i>Supervisor</i>
LV Yi-Hong (ceased on 16 May 2024)	<i>Supervisor</i>
ZHAN Wei (appointed on 16 May 2024)	<i>Supervisor</i>
HE Shu-Fang (appointed on 16 May 2024)	<i>Supervisor</i>

Senior Management

LIANG Jie (appointed on 6 February 2024)	<i>General Manager</i>
ZHANG Wen-Lei	<i>Deputy General Manager</i>
GUO Chuan (resigned on 29 January 2024)	<i>Deputy General Manager, Company Secretary, Chief Legal Advisor</i>
DU Jing-Ming (ceased on 14 July 2024)	<i>Deputy General Manager</i>
HU Hao	<i>Deputy General Manager, Company Secretary</i>
WEI Ming-Qian	<i>Deputy General Manager</i>
KONG Lei	<i>Deputy General Manager</i>
ZHANG Yu-Mei (appointed on 15 July 2024)	<i>Deputy General Manager</i>
FANG Di (appointed on 9 May 2024)	<i>Deputy General Manager</i>
MO Fei (appointed on 14 March 2024)	<i>Chief Legal Advisor</i>
LEE Ka Sze, Carmelo	<i>Company Secretary – served as a representative of external service provider</i>

The biographical details of directors, supervisors and senior management are set out on pages 50 to 54 of this annual report.

The Company has received confirmation from each of the independent non-executive directors of their independence and considered all independent non-executive directors to be independent of the Company.

None of the directors or supervisors has entered into any service contract with the Company or any of its subsidiaries, which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

In compliance with Rule 3.09D of the revised Listing Rules which took effect on 31 December 2023, Ms. LIANG Jie, Mr. HU Hao, Mr. WEI Ming-Qian, Mr. ZHANG Jie and Ms. QIAN Ai-min obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 6 March 2024, 14 May 2024, 14 May 2024, 26 November 2024 and 21 January 2025, respectively, and have confirmed that they understood their obligations as a director.

ELECTION OF THE DIRECTORS AND SUPERVISORS

The incumbent directors and supervisors of the Company were re-elected on the 2023 annual general meeting held on 16 May 2024. Mr. LI Wei-Dong, Ms. LIANG Jie, Mr. YANG Hua-Sen, Ms. ZHANG Wen-Lei, Dr. CHOW Wing-Kin, Anthony, Mr. GAN Pei Zhong and Mr. CHEN De Qiu, directors of the last session, were re-elected. Among them, Mr. LI Wei-Dong was re-elected as the chairman of the Company, and Mr. HU Hao and Mr. WEI Ming-Qian were elected as the executive directors of the next session of the Board, while Ms. DU Yan, the supervisor of the last session, was re-elected. Ms. HE Shu-Fang was elected as the shareholder representative supervisor of the next session of the Supervisory Committee, Mr. ZHAN Wei was elected as the employee representative supervisor of the next session of the Supervisory Committee and Ms. DU Yan was elected as the chairman of the Supervisory Committee of the Company.

Report of the Directors (Continued)

CHANGE OF THE CHAIRMAN

Mr. LI Wei-Dong, the chairman and an executive director of the Company, resigned as the chairman and an executive director of the Company and from all positions in the various special committees under the Board on 17 October 2024 due to a work adjustment.

Mr. ZHANG Jie was elected as an executive director and the chairman of the Company at the second extraordinary general meeting of 2024 and the Board meeting held on 28 November 2024.

CHANGES IN INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHEN De-Qiu, an independent non-executive director of the Company, resigned as an independent non-executive director of the Company and resigned from all positions in the various special committees under the Board at the first extraordinary general meeting of 2025 convened on 24 January 2025 due to work reasons. Ms. QIAN Ai-min was elected as the new independent non-executive director of the Company.

PERMITTED INDEMNITY PROVISIONS

During the Reporting Period, the Company has purchased the appropriate liability insurance for its directors, supervisors and senior management.

EQUITY-LINKED AGREEMENTS

The Company did not enter into any equity-linked agreements as at the end of the year or at any time of the year.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year and up to the year end was the Company a party to any arrangements whose objects are, or one of whose objects is, to enable the directors and supervisors of the Company to acquire benefits by means of the acquisition of shares in, or debentures, of the Company or any other body corporate.

EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

In light of *The Company Law of the People's Republic of China (Revised in 2023)* (《中華人民共和國公司法》(2023修訂)), which came into force on 1 July 2024, allowing a joint stock limited company to replace the supervisory committee with an audit committee comprising directors of the board of directors to exercise the functions of the supervisory committee. The Company will consider the corresponding arrangements in due course and will make further announcement as and when appropriate.

Report of the Directors (Continued)

A summary of the current highlights of the remuneration paid to every supervisor for the past financial years is set out below:

Name	Salary RMB'000	Employer's contribution to retirement benefit scheme RMB'000	Housing allowance RMB'000	Total RMB'000
<i>For the year ended 31 December 2024:</i>				
Ms. LI Xue Mei (resigned on 11 January 2024)	128	–	–	128
Ms. DU Yan	662	98	50	810
Mr. MO Fei (resigned on 13 March 2024)	–	–	–	–
Ms. LV Yi Hong (ceased on 16 May 2024)	18	–	–	18
Mr. TIAN Zhen Hua (ceased on 16 May 2024)	166	17	20	203
Ms. HE Shu Fang (appointed on 16 May 2024)	552	90	50	692
Mr. ZHAN Wei (appointed on 16 May 2024)	537	97	50	684
	2,063	302	170	2,535
<i>For the year ended 31 December 2023:</i>				
Mr. MO Fei	92	–	–	92
Ms. DU Yan	677	98	47	822
Mr. TIAN Zhen Hua	596	91	47	734
Ms. LV Yi Hong	302	41	19	362
Ms. LI Xue Mei	885	103	47	1,035
	2,552	333	160	3,045
<i>For the year ended 31 December 2022:</i>				
Ms. LI Xue Mei	795	94	43	932
Mr. MO Fei	460	52	24	536
Ms. DU Yan	601	91	43	735
Mr. TIAN Zhen Hua	447	86	43	576
Ms. LV Yi Hong	556	94	43	693
	2,859	417	196	3,472
<i>For the year ended 31 December 2021:</i>				
Ms. LI Xue Mei	805	85	40	930
Mr. MO Fei	622	85	40	747
Ms. DU Yan (appointed on 13 May 2021)	392	56	27	475
Mr. TIAN Zhen Hua	466	83	40	589
Ms. LV Yi Hong (appointed on 18 March 2021)	476	72	34	582
Mr. HU Hao (resigned on 21 January 2021)	–	–	–	–
Mr. YAN Jing-Hui (retired on 18 March 2021)	–	–	–	–
	2,761	381	181	3,323

Report of the Directors (Continued)

Name	Salary RMB'000	Employer's contribution to retirement benefit scheme RMB'000	Housing allowance RMB'000	Total RMB'000
<i>For the year ended 31 December 2020:</i>				
Ms. LI Xue Mei (appointed on 16 June 2020)	457	48	23	528
Mr. MO Fei (appointed on 16 June 2020)	379	48	23	450
Mr. TIAN Zhen Hua (appointed on 21 April 2020)	367	60	30	457
Mr. HU Hao (appointed on 16 June 2020)	443	48	23	514
Mr. WANG Jian Xin (resigned on 16 June 2020)	—	—	—	—
Mr. ZHANG Jin Li (resigned on 16 June 2020)	220	—	—	220
Mr. LIU Hui (resigned on 16 June 2020)	—	—	—	—
Mr. YAN Jing Hui	553	78	40	671
Mr. ZHANG Wei Yan (resigned on 21 April 2020)	—	—	—	—
	2,419	282	139	2,840
<i>For the year ended 31 December 2019:</i>				
Mr. WANG Jian Xin	—	—	—	—
Mr. ZHANG Jin Li	564	65	35	664
Mr. LIU Hui	—	—	—	—
Mr. YAN Jing Hui	586	70	38	694
Mr. ZHANG Wei Yan	545	59	32	636
	1,695	194	105	1,994
<i>For the year ended 31 December 2018:</i>				
Mr. WANG Jian Xin (appointed on 28 May 2018)	—	—	—	—
Mr. ZHANG Jin Li	556	75	35	666
Mr. LIU Hui (appointed on 28 May 2018)	—	—	—	—
Mr. YAN Jing Hui	545	73	35	653
Mr. ZHANG Wei Yan	582	75	35	692
Mr. ZHAO Chong Jie (resigned on 28 May 2018)	—	—	—	—
Ms. SONG Yi Ning (resigned on 28 May 2018)	—	—	—	—
	1,683	223	105	2,011
<i>For the year ended 31 December 2017:</i>				
Mr. ZHAO Chong Jie	—	—	—	—
Mr. ZHANG Jin Li	579	68	32	679
Ms. SONG Yi Ning	—	—	—	—
Mr. YAN Jing Hui	555	67	32	654
Mr. ZHANG Wei Yan	603	68	32	703
	1,737	203	96	2,036

Report of the Directors (Continued)

Name	Salary RMB'000	Employer's contribution to retirement benefit scheme RMB'000	Housing allowance RMB'000	Total RMB'000
<i>For the year ended 31 December 2016:</i>				
Mr. ZHAO Chong Jie	—	—	—	—
Mr. ZHANG Jin Li (appointed on 25 May 2016)	300	56	27	383
Ms. SONG Yi Ning	—	—	—	—
Mr. YAN Jing Hui (appointed on 22 March 2016)	418	63	29	510
Mr. ZHANG Wei Yan	563	63	29	655
Mr. LI Guo Rui (resigned on 25 May 2016)	415	—	—	415
Mr. LIU Yao Zhong (resigned on 22 March 2016)	260	—	—	260
	1,956	182	85	2,223
<i>For the year ended 31 December 2015:</i>				
Mr. ZHAO Chong Jie	—	—	—	—
Mr. LI Guo Rui	542	53	24	619
Ms. SONG Yi Ning	—	—	—	—
Mr. LIU Yao Zhong	471	38	17	526
Mr. ZHANG Wei Yan	539	43	26	608
	1,552	134	67	1,753
<i>For the year ended 31 December 2014:</i>				
Mr. ZHAO Chong Jie (appointed on 11 November 2014)	—	—	—	—
Mr. LIU Yi (retired on 11 November 2014)	—	—	—	—
Mr. LI Guo Rui	359	53	24	436
Ms. SONG Yi Ning (appointed on 11 November 2014)	—	—	—	—
Mr. XUE Jian Ming (resigned on 11 November 2014)	—	—	—	—
Mr. LIU Yao Zhong	331	53	24	408
Mr. ZHANG Wei Yan	443	53	24	520
	1,133	159	72	1,364
<i>For the year ended 31 December 2013:</i>				
Mr. LIU Yi	—	—	—	—
Mr. LI Guo Rui	565	49	12	626
Mr. XUE Jian Ming	—	—	—	—
Mr. LIU Yao Zhong	389	49	12	450
Mr. ZHANG Wei Yan	390	49	12	451
	1,344	147	36	1,527
<i>For the year ended 31 December 2012:</i>				
Mr. LIU Yi (appointed on 1 June 2012)	—	—	—	—
Mr. LI Guo Rui (appointed on 1 June 2012)	311	44	19	374
Mr. XUE Jian Ming (appointed on 30 July 2012)	—	—	—	—
Mr. LIU Yao Zhong	290	44	19	353
Mr. ZHANG Wei Yan (appointed on 30 July 2012)	321	44	19	384
Mr. HE Wen Yu (resigned on 1 June 2012)	—	—	—	—
Mr. LI Ji Shu (resigned on 1 June 2012)	352	44	19	415
	1,274	176	76	1,526

Report of the Directors (Continued)

For the year ended 31 December 2011, the remuneration of the Supervisors paid by the Company was RMB0 for each of Mr. HE Wen Yu, Mr. CHEN Yuan Chao (resigned on 1 June 2011), Mr. LI Ji Shu (appointed on 1 June 2011) and Mr. LIU Yao Zhong.

For the year ended 31 December 2010, the remuneration of the Supervisors paid by the Company was RMB0 for each of Mr. HE Wen Yu, Mr. CHEN Yuan Chao and Mr. LIU Yao Zhong.

For the year ended 31 December 2009, the remuneration of the Supervisors paid by the Company was RMB0 for each of Mr. HE Wen Yu, Mr. CHEN Yuan Chao and Mr. LIU Yao Zhong.

For the year ended 31 December 2008, the remuneration of the Supervisors paid by the Company was RMB0 for each of Mr. HE Wen Yu, Mr. CHEN Yuan Chao and Mr. LIU Yao Zhong.

For the year ended 31 December 2007, the remuneration of the Supervisors paid by the Company was RMB0 for each of Mr. HE Wen Yu (appointed on 2 July 2007), Mr. CHEN Yuan Chao and Mr. LIU Yao Zhong.

Details of directors, supervisors and senior management's emoluments for the years ended 31 December 2023 and 2024 are set out in notes 37 to the consolidated financial statements.

INDIVIDUALS WITH THE HIGHEST PAY

During the year, none of the five individuals with the highest emolument in the Group was a director of the Company.

MANAGEMENT CONTRACTS

Except for the contracts entered into in respect of the connected transaction as stated in this report, no contracts concerning the management or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES

As at 31 December 2024, none of the directors, supervisors and chief executives of the Company had any interest or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (as defined under Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company or Hong Kong Stock Exchange pursuant to the Model Code. None of the directors, supervisors and chief executives of the Company, their spouses or children under the age of 18 had been granted any rights to subscribe for shares in or debentures of the Company or its associated corporations, nor has any of them exercised such rights during the year.

At no time during the year were the Company and its associated corporations a party to any arrangement to enable the directors, supervisors and chief executives of the Company (including their spouses and children under 18 years old) to hold any interests or short positions in the shares in or debentures of, the Company, and its associated corporations.

Report of the Directors (Continued)

INTERESTS OF DIRECTORS AND SUPERVISORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Apart from service contracts in relation to the Company's business, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries, its fellow subsidiaries or its substantial shareholders was a party and in which a director or supervisor of the Company or their related entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

INTERESTS OF DIRECTORS AND SUPERVISORS IN COMPETING BUSINESS

During the year and up to the date of this report, none of the directors, supervisors and management shareholders has any interest in business which competes or may compete with the business of the Group under the Listing Rules.

DETAILS OF SHARE OFFERING AND LISTING

Class of shares	H shares
Listing place	Hong Kong
Offer price	HK\$2.40 per share
Listing date	14 May 1997
Number of issued shares	707,020,000 shares
Class of shares	A shares
Listing place	Shanghai
Offer price	RMB 2.40 per share
Listing date	16 October 2006
Number of issued shares	1,500,000,000 shares

SHARE CAPITAL

The Company's total number of issued shares as at 31 December 2024 was 3,367,020,000, comprising:

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

Details of the movements in share capital of the Company are set out in note 18 to the consolidated financial statements.

Report of the Directors (Continued)

SUBSTANTIAL SHAREHOLDERS' INTEREST

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that as at 31 December 2024, the Company had been notified of the following substantial shareholders' interests or short positions, being 5% or more of the relevant class of the Company's issued share capital. These interests do not include those disclosed above in respect of the directors and chief executives.

Long positions in the shares of the Company:

Name of shareholder	Class of shares	No. of shares	No. of relevant shares	Capacity	Nature of interest	Percentage of the relevant class of share capital	Percentage of total share capital
Beijing North Star Industrial Group Limited Liabilities Company ("BNSIGC")	A shares	1,167,511,731	–	Beneficial owner	Corporate interest	43.89%	34.67%

Save as disclosed above, the register required to be kept under Section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2024.

THE COMPANY'S TOP 10 SHAREHOLDERS OF TRADABLE SHARES IN THE A-SHARE AND H-SHARE MARKETS

As at 31 December 2024, the shareholders as recorded in the registers of holders of A shares and H shares kept by the Company are as follows:

As at the end of the Reporting Period, the total number of shareholders is: 130,164 holders

Shareholdings of top ten shareholders of the Company as at 31 December 2024

Name of shareholders	Class of shares	Total number of shares held at the end of the period (shares)	Percentage of shares held (%)
Beijing North Star Industrial Group Limited Liabilities Company	A share	1,167,511,731	34.675
HKSCC NOMINEES LIMITED	H share	691,232,399	20.530
Wangfujing Group Co., Ltd. (王府井集團股份有限公司)	A share	125,300,000	3.721
Hong Kong Securities Clearing Company Limited	A share	22,361,954	0.664
Zhong Hang Xin Gang Guarantee Co., Ltd. (中航鑫港擔保有限公司)	A share	15,875,700	0.472
Industrial and Commercial Bank of China Limited-Southern CSI All-share Index Real Estate Traded Open-ended Index Stock Investment Fund (中國工商銀行股份有限公司－南方中證全指房地產交易型開放式指數證券投資基金)	A share	12,567,795	0.373
ZHANG Jun (張俊)	A share	12,411,886	0.369
WEI Qionghua (韋瓊花)	A share	8,951,625	0.266
WANG Shuxia (王淑霞)	A share	7,972,000	0.237
YU Sanjun (喻三軍)	A share	7,792,900	0.231

Note: HKSCC NOMINEES LIMITED stands for Hong Kong Securities Clearing Company (Nominees) Limited, which held the Company's H shares on behalf of a number of customers.

Report of the Directors (Continued)

DESIGNATED DEPOSITS AND OVERDUE FIXED DEPOSITS

As at 31 December 2024, the Group had no designated deposits placed with financial institutions in the PRC. All of the Group's cash deposits are placed with commercial banks in the PRC and are in compliance with applicable laws and regulations. The Group has not experienced any incidents of not being able to withdraw bank deposits upon maturity.

STAFF RETIREMENT SCHEME

Details of the Group's staff retirement scheme are set out in note 26 to the consolidated financial statements.

EMPLOYEES

As at 31 December 2024, the Company had 5,115 employees. The employee remuneration policy of the Company is that the total salary is paid with reference to its economic efficiency. Save for the remuneration policy disclosed above, the Company did not provide any share option scheme for its employees. The Company regularly provides its management personnel with trainings on various subjects, including operation management, foreign languages, computer skills, industry know-how and policies and laws. The trainings are provided in different forms, such as seminars, site visits and field trips.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The related party transactions (other than the transactions specifically stated below), the details of which are set out in note 35 to the consolidated financial statements, are not discloseable "connected transaction" or "continuing connected transaction" under the Listing Rules. The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions conducted by the Group during the year ended 31 December 2024.

(1) Licensed Use of Trademarks and Logos

Pursuant to the "Contract of Licensed Use of Trademarks and Logos" entered into between the Company and BNSIGC on 18 April 1997, the Company paid trademark and logo licence fees of RMB10,000 to BNSIGC during the Reporting Period, representing 0.02% of the leases of the Company. Such transaction was settled by cash.

(2) Renting Properties

In 2024, the Company's subsidiary, Beijing North Star Xin Cheng Property Management Co., Limited ("**Xin Cheng Property**"), entered into a property rental agreement with Chenyun Property Management Center ("**Chenyun Property**"), a branch of BNSIGC. Pursuant to the agreement, Xin Cheng Property leased certain properties from Chenyun Property as office properties. The term of the lease is one year, starting from 1 January 2024 and ended on 31 December 2024. The rental for the Reporting Period was RMB900,000, representing 1.79% of the leases of the Company. Such transaction was settled by cash.

Report of the Directors (Continued)

(3) Entrusted Operation and Management Contracts

(i) *the 2023 Entrusted Operation and Management Contracts*

On 6 February 2023, Beijing North Star Commercial Management Co., Ltd. ("**North Star Commercial Management**"), a wholly-owned subsidiary of the Company (as the entrusted manager), entered into two entrusted operation and management contracts with BNSIGC (as the owner), pursuant to which BNSIGC engaged North Star Commercial Management to provide entrusted operation and management services in relation to the operation and management of the companies, assets and employees of BNSIGC under entrusted management ("**Chenyun Property Entrusted Operation and Management Contract**"), and Beijing Beichen Yayun Village Automotive Exchange Market Center, a wholly-owned subsidiary of BNSIGC, and its assets and employees ("**YVAEX Entrusted Operation and Management Contract**") (together as "**2023 Entrusted Operation and Management Contracts**"), respectively, and paid management fees. The scope of entrusted operation and management includes the companies, assets and employees of BNSIGC under entrusted management. The term of entrustment of the 2023 Entrusted Operation and Management Contracts is five years from the date of signing of the contracts (i.e. 6 February 2023). BNSIGC is the controlling shareholder of the Company. Therefore, BNSIGC is a connected person of the Company. Accordingly, the entering into of the 2023 Entrusted Operation and Management Contracts and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratio(s) in respect of the annual caps under the 2023 Entrusted Operation and Management Contracts, on an aggregated basis, exceed(s) 0.1% but is (are) less than 5%, the 2023 Entrusted Operation and Management Contracts are subject to the reporting and announcement requirements but are exempt from the circular and shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

As the term of the 2023 Entrusted Operation and Management Contracts exceeds three years, pursuant to Rule 14A.52 of the Listing Rules, the Company has appointed Altus Capital Limited as the independent financial adviser to explain why the 2023 Entrusted Operation and Management Contracts require a duration longer than three years and to confirm that it is a normal business practice for entrusted operation and management contracts of this type to be of such duration.

The annual cap for the management fees payable by BNSIGC to North Star Commercial Management in respect of Chenyun Property Entrusted Operation and Management Contract for 2024 was RMB2,898,000, and the actual transaction amount was RMB2,898,000, which did not exceed the annual cap. The annual cap for the management fees payable by BNSIGC to North Star Commercial Management in respect of YVAEX Entrusted Operation and Management Contract for 2024 was RMB3,268,300, and the actual transaction amount was RMB1,804,100, which did not exceed the annual cap.

Details of the 2023 Entrusted Operation and Management Contracts were disclosed in the announcement of the Company dated 2 February 2023.

Report of the Directors (Continued)

(ii) *the 2024 Entrusted Operation and Management Contracts*

On 23 August 2024, Capital Convention and North Star GL (Beijing) Venue Management Co., Ltd. ("**North Star GL**"), subsidiaries of the Company (both as the entrusted managers), entered into two entrusted operation and management contracts, respectively, with Beijing Chenxing International Exhibition Co., Ltd. ("**Chenxing**") (as the owner), pursuant to which, Chenxing entrusted (i) Capital Convention with the operation and management of the hotels, convention centers and ancillary commercial, parking and supporting facilities in relation to Phase II of Beijing Shunyi New National Exhibition Center Project ("**BSNNEC Phase II Project**") ("**Capital Convention Entrusted Operation and Management Contract**"); and (ii) North Star GL with the operation and management of the exhibition halls and the ancillary commercial, parking and supporting facilities in relation to the BSNNEC Phase II Project ("**North Star GL Entrusted Operation and Management Contract**") (together as "**2024 Entrusted Operation and Management Contracts**"). Two operating and management entities were established by Chenxing in relation to each of the 2024 Entrusted Operation and Management Contracts. The term of entrustment runs from the date when the general manager of the respective operating and management entity to 10 years from the date when the project officially commences operation.

Chenxing is a 30% controlled company of BNSIGC, the controlling shareholder of the Company. Therefore, Chenxing is a connected person of the Company. Accordingly, the 2024 Entrusted Operation and Management Contracts and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the annual caps under the 2024 Entrusted Operation and Management Contracts, on an aggregated basis, exceeds 0.1% but all are less than 5%, the 2024 Entrusted Operation and Management Contracts are subject to the reporting and announcement requirements but are exempt from the circular and shareholders' approval requirements pursuant to Rule 14.76 of the Listing Rules.

As the term of the 2024 Entrusted Operation and Management Contracts exceeds three years, pursuant to Rule 14A.52 of the Listing Rules, the Company has appointed Altus Capital Limited as the independent financial adviser to confirm that it is a normal business practice for entrusted operation and management contracts of this type to be of such duration.

The annual cap for the transactions contemplated under the Capital Convention Entrusted Operation and Management Contract for September to December 2024 was RMB1,930,000, and the actual transaction amount was RMB1,760,000, which did not exceed the annual cap for the year ended 31 December 2024. The annual cap for the transactions contemplated under the North Star GL Entrusted Operation and Management Contract for September to December 2024 was RMB2,200,000, and the actual transaction amount was RMB2,200,000, which did not exceed the annual cap for the year ended 31 December 2024.

Details of the 2024 Entrusted Operation and Management Contracts and the annual caps were disclosed in the announcement of the Company dated 23 August 2024.

Report of the Directors (Continued)

(4) Framework Agreement

The Company has consolidated the existing arrangements for continuing connected transactions under a framework agreement to facilitate the integrated monitoring and disclosure of daily connected transactions in the future. On 1 April 2025, the Company entered into the framework agreement (the “**Framework Agreement**”) with BNSIGC, for a term commencing from 1 April 2025 and expiring on 31 December 2026, pursuant to which BNSIGC and the Company agree that the Company and its subsidiaries from time to time (“**BNSCL Members**”) and BNSIGC and its associates (as defined under the Listing Rules), excluding BNSCL Members (“**BNSIGC Members**”) may conduct various transactions in accordance with the terms and conditions of the Framework Agreement. Categories of transactions contemplated under the Framework Agreement include (i) entrusted operation and management; (ii) value-added ancillary services for venues; (iii) property management services; (iv) office premises leasing; and (v) trademark and logo licensing.

BNSIGC is the controlling shareholder of the Company. As such, BNSIGC is a connected person of the Company. Accordingly, the Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the estimated annual caps under the Framework Agreement, as calculated under Rule 14.07 of the Listing Rules, exceeds 0.1% but is less than 5%, the transactions contemplated under the Framework Agreement are subject only to the reporting, annual review and announcement requirements under Rule 14A.76 of the Listing Rules, but are exempt from the independent shareholders' approval requirement.

The fees for the transactions contemplated under the Framework Agreement are determined in accordance with the pricing principles applicable to independent third parties, in line with the Group's pricing policies applicable to all customers, to ensure that the prices obtained by the Company are no less favorable than the best prices available from independent third parties for similar transactions. When the Group procures services under the Framework Agreement, it will refer to the prices obtainable from independent third parties providing similar services by considering around two to three comparable quotations to ensure reasonable pricing. Similarly, when the Group provides services, it will refer to the prices previously charged to around two to three independent parties for similar transactions to determine a reasonable margin and ensure that its quotations are competitive.

In brief, prior to entering into each individual operational agreement, the Group's relevant operational team will make pricing comparisons by reference to two or more applicable quotations or historical prices from independent third parties as appropriate, to ensure that the pricing terms will be on normal commercial terms or better (i.e. terms obtainable on an arm's length basis or terms no less favourable to the Group than those available to or from independent third parties).

In addition, the terms for the individual operational agreements will be checked and reviewed from time to time by the respective management team of the Group and its relevant operating subsidiaries to ensure compliance with the pricing principles set under the Framework Agreement and that the relevant transactions are conducted according to their terms.

The directors of the Company are of the view that the relevant methods and procedures will help to ensure that the transactions contemplated thereunder will be conducted on normal commercial terms and on an arm's length basis.

Details of the Framework Agreement have been disclosed in the Company's announcement dated 27 March 2025 and will be appropriately disclosed in future annual reports.

Report of the Directors (Continued)

The independent non-executive directors of the Company have reviewed the above transactions set out in paragraph (3) above, and confirmed that, such transactions were conducted on normal commercial terms and the terms of relevant agreements in the ordinary and usual course of business of the Company, if applicable, and such terms were fair and reasonable to all the shareholders of the Company.

Cheng & Cheng Limited, the auditor of the Company, has also reviewed the above transactions in paragraph (3) and has advised in its letter to the Company that, (i) such transactions have been approved by the Board of the Company; (ii) the pricing of such transactions was in line with the pricing policy of the Company on a sample basis; (iii) such transactions were conducted in accordance with relevant agreements governing such transactions and (iv) the caps have not been exceeded. The work performed by Cheng & Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Cheng & Cheng Limited on the exempted continuing connected transactions under the Listing Rules in the above paragraphs (1) to (2).

BANK LOANS AND OTHER BORROWINGS

As at 31 December 2024, details of the bank loans and other borrowings of the Group are set out in note 22 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision under the Company's Articles of Association and the related laws of the PRC, which obliges the Company to offer new shares with pre-emptive rights to existing shareholders for purchase of shares on a pro-rata basis.

DONATIONS

During the year, the Group made charitable and other donations amounted to RMB500,000.

TAX RELIEF

The Company is not aware of any relief on taxation available to shareholders by reason of their holdings of the shares.

SUBSIDIARIES

Details of the Company's principal subsidiaries are set out in note 9 to the consolidated financial statements.

MAJOR LITIGATION OR ARBITRATION

The Company was not involved in any material litigation or arbitration during the year.

POLICIES ON INCOME TAX

In compliance with the PRC laws and regulations, the Company and its subsidiaries and jointly controlled entities paid corporate income tax at a rate of 25% based on taxable income.

Report of the Directors (Continued)

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2024, the equity attributable to ordinary shareholders of the Company amounted to RMB16,283,405,000, representing a decrease of 16.68% as compared to 31 December 2023.

The Group's bank and other borrowings as at 31 December 2024 amounted to RMB13,619,791,000. As at the end of the year, net values of the Group's 5-year corporate bonds, 3-year corporate bonds, 2-year corporate bonds, 5-year medium-term notes and 3-year medium-term notes were RMB2,479,900,000, RMB599,467,000, RMB373,526,000, RMB3,780,727,000 and RMB196,650,000, respectively. The net values of asset-backed securities were RMB2,857,617,000 at the end of the year.

Current assets of the Group, which mainly comprised cash at bank and on hand, completed properties held for sale and properties under development, amounted to RMB37,039,013,000, whereas the current liabilities amounted to RMB16,251,328,000. As at 31 December 2024, balances of cash at bank and on hand amounted to RMB6,783,364,000 (excluding restricted bank deposits) and none of the bonds in issue were exposed to redemption and payment risks. During the year, the Company did not engage in any transaction on financial products or derivative instruments.

As at 31 December 2024, the Group had secured borrowings from banks and other financial institutions of RMB13,400,494,000 with certain investment properties, hotel properties, 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 68% as at the end of the Reporting Period (31 December 2023: 66%); and the gearing ratio calculated by total debt divided by total equity was 107.4% (31 December 2023: 88.8%).

All of the Group's operations take place within the territory of mainland China and all transactions are settled in RMB. Accordingly, there is no exposure to the significant risk of exchange rate fluctuations.

The Group has arranged bank financing for certain buyers of property units and provided repayment guarantee for such buyers. The above phased guarantees will not have a material impact on the financial position of the Group. The amount of outstanding phased guarantees as at 31 December 2024 was RMB4,175,446,000 (31 December 2023: RMB7,137,252,000).

PROVISION FOR IMPAIRMENT

During the Reporting Period, after having comprehensively taken into account the market conditions of the real estate project location, project positioning, development and sales plans and other factors, the Company conducted the impairment tests on the net realisable value of its projects, and made provision for the impairment of inventories whose cost is higher than its net realisable value. As confirmed by the test, the Company is required to make provision for the impairment of inventories for real estate projects of RMB2.545 billion.

The Group accounts for its credit risk by appropriately providing for expected losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data. Based on the assessment and analysis, the Group is required to make provision for impairment losses on financial assets of RMB155 million in 2024.

Report of the Directors (Continued)

CORPORATE GOVERNANCE CODE

The Company strives to maintain and establish a high level of corporate governance and the Company has fully complied with all the code provisions as set out in the Corporate Governance Code (as effective during the year) contained in Appendix C1 to the Listing Rules during the year.

REVIEW ON ANNUAL RESULTS

The audit committee of the Board of the Company has reviewed the annual results and the financial statements of the Group for the year ended 31 December 2024 according to its terms of reference.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, as at the date of this report, there is sufficient public float which is more than 25% of the Company's issued shares (excluding treasury shares) as required under the Listing Rules.

AUDITOR

As disclosed in the Company's announcement dated 28 April 2024, PricewaterhouseCoopers, overseas auditor of the Company ("**PwC HK**") and PricewaterhouseCoopers Zhong Tian LLP, domestic auditor of the Company ("**PwC Zhong Tian**") (collectively referred to as "**PwC**"), have provided audit services to the Company for more than 10 consecutive years that exceeds the maximum period stipulated in the "Administrative Measures for State-owned Enterprises and Listed Companies to Select and Engage Accounting Firms*" (《國有企業、上市公司選聘會計師事務所管理辦法》) issued by the Ministry of Finance of the People's Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council and the China Securities Regulatory Commission on 4 May 2023. Therefore, the Company shall change its accounting firms for the year of 2024.

Cheng & Cheng Limited and Zhongxinghua Certified Public Accountants LLP were appointed as the auditors of the Company with effect from 16 May 2024. A resolution will be proposed at the forthcoming annual general meeting for their re-appointment as auditor of the Company.

PwC HK and PwC Zhong Tian were the external auditors of the Company for the financial years of 2021, 2022 and 2023.

The accounts of the Company for the year ended 31 December 2023 have been audited by PwC HK and PwC Zhong Tian. The accounts of the Company for the year ended 31 December 2024 have been audited by Cheng & Cheng Limited and Zhongxinghua Certified Public Accountants LLP.

By Order of the Board
ZHANG Jie
Chairman

Beijing, the PRC, 26 March 2025

Report of the Supervisory Committee

The supervisory committee of the Company (hereinafter as the “**Supervisory Committee**”), in compliance with the provisions of the Company Law of the People’s Republic of China, the relevant laws and regulations of Hong Kong and the Articles of Association of the Company, conscientiously carried out its duty to protect shareholders’ rights and the Company’s interest and abided by the principle of integrity and exercised due diligence to carry out its work in a reasonably prudent, diligent and proactive manner.

In 2024, the Supervisory Committee convened 5 meetings in total and the supervisors attended the Board meetings and the annual general meeting held during the Reporting Period. During the course of preparation of 2024 Annual Report, the Supervisory Committee has seriously reviewed the audited financial reports, profit appropriation proposal and the evaluation report of the Board on internal control of the Company to be proposed by the Board for consideration at the annual general meeting of the Company. It also strictly and effectively monitored and supervised the Board and management of the Company in making significant policies to ensure that they were in compliance with the laws and regulations of the PRC and the Articles of Association of the Company, and in the interests of the Company, its shareholders and employees. It is of the opinion that in 2024, the Board and management of the Company have operated in strict compliance with laws, regulations and the Articles of Association of the Company, performed their duties diligently, and exercised their authority faithfully in the best interests of the shareholders.

During the Reporting Period, the Supervisory Committee conducted continuous supervision over the insider dealings, cash dividends, connected transactions of the Company and had not detected any insider dealings by any holders of inside information or any other act detrimental to the interests of the Company. The cash dividend policy of the Company was implemented effectively in accordance with the Articles of Association of the Company, Shareholders Dividend Distribution and Return Plan and the resolutions of shareholders’ general meetings. The connected transactions between the Company and related parties were conducted at fair market prices and in compliance with the review, approval and disclosure procedures, without prejudicing the interests of the Company and minority shareholders.

The Supervisory Committee is satisfied with the achievement of the Company in 2024 and has great confidence in the future of the Company.

In 2025, the Supervisory Committee of the Company will continue to strictly comply with the relevant requirements of the related laws and regulations, the Articles of Association and policies of the Company, so as to fulfill all its duties seriously.

By Order of the Supervisory Committee

Beijing, the PRC, 26 March 2025

Independent Auditor's Report



CHENG & CHENG LIMITED
Certified Public Accountants 鄭鄭會計師事務所有限公司

To the Shareholders of Beijing North Star Company Limited
(incorporated in the People's Republic of China with limited liability)

OPINION

What we have audited

We have audited the consolidated financial statements of Beijing North Star Company Limited ("the Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 82 to 199, which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor’s Report (Continued)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Valuation of investment properties
- Assessment of net realisable value of properties under development and completed properties held-for-sale

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Valuation of investment properties</p> <p>Refer to Notes 4.1(a) and 7 to the consolidated financial statements</p> <p>As at 31 December 2024, the Group’s investment properties were measured at fair value and carried at approximately RMB16,297 million. The fair value was determined by management with reference to the valuations performed by an independent professional valuer engaged by the Group (the “Valuer”).</p> <p>The Group’s investment property portfolio mainly included office units, apartment units, shopping malls and convention centres.</p> <ul style="list-style-type: none">Office units, apartment units (except block A) and shopping malls: the valuation was derived using the income approach (term and reversionary method), the relevant key assumptions included adjustment on term yield, reversionary yield and market rents.	<p>We performed the following procedures to address the key audit matter:</p> <ul style="list-style-type: none">Obtaining an understanding of the management’s key internal controls and assessment process for determining the fair value of investment properties and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias.Assessing the competence, capabilities and objectivity of the Valuer.Obtaining and reading the valuation reports for the investment properties and holding discussion with the Valuer to understand the valuation approach or method and key assumptions as adopted in the valuations.

Independent Auditor's Report (Continued)

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties (Continued)	
<ul style="list-style-type: none"> Convention centres and apartment block A: the valuation was derived using the discounted cash flow approach, the relevant key assumptions included estimated rental value and discount rate. <p>All the relevant key assumptions were influenced by the prevailing market conditions and characteristics of individual property such as location, size and age of the properties.</p> <p>We focus on this area due to the significant quantum of investment properties in the consolidated financial statements, and also the estimation of fair value of investment properties is subject to a certain extent of estimation uncertainty, complexity and subjectivity. The inherent risk in relation to the valuation of investment properties is considered significant due to the subjectivity of significant assumptions and estimates used.</p>	<ul style="list-style-type: none"> Checking the property specific information such as location, building age, occupancy status and rental value used by the Valuer against the related operation records as maintained by the Group. Assessing the appropriateness of the valuation approach or method applied based on our knowledge of the Group's business and the real estate industry. Engaging independent valuation specialists to assist on assessing, on a sample basis, the methodologies used by the Valuer and compared the valuations of investment properties to our independently formed market expectations.

Independent Auditor’s Report (Continued)

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Assessment of net realisable value of properties under development and completed properties held-for-sale</p> <p>Refer to Notes 4.1(b), 13 and 14 to the consolidated financial statements</p> <p>The Group’s properties under development (“PUD”) and completed properties held-for-sale (“PHS”) amounted to approximately RMB26,052 million in total as at 31 December 2024 (representing approximately 45.2% of the Group’s total assets). The management assessed the net realisable value (“NRV”) of PUD and PHS as at 31 December 2024 and the carrying amounts of PUD and PHS were stated at the lower of cost and NRV.</p> <p>Management determined the NRV based on estimated selling price less the estimated costs to completion, selling expenses and related taxes. Such determination of NRV of PUD and PHS involved significant judgements and estimates on selling prices, selling expenses and the costs to completion (applicable to PUD) which were influenced by prevailing market conditions and adjusted in consideration of the characteristics of the properties.</p>	<p>We performed the following procedures to address the key audit matter:</p> <ul style="list-style-type: none">• Obtaining an understanding of the management’s key internal controls and assessment process for determining the NRV of PUD and PHS and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias.• Evaluating and testing, on a sample basis, the management’s key controls over the determination of NRV of PUD and PHS.• Evaluating the outcome of prior period assessment of NRV of PUD and PHS to assess the effectiveness of management’s estimation process.

Independent Auditor's Report (Continued)

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter

How our audit addressed the Key Audit Matter

Assessment of net realisable value of properties under development and completed properties held-for-sale (Continued)

We focus on this area due to the significant quantum of PUD and PHS in the consolidated financial statements, and also the estimation of NRV of PUD and PHS is subject to a certain extent of estimation uncertainty, complexity and subjectivity. The inherent risk in relation to the determination of NRV of PUD and PHS is considered significant due to the subjectivity of significant assumptions and estimates used.

- Obtaining management's assessment on NRV of PUD and PHS, evaluating the valuation methodology adopted by management and performing the following audit procedures, on a sample basis, on the key estimates as adopted by management in the assessment:
 - comparing the estimated selling prices to those of the recent market transactions (including the Group's recent pre-sales of units in the same project or comparable properties with similar size, usage and location).
 - comparing the estimated percentage of selling expenses to selling price to the actual ratio of average selling expenses to revenue of the Group in recent years.
 - assessing the reasonableness of the transaction taxes by comparing with the theoretical transaction tax amounts as quantified by reference to the relevant tax rules.
 - comparing the estimated costs to completion to budgets approved by management and comparing the estimated total costs to the actual costs of similar type of recent completed properties of the Group.
 - conducting sensitivity analyses to determine the extent to which changes in key assumptions (whether occurring individually or in combination) would result in material misstatements related to PUD and PHS.

Independent Auditor's Report (Continued)

OTHER MATTER

The consolidated financial statements of the Company for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on 21 March 2024.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee of the Company is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report (Continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (Continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Audit Committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee of the Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee of the Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CHENG & CHENG LIMITED

Certified Public Accountants

Cheng Hong Cheung

Practising Certificate number: P01802

Hong Kong, 26 March 2025

Consolidated balance sheet

		As at 31 December 2024 RMB'000	2023 RMB'000
	Note		
ASSETS			
Non-current assets			
Right-of-use assets	6	386,821	414,133
Investment properties	7	16,297,009	16,739,636
Property, plant and equipment	8	2,314,535	2,433,403
Investments accounted for using the equity method	10	268,299	326,720
Deferred income tax assets	23	1,159,616	1,160,697
Other receivables and prepayments	12	154,156	403,396
		20,580,436	21,477,985
Current assets			
Properties under development	13	8,680,201	13,617,019
Completed properties held-for-sale	14	17,371,429	17,407,630
Other inventories	15	42,418	41,497
Trade and other receivables and prepayments	12	3,039,682	3,174,360
Restricted bank deposits	16	1,121,919	931,854
Cash and cash equivalents	17	6,783,364	8,505,482
		37,039,013	43,677,842
Total assets		57,619,449	65,155,827
LIABILITIES			
Non-current liabilities			
Long-term borrowings	22	15,645,024	14,984,857
Loans from other parties	20	5,089,501	5,512,543
Employee termination benefit obligations	34	86,939	100,604
Deferred income tax liabilities	23	2,194,392	2,232,671
Lease liabilities	6	—	4,228
Deferred income		1,653	34,778
		23,017,509	22,869,681
Current liabilities			
Trade and other payables	20	5,992,601	7,273,603
Loans/advances from other parties	20	1,717,994	3,431,650
Contract liabilities	5	1,475,855	2,089,140
Current income tax liabilities	21	1,526,586	1,659,374
Lease liabilities	6	20,543	29,493
Current portion of long-term borrowings	22	5,517,749	5,575,026
		16,251,328	20,058,286
Total liabilities		39,268,837	42,927,967
Net assets		18,350,612	22,227,860

Consolidated balance sheet (Continued)

		As at 31 December	
		2024	2023
	<i>Note</i>	RMB'000	RMB'000
EQUITY			
Share capital	18	3,367,020	3,367,020
Other reserves	19	4,830,304	4,948,137
Retained earnings	19	8,086,081	11,229,013
Capital and reserves attributable to ordinary shareholders of the Company		16,283,405	19,544,170
Non-controlling interests		2,067,207	2,683,690
Total equity		18,350,612	22,227,860

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

The consolidated financial statements on pages 82 to 199 were approved by the Board of Directors of the Company on 26 March 2025 and were signed on its behalf.



Zhang Jie
Director



Liang Jie
Director

Consolidated income statement

	Note	Year ended 31 December	
		2024 RMB'000	2023 RMB'000
Revenue	5	7,152,407	15,751,478
Cost of sales	24	(7,850,456)	(12,197,760)
Gross (loss)/profit		(698,049)	3,553,718
Selling and marketing expenses	24	(401,011)	(429,459)
Administrative expenses	24	(827,312)	(917,392)
Net provision for impairment losses on financial assets		(154,777)	(260,213)
Other income and (losses) – net	25	(409,684)	(45,292)
Operating (loss)/profit		(2,490,833)	1,901,362
Finance income	27	139,419	80,273
Finance expenses	27	(1,027,400)	(913,434)
Finance expenses – net	27	(887,981)	(833,161)
Share of net profit of investments accounted for using the equity method		129,631	8,150
(Loss)/profit before income tax		(3,249,183)	1,076,351
Income tax expense	28	(337,030)	(1,066,161)
(Loss)/profit for the year		(3,586,213)	10,190
Attributable to:			
Ordinary shareholders of the Company	29	(2,992,483)	140,407
Non-controlling interests		(593,730)	(130,217)
		(3,586,213)	10,190
(Losses)/earnings per share attributable to ordinary shareholders of the Company (expressed in RMB cents per share) (basic and diluted)	29	(88.88)	4.17

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

Consolidated statement of comprehensive income

		Year ended 31 December	
		2024	2023
	Note	RMB'000	RMB'000
(Loss)/profit for the year		(3,586,213)	10,190
Other comprehensive income/(loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of properties newly transferred to investment properties, net of tax	19	50,694	–
Remeasurement of post-employment benefit obligations	19	9,062	(9,187)
Other comprehensive income/(loss) for the year, net of tax		59,756	(9,187)
Total comprehensive (loss)/income for the year		(3,526,457)	1,003
Attributable to:			
Ordinary shareholders of the Company		(2,932,727)	131,220
Non-controlling interests		(593,730)	(130,217)
		(3,526,457)	1,003

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

Consolidated statement of changes in equity

	Attributable to ordinary shareholders of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves (Note 19)	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024	3,367,020	4,948,137	11,229,013	19,544,170	2,683,690	22,227,860
Loss for the year	-	-	(2,992,483)	(2,992,483)	(593,730)	(3,586,213)
Other comprehensive income	-	59,756	-	59,756	-	59,756
Total comprehensive income/(loss)	-	59,756	(2,992,483)	(2,932,727)	(593,730)	(3,526,457)
Transactions with owners in their capacity as owners						
2023 final dividends	-	-	(67,340)	(67,340)	-	(67,340)
Appropriation of statutory reserves	-	83,109	(83,109)	-	-	-
Capital injection from non-controlling interests	-	-	-	-	4,900	4,900
Dividends provided for or paid to non-controlling interests	-	-	-	-	(20,000)	(20,000)
Change in ownership interests in subsidiaries without a change in control	-	(260,698)	-	(260,698)	80,898	(179,800)
Disposals of subsidiaries	-	-	-	-	(88,551)	(88,551)
Total transactions with owners in their capacity as owners	-	(177,589)	(150,449)	(328,038)	(22,753)	(350,791)
Balance at 31 December 2024	3,367,020	4,830,304	8,086,081	16,283,405	2,067,207	18,350,612

Consolidated statement of changes in equity (Continued)

	Attributable to ordinary shareholders of the Company				Non- controlling interests	Total equity
	Share capital	Other reserves (Note 19)	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2023	3,367,020	4,915,444	11,130,486	19,412,950	3,171,143	22,584,093
Profit/(loss) for the year	–	–	140,407	140,407	(130,217)	10,190
Other comprehensive loss	–	(9,187)	–	(9,187)	–	(9,187)
Total comprehensive (loss)/income	–	(9,187)	140,407	131,220	(130,217)	1,003
Transactions with owners in their capacity as owners						
Appropriation of statutory reserves	–	41,880	(41,880)	–	–	–
Dividends provided for or paid to non- controlling interests	–	–	–	–	(12,236)	(12,236)
Capital reduction from non-controlling interests	–	–	–	–	(345,000)	(345,000)
Total transactions with owners in their capacity as owners	–	41,880	(41,880)	–	(357,236)	(357,236)
Balance at 31 December 2023	3,367,020	4,948,137	11,229,013	19,544,170	2,683,690	22,227,860

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

Consolidated cash flow statement

	<i>Note</i>	Year ended 31 December	
		2024	2023
		RMB'000	RMB'000
Cash flows from operating activities			
Cash generated from operations	31	1,281,673	2,202,011
Interest received		139,419	80,273
Interest paid		(1,210,688)	(1,345,877)
Income tax paid		(512,707)	(896,956)
Net cash (used in)/generated from operating activities		(302,303)	39,451
Cash flows from investing activities			
Payments for property, plant and equipment		(74,305)	(78,922)
Payments for investment properties		(67,023)	(126,170)
Loans/funds granted to related parties	35(iv)	(538,995)	(384)
Loan repayments from related parties		641,285	154,350
Interests received on loans granted and other investment		49,527	77,202
Proceeds from sales of property, plant and equipment and investment properties		1,762	1,586
Capital injection to a joint venture		(245)	–
Payment for acquisition of a joint venture and an associate		–	(3,186)
Proceeds from deregistration of a joint venture		16,315	30,569
Proceeds from disposal of a joint venture		19,647	–
Proceeds from disposals of subsidiaries		43,409	–
Net cash generated from investing activities		91,377	55,045

Consolidated cash flow statement (Continued)

		Year ended 31 December	
		2024	2023
	Note	RMB'000	RMB'000
Cash flows from financing activities			
Proceeds from borrowings and issuance of bonds		3,470,167	3,091,942
Repayments of borrowings and bonds		(2,871,606)	(7,282,747)
Issuance of commercial mortgage backed securities ("CMBS")		–	2,854,280
Repayments of CMBS		(721,937)	(21,000)
Proceeds from borrowings from BNSIGC	35(ii)	1,555,000	2,600,000
Repayments of borrowings from BNSIGC	35(ii)	(2,800,000)	(1,300,000)
Proceeds from loans/advances from non-controlling interests		57,428	129,303
Repayments of loans/advance from non-controlling interests		(104,810)	(140,744)
Proceeds from funds from related parties	35(v)	32,489	141,932
Repayments of borrowings from related parties		(17,248)	(38,255)
Proceeds from capital injection from non-controlling interests		4,900	–
Dividends paid to the Company's shareholders		(67,340)	–
Dividends paid to the non-controlling interests		(20,000)	–
Principal elements of lease payments		(29,517)	(29,046)
Payments for changes in ownership interests in subsidiaries without a change in control		(4,738)	–
Net decrease in deposits paid for obtaining borrowings		6,020	17,170
Net cash (used in)/generated from financing activities		(1,511,192)	22,835
Net (decrease)/increase in cash and cash equivalents		(1,722,118)	117,331
Cash and cash equivalents at beginning of year		8,505,482	8,388,151
Cash and cash equivalents at end of year	17	6,783,364	8,505,482

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

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

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

On 25 September 2006, the Company issued 1,500,000,000 A shares at Renminbi (“RMB”) 2.4 per share and these shares were listed on the Shanghai Stock Exchange (“SHSE”) on 16 October 2006. Since then, the Company’s shares have been dually listed on the Main Board of SEHK and the SHSE.

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

These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 26 March 2025.

2 BASIS OF PREPARATION

(i) Compliance with HKFRS and HKCO

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which collectively includes all applicable individual HKFRSs, Hong Kong Accounting standards (“HKASs”) and Interpretations issued by the HKICPA, and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of securities on the SEHK (“Listing Rules”).

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties which are carried at fair value (Note 7).

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Notes to the Consolidated Financial Statements (Continued)

2 BASIS OF PREPARATION (CONTINUED)

(ii) Amended standards adopted by the Group

The Group has applied the following amended standards for its annual reporting period beginning on 1 January 2024:

- Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) - Amendments to HKAS 1
- Non-current Liabilities with Covenants – Amendments to HKAS 1
- Lease Liability in a Sale and Leaseback – Amendments to HKFRS 16
- Supplier Finance Arrangements – Amendments to HKAS 7 and HKFRS 7

The amended standards listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iii) New or amended standards and interpretations not yet adopted

Certain new or amended accounting standards and interpretations have been published that are not effective or mandatory for 31 December 2024 reporting period and have not been early adopted by the Group. The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far 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.

Lack of Exchangeability – Amendments to HKAS 21	1 January 2025
Classification and measurement of financial instruments – Amendments HKFRS 7 and HKFRS 9	1 January 2026
Annual Improvements to HKFRS Accounting Standards Volume 11	1 January 2026
Presentation and Disclosures in Financial Statements – HKFRS 18	1 January 2027

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board of Directors of the Company reviews and agrees policies for managing each of these risks and they are summarised below.

(a) *Market risk*

(i) Foreign exchange risk

The Group operates in the PRC only, with most transactions denominated in RMB. Therefore, the Group does not have significant exposure to foreign exchange risk. The conversion of RMB into foreign currencies is subjected to the rules and regulations of the foreign exchange control, as promulgated by the PRC government.

(ii) Cash flow and fair value interest rate risk

The Group's interest-rate risk principally arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk, which is partially offset by cash held at variable rates. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. The Group closely monitors the trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate swap arrangements to hedge its exposure to interest rate risk, but will consider hedging interest rate risk should the need arise.

At 31 December 2024, if interest rates of borrowings obtained at variable rates had increased/decreased by 100 basis points with all other variables held constant, the Group's post-tax loss for the year, after taking into account the impact of interest capitalisation, would have been increased/decreased by approximately RMB51,296,000 (2023: The Group's post-tax profit would have been decreased/increased by approximately RMB49,296,000).

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk

The Group is exposed to credit risk in its restricted bank deposits, cash and cash equivalents, trade and other receivables and financial guarantee contracts.

Substantially all of the Group's cash and cash equivalents, and restricted bank deposits are held all in major financial institutions located in the PRC, which management believes, are of high credit quality as majority of them are held in state-owned banks. There was no recent history of default of cash and cash equivalents, and restricted bank deposits from such financial institutions.

The Group's trade receivable balances are primarily due from third party customers as a result of sales of properties, property leasing and provision of services. The Group has no significant concentration of credit risk from its customers. The Group's other receivables are mainly receivables from subsidiaries of BBMG Corporation ("BBMG") (non-controlling shareholder of certain subsidiaries of the Group, and have significant influence over the related subsidiaries which are material to the Group and hence is deemed as related party of the Group), other non-controlling interests and other related parties. The Group performs ongoing credit evaluations of the financial condition of its customers/debtors on an individual basis, taking into accounts their financial position, past experience and other factors, and generally does not require collateral from the customers/debtors on the outstanding balances. Based on the expected realisation and timing for collection of the outstanding balances, the Group maintains a provision for loss allowance and actual losses incurred have been within management's expectation, and management believes that there is no material credit risk inherent in the Group's outstanding receivable balances.

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. More detail in respect of the arrangement and the related credit risk are described in Note 3.1(b) *Financial guarantee*.

Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables
- other financial assets at amortised cost

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses, by utilising the lifetime expected loss allowance for trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss also incorporates forward looking information.

As at 31 December 2024 and 2023, the loss allowance was determined as follows for trade receivables:

31 December 2024	Current	Less than 30 days past due	More than 30 days and less than 90 days past due	More than 90 days past due	Total
Property development					
Expected loss rate (%)	N/A	N/A	N/A	100.00%	
Gross carrying amount (RMB'000)	–	–	–	44	44
Loss allowance (RMB'000)	–	–	–	44	44
Property management					
Expected loss rate (%)	22.46%	30.36%	N/A	100.00%	
Gross carrying amount (RMB'000)	21,297	56	–	34,460	55,813
Loss allowance (RMB'000)	4,784	17	–	34,460	39,261
Hotels					
Expected loss rate (%)	0.27%	0.34%	N/A	52.05%	
Gross carrying amount (RMB'000)	25,375	291	–	1,049	26,715
Loss allowance (RMB'000)	69	1	–	546	616
Conference and exhibition					
Expected loss rate (%)	1.63%	2.33%	3.50%	49.57%	
Gross carrying amount (RMB'000)	54,475	6,135	2,489	30,081	93,180
Loss allowance (RMB'000)	887	143	87	14,911	16,028
Leasing-shopping mall					
Expected loss rate (%)	N/A	N/A	N/A	100.00%	
Gross carrying amount (RMB'000)	–	–	–	28,102	28,102
Loss allowance (RMB'000)	–	–	–	28,102	28,102
Leasing-others					
Expected loss rate (%)	0.02%	0.08%	0.37%	37.99%	
Gross carrying amount (RMB'000)	74,750	1,194	267	1,645	77,856
Loss allowance (RMB'000)	15	1	1	625	642

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

Trade receivables (Continued)

31 December 2023	Current	Less than 30 days past due	More than 30 days and less than 90 days past due	More than 90 days past due	Total
Property development					
Expected loss rate (%)	N/A	N/A	N/A	100.00%	
Gross carrying amount (RMB'000)	–	–	–	44	44
Loss allowance (RMB'000)	–	–	–	44	44
Property management					
Expected loss rate (%)	17.35%	N/A	N/A	100.00%	
Gross carrying amount (RMB'000)	24,696	–	–	19,073	43,769
Loss allowance (RMB'000)	4,284	–	–	19,073	23,357
Hotels					
Expected loss rate (%)	0.32%	0.44%	N/A	29.59%	
Gross carrying amount (RMB'000)	17,927	2,433	–	2,612	22,972
Loss allowance (RMB'000)	57	11	–	773	841
Conference and exhibition					
Expected loss rate (%)	1.29%	N/A	N/A	26.97%	
Gross carrying amount (RMB'000)	48,378	–	–	22,673	71,051
Loss allowance (RMB'000)	626	–	–	6,116	6,742
Leasing-shopping mall					
Expected loss rate (%)	N/A	N/A	N/A	100.00%	
Gross carrying amount (RMB'000)	–	–	–	27,358	27,358
Loss allowance (RMB'000)	–	–	–	27,358	27,358
Leasing-others					
Expected loss rate (%)	0.03%	0.06%	0.12%	45.82%	
Gross carrying amount (RMB'000)	60,773	17,335	6,901	6,231	91,240
Loss allowance (RMB'000)	19	11	8	2,855	2,893

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

Trade receivables (Continued)

The loss allowances for trade receivables as at the balance sheet date respective reconcile to the opening loss allowances as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Opening loss allowance at 1 January	(61,235)	(49,540)
Increase in the allowance recognised in profit or loss, net	(23,771)	(11,695)
Receivables written off during the year as uncollectible	313	–
Closing loss allowance at 31 December	(84,693)	(61,235)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. The Group made a write-off of RMB313,000 on trade receivables during the year ended 31 December 2024 (2023: Nil).

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

Other receivables

The Group uses the following three stages to categorise its other receivables, which reflect their credit risk, and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision
Stage one	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.
Stage two	Receivables for which there is a significant increase in credit risk since initial recognition	Lifetime expected losses
Stage three	Receivables for which there is a credit loss since initial recognition	Lifetime expected losses

The Group accounts for its credit risk by appropriately providing for expected losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

Since credit risk has not significantly increased after initial recognition, the loss allowance recognised was therefore limited to 12-month expected losses.

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

Other receivables (Continued)

Based on the assessment and analysis, certain receivables due from other related parties in other receivables with a total carrying amount of RMB816,629,000 (2023: RMB859,103,000) as at 31 December 2024 are classified in Stage three. The impairment is measured as lifetime expected credit loss and the Group has recognised provision for impairment of RMB556,358,000 (2023: RMB424,534,000) against these other receivables as at 31 December 2024.

Except for other receivables as mentioned above, the remaining other receivables are classified in Stage one and the impairment is measured as 12-month expected credit losses.

As at 31 December 2024 and 2023, the loss allowance was determined as follows for other receivables:

	Deposit RMB'000	Due from other related parties RMB'000	Due from non- controlling interests RMB'000	Others RMB'000	Total RMB'000
Opening loss allowance as at 1 January 2024	(1,248)	(424,787)	(4,987)	(16,376)	(447,398)
Decrease/(increase) in the allowance recognised in profit or loss	228	(131,817)	1,021	(438)	(131,006)
Disposals of subsidiaries and others	–	106	1,234	9	1,349
Closing loss allowance as at 31 December 2024	(1,020)	(556,498)	(2,732)	(16,805)	(577,055)
	Deposit RMB'000	Due from other related parties RMB'000	Due from non- controlling interests RMB'000	Others RMB'000	Total RMB'000
Opening loss allowance as at 1 January 2023	(1,695)	(174,008)	(7,217)	(15,960)	(198,880)
Decrease/(increase) in the allowance recognised in profit or loss	447	(250,779)	2,230	(416)	(248,518)
Closing loss allowance as at 31 December 2023	(1,248)	(424,787)	(4,987)	(16,376)	(447,398)

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

Other receivables (Continued)

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. The Group has not written off any other receivables during the years ended 31 December 2024 and 2023.

Financial guarantees

The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding principal of the loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the customer's deposit and resell the property to recover any amounts paid by the Group to the bank. In this regard, the directors of the Company consider that the Group's credit risk associated with these financial guarantees is immaterial.

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

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 RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2024					
Borrowings (including interests payable)	6,276,235	7,123,331	4,061,616	9,792,065	27,253,247
Trade and other payables and loans/advances from other parties (Note i)	7,804,253	4,405,936	850,578	–	13,060,767
Lease liabilities	21,403	–	–	–	21,403
	14,101,891	11,529,267	4,912,194	9,792,065	40,335,417
At 31 December 2023					
Borrowings (including interests payable)	6,268,341	5,707,329	3,598,367	8,179,795	23,753,832
Trade and other payables and loans/advances from other parties (Note i)	10,716,178	245,483	5,519,517	–	16,481,178
Lease liabilities	31,013	4,353	–	–	35,366
	17,015,532	5,957,165	9,117,884	8,179,795	40,270,376

Notes:

- (i) Excluding staff welfare benefit 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 guarantees as disclosed in Note 32.

Notes to the Consolidated Financial Statements (Continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to owners, return capital to owners, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the asset-liability ratio. This ratio is calculated as total liabilities divided by total assets.

The asset-liability ratios at 31 December 2024 and 2023 were as follows:

	As at 31 December 2024	2023
Asset-liability ratio	68%	66%

3.3 Fair value estimation

Other than investment properties, the Group has no other assets and liabilities that carried at fair value as at 31 December 2024 and 2023. 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).

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

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

As described in Note 4.2(a), the fair value of the financial guarantees is considered not to be significant.

Notes to the Consolidated Financial Statements (Continued)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Estimate of fair value of investment properties*

The fair values of investment properties owned by the Group are assessed annually by an independent professional valuer. Details of the judgement and assumptions have been disclosed in Note 7.

(b) *Estimate of impairment of properties under development and completed properties held-for-sale*

Property under development and completed properties held-for-sale are reviewed by management for impairment, whenever events or changes in circumstances indicate that the carrying amount may be higher than net realisable value. The net realisable value is the estimated selling price of the properties in the ordinary course of business, less estimated costs to complete the development of properties (applicable to properties under development) and applicable variable expenses to make the sale. Management makes judgments on whether such events or changes in circumstances have occurred, and makes estimates mainly for selling price and cost to complete the development of the properties (applicable to properties under development) in determining the net realisable value.

(c) *Current and deferred income taxes*

The Group is subject to income taxes in the PRC. Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax expenses in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

Notes to the Consolidated Financial Statements (Continued)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Critical accounting estimates and assumptions (Continued)

(d) *Land appreciation taxes*

The Group is subject to land appreciation taxes in the PRC. However, the implementation and settlement of these taxes varies among the tax jurisdictions in various cities of the PRC. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes. The Group recognised these land appreciation taxes based on management's best estimates according to the understanding of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expenses in the periods in which such taxes are finalised with local tax authorities.

(e) *Estimate of construction cost of completed properties held-for-sale*

The Group makes estimations on properties construction cost upon recognition of respective costs of sales. Such estimates are substantiated by detail budgetary information as developed by the management, and will be assessed periodically, as the constructions progresses. Should these estimates depart from their actual finalised costs, such differences would affect the accuracy of costs of sales recognised.

4.2 Critical judgements in applying the Group's accounting policies

(a) *Revenue recognition*

The Group has recognised revenue from the sale of properties held-for-sale based on the policies as disclosed in Note 5. The assessment of when an entity has transferred the control of the properties to buyers requires the examination of the circumstances of the transaction. In most cases, the transfer of control of the properties coincides with the date when the equitable interest in the property vests with the buyer upon release of the respective property to the buyer.

As disclosed in Note 32, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. These guarantees will expire when relevant property ownership certificates are lodged with the various banks by the purchasers. In order to obtain mortgages, the purchasers would have settled certain percentage of the total contract amount in accordance with related PRC regulations upon delivery of the properties. The directors of the Company are of the opinion that such settlements provide sufficient evidence of the purchasers' commitment to honour contractual obligation of the bank loans. In addition, based on the past experiences, there were no significant defaults of mortgage facilities by the purchasers resulted in the bank guarantees were called upon. Accordingly, the directors of the Company believe that control associated to the ownership of the properties have been transferred to the purchasers.

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION

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

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

Other segments of the Group mainly comprise the operation of other miscellaneous businesses, 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 (loss)/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)/gains on investment properties and includes land appreciation taxes and the depreciation and impairment of investment properties as if they are measured at cost less accumulated depreciation. Other information provided, except as noted below, to the Board is measured in a manner consistent with the segment information as disclosed in the consolidated financial statements.

Total segment assets mainly exclude assets of deferred income tax assets at corporate level, corporate cash and other corporate assets, 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.

Total segment liabilities mainly exclude liabilities of 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 consolidated balance sheet liabilities.

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (CONTINUED)

The Group's revenue consists of revenue from sales of developed properties and revenue from the operation of convention and exhibition (including hotels) and commercial properties. Revenues recognised during the years ended 31 December 2024 and 2023 are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue		
Real estate development segment	4,010,608	12,904,731
Convention and exhibition (including hotels) and commercial properties segment	2,960,768	2,649,089
	6,971,376	15,553,820
Other segments	181,031	197,658
	7,152,407	15,751,478

During the years ended 31 December 2024 and 2023, the Group derives revenue from the deliveries of properties, goods and services over time and at a point in time from the following segments:

	At a point in time	Over time
	RMB'000	RMB'000
Revenue recognised under HKFRS 15		
Year ended 31 December 2024		
Real estate development segment	4,010,608	—
Convention and exhibition (including hotels) and commercial properties segment*	535,666	921,834
Other segments	16,289	164,742
	4,562,563	1,086,576

Revenue recognised under HKFRS 15		
Year ended 31 December 2023		
Real estate development segment	12,904,731	—
Convention and exhibition (including hotels) and commercial properties segment*	462,749	679,032
Other segments	48,647	149,011
	13,416,127	828,043

* Rental income for the year ended 31 December 2024 of RMB1,503,268,000 (2023: RMB1,507,308,000) is recognised on a straight-line basis over the terms of the leases and has not been included in the above analysis.

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (CONTINUED)

Other segments of the Group mainly comprise the operation of other miscellaneous businesses, none of which constitutes a separately reportable segment.

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

The segment information provided to the Board for the reportable segments for the year ended 31 December 2024 is as follows:

Business segment	Real estate development RMB'000	Convention and exhibition (including hotels) and commercial properties RMB'000	Other segments RMB'000	Total RMB'000
Total segment revenue	4,023,389	3,256,710	220,022	7,500,121
Inter-segment revenue	(12,781)	(295,942)	(38,991)	(347,714)
Revenue from external customers	4,010,608	2,960,768	181,031	7,152,407
Adjusted (loss)/profit before income tax	(3,420,167)	492,087	(52,784)	(2,980,864)
Adjusted (loss)/profit before income tax is stated after (charging)/crediting the following:				
Adjusted cost of sales or services rendered	(3,518,346)	(1,627,623)	(140,798)	(5,286,767)
Adjusted depreciation	(33,660)	(389,662)	(9,454)	(432,776)
Finance income	18,583	2,491	26	21,100
Finance expenses	(862,018)	(213)	–	(862,231)
Share of net profit from investments accounted for using the equity method	127,710	1,921	–	129,631
Adjusted income tax (expenses)/credit	(347,335)	(90,307)	2,570	(435,072)

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Board for the reportable segments for the year ended 31 December 2023 is as follows:

Business segment	Real estate development <i>RMB'000</i>	Convention and exhibition (including hotels) and commercial properties <i>RMB'000</i>	Other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Total segment revenue	12,904,731	2,727,742	252,660	15,885,133
Inter-segment revenue	–	(78,653)	(55,002)	(133,655)
Revenue from external customers	12,904,731	2,649,089	197,658	15,751,478
Adjusted profit/(loss) before income tax	588,578	469,559	(60,559)	997,578
Adjusted profit/(loss) before income tax is stated after (charging)/crediting the following:				
Adjusted cost of sales or services rendered	(9,881,338)	(1,411,408)	(145,994)	(11,438,740)
Adjusted depreciation	(36,997)	(437,488)	(9,446)	(483,931)
Finance income	38,209	4,911	222	43,342
Finance expenses	(733,558)	–	–	(733,558)
Share of net profit from investments accounted for using the equity method	4,643	3,507	–	8,150
Adjusted income tax (expenses)/credit	(1,074,770)	(117,390)	14,624	(1,177,536)

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (CONTINUED)

The segment information as at 31 December 2024 and 2023 is as follows:

Business segment	Real estate development <i>RMB'000</i>	Convention and exhibition (including hotels) and commercial properties <i>RMB'000</i>	Other segments <i>RMB'000</i>	Total <i>RMB'000</i>
As at 31 December 2024				
Total segment assets	32,678,630	10,125,946	78,589	42,883,165
Total segment assets include:				
Investments accounted for using the equity method	251,188	17,111	–	268,299
Additions to non-current assets*	20,859	77,650	5,218	103,727
Total segment liabilities	21,126,170	1,361,736	378,195	22,866,101
Contract liabilities	1,197,755	272,395	5,705	1,475,855
As at 31 December 2023				
Total segment assets	37,133,959	10,359,154	100,054	47,593,167
Total segment assets include:				
Investments accounted for using the equity method	316,431	10,289	–	326,720
Additions to non-current assets*	16,121	189,111	2,513	207,745
Total segment liabilities	24,341,316	1,223,425	284,723	25,849,464
Contract liabilities	1,971,399	112,360	5,381	2,089,140

* Non-current assets does not include investments accounted for using the equity method, other receivables and prepayments and deferred income tax assets.

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the consolidated financial statements. 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 treasury function centrally.

As at 31 December 2024, the contract liabilities mainly included the payments received from pre-sales of properties which were usually received in advance of the performance under the contracts. The decrease in contract liabilities during the year was in line with the decrease in the Group's contracted sales.

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (CONTINUED)

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

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Real estate development segment	1,585,115	9,065,874
Convention and exhibition (including hotels) and commercial properties segment	118,668	140,066
Other segments	5,381	6,487
	1,709,164	9,212,427

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

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Adjusted (loss)/profit before income tax for reportable segments	(2,980,864)	997,578
Corporate overheads	(126,933)	(208,263)
Corporate finance expense	(165,169)	(179,876)
Corporate finance income	118,319	36,931
Reversal of provision for/(provision for) impairment losses on financial assets	2,147	(247,068)
Other income	675	176
Other losses – net	(500)	(750)
Fair value losses on investment properties (Note 25)	(575,267)	(180,599)
Reversal of depreciation and impairment of investment properties	354,556	278,764
Land appreciation tax (Note 28)	123,853	579,458
(Loss)/profit before income tax	(3,249,183)	1,076,351

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (CONTINUED)

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

	As at 31 December 2024	2023
	RMB'000	RMB'000
Total segment assets	42,883,165	47,593,167
Deferred income tax assets at corporate level	326,299	959,891
Corporate cash	5,598,225	7,226,356
Accumulated fair value gains on investment properties	4,859,626	5,367,301
Reversal of accumulated depreciation and impairment of investment properties	3,917,938	3,563,384
Corporate loans advanced to joint ventures and an associate	—	434,792
Other corporate assets	34,196	10,936
Total assets per consolidated balance sheet	57,619,449	65,155,827
Total segment liabilities	22,866,101	25,849,464
Deferred income tax liabilities at corporate level	2,194,392	2,232,671
Corporate borrowings	8,683,101	8,943,140
Other corporate liabilities	5,525,243	5,902,692
Total liabilities per consolidated balance sheet	39,268,837	42,927,967

The reconciliation between the Group's depreciation for reportable segments and corresponding amount per disclosure for property, plant and equipment (Note 8) and right-of-use assets (Note 6) are mainly reversal of depreciation of investment properties and other related adjustments amounting to RMB226,169,000 (2023: RMB274,700,000).

The reconciliation between reportable segment income tax expenses and total income tax expenses is amounting to RMB98,042,000 (2023: RMB111,375,000), representing the impact of the aforementioned reconciliation items including corporate overheads, corporate financial expense, corporate financial income, fair value losses on investment properties and reversal of depreciation and impairment of investment properties.

The Company and its subsidiaries were incorporated in the PRC and all the revenue from external customers of the Group for the years ended 31 December 2024 and 2023 are derived in the PRC.

At 31 December 2024 and 2023, all the Group's non-current assets other than deferred income tax assets are located in the PRC.

The Group has a large number of customers, and there was no significant revenue (in excess of 10% of the Group's revenue) derived from any specific external customers for the years ended 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (CONTINUED)

Accounting policies of revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of properties and services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales with the group companies.

(i) *Land development and resale*

The group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the group due to contractual restrictions. However, an enforceable right to payment does not arise until the property is accepted by the customer, or deemed as accepted according to the contract, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Therefore, revenue is recognised at a point in time when the property is accepted by the customer, or deemed as accepted according to the contract, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property.

The revenue is measured at the transaction price agreed under the contract. The consideration is due when the property is accepted by the customer, or deemed as accepted according to the contract, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. The transaction price is not adjusted for the effects of a significant financing component.

(ii) *Provision of services*

Revenue from providing convention and exhibition services, hotel service, commercial and property management services is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours. Revenue from providing hotel catering services externally is recognised upon completion of catering services. At the balance sheet date, the Group reestimates the progress of completed services to reflect changes in performance.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Notes to the Consolidated Financial Statements (Continued)

6. RIGHT-OF-USE ASSETS AND LEASES

(a) Right-of-use assets

	2024 RMB'000	2023 RMB'000
At 1 January	414,133	433,030
Addition	16,339	24,811
Termination of a lease	(1,086)	–
Depreciation charge	(42,565)	(43,708)
At 31 December	386,821	414,133

Notes:

- (i) As at 31 December 2024 and 2023, the Group's right-of-use assets comprise of land use rights, leased land and properties and details of which has been set out in Note (b)(i) below.
- (ii) As at 31 December 2024, certain right-of-use assets with net book value of RMB376,574,000 (2023: RMB250,559,000) are pledged as securities for bank and other borrowings (Note 22).

(b) Leases

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the consolidated balance sheet

	As at 31 December 2024 RMB'000	2023 RMB'000
Right-of-use assets		
Land use rights and leased land*	380,674	394,548
Leased properties	6,147	19,585
	386,821	414,133

- * As at 31 December 2024, land use rights with carrying amounts of RMB376,574,000 (2023: RMB390,484,000) represent the prepaid lease payments made to the Mainland China government for the use of land for a lease term of 40-70 years. As at 31 December 2024, leased land with carrying amount of RMB4,100,000 (2023: RMB4,064,000) represent the net book amount of the land as leased from BNSIGC for a lease term of 1 year.

Notes to the Consolidated Financial Statements (Continued)

6. RIGHT-OF-USE ASSETS AND LEASES (CONTINUED)

(b) Leases (Continued)

(i) Amounts recognised in the consolidated balance sheet (Continued)

	As at 31 December 2024 RMB'000	2023 RMB'000
Lease liabilities		
Current	20,543	29,493
Non-current	–	4,228
	20,543	33,721

(ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	2024 RMB'000	2023 RMB'000
Depreciation charge on right-of-use assets	42,565	43,708
Interest expenses on lease liabilities (included in finance expenses)	1,498	2,065
Expenses relating to short-term leases (included in cost of sales, selling and marketing expenses and administrative expenses)	21,620	11,523

The total cash outflow for leases in 2024 was RMB52,635,000 (2023: RMB42,634,000).

(iii) The Group's leasing activities and how these are accounted for

The Group leases various land, properties and equipments. Rental contracts are typically made for fixed periods of 1 to 6 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease agreements do not contain variable lease payments terms, extension and termination options and the Group does not provide any residual value guarantees.

Notes to the Consolidated Financial Statements (Continued)

6. RIGHT-OF-USE ASSETS AND LEASES (CONTINUED)

(b) Leases (Continued)

(iii) *The Group's leasing activities and how these are accounted for (Continued)*

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. See Note 38.17 for the other accounting policies relevant to lease.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Certain right-of-use assets meet the definition of investment property and are measured at fair value subsequently.

The rest of right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of building and equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Notes to the Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES

	2024 RMB'000	2023 RMB'000
At fair value		
At 1 January	16,739,636	16,826,279
Additions	44,197	112,690
Transfer from property, plant and equipment	25,807	–
Disposal	(1,454)	(1,813)
Fair value losses recognised in profit or loss	(575,267)	(180,599)
Fair value gain recognised in other comprehensive income upon transfer from property, plant and equipment	67,592	–
Others (Note)	(3,502)	(16,921)
At 31 December	16,297,009	16,739,636

Note: Others represent the amounts adjusted for the differences between the final settled costs and the estimated costs as originally recognised based on the budgeted completion costs of the related properties.

(a) Amounts recognised in consolidated income statement for investment properties

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Rental income	1,397,319	1,488,542
Direct operating expenses arising from investment properties that generated rental income	(684,580)	(771,444)
Direct operating expenses that did not generate rental income	(406,605)	(407,146)
Fair value losses recognised in profit or loss	(575,267)	(180,599)

The Group's investment properties are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. The Group has measured the deferred income tax relating to the temporary differences of these investment properties using the tax rates and the tax bases that are consistent with the expected manner of recovery of these investment properties (Note 23).

Refer to Note 33(a) for disclosure of contractual obligations for repairs, maintenance or enhancements.

The investment properties are leased to tenants under operating leases with rentals payable monthly or quarterly. Where considered necessary to reduce credit risk, the Group may obtain deposits on the term of leases. Certain leases include variable lease payment terms that are based on the revenue of tenants.

Notes to the Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES (CONTINUED)

(a) Amounts recognised in consolidated income statement for investment properties (Continued)

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

The minimum lease payments receivable on leases of investment properties has been sent out in Note 33(b).

(b) Valuation basis

An independent valuation of the Group's investment properties was performed by the external valuer, Greater China Appraisal Limited ("GCAL"), to determine the fair value of the investment properties as at 31 December 2024 and 2023.

(i) Fair value hierarchy

	Fair value measurements at 31 December using significant unobservable inputs (Level 3)	
	2024	2023
	RMB'000	RMB'000
Recurring fair value measurements for investment properties including:		
Office units	6,581,900	6,693,605
Apartments	2,115,270	2,173,600
Convention centers	4,009,000	4,091,000
Shopping malls	3,578,600	3,769,300
Others	12,239	12,131
	16,297,009	16,739,636

All of the Group's investment properties are located in Beijing, Changsha and Wuhan, the PRC and the fair value of all investment properties of the Group are included in level 3 of the fair value hierarchy.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

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

Notes to the Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES (CONTINUED)

(b) Valuation basis (Continued)

(ii) *Valuation processes of the Group*

The Group's investment properties were valued on 31 December 2024 by the independent professional qualified valuer who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

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 process 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.

At the end of each financial year, the finance department:

- Verifies all major inputs to the independent valuation report;
- Assess property valuations movements when compared to the prior year valuation report; and
- 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 Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES (CONTINUED)

(b) Valuation basis (Continued)

(iii) Valuation techniques

For office units, apartments (except block A) and shopping malls, the valuations were based on income capitalisation approach (term and reversionary method) which largely used unobservable inputs (e.g. market rent, yield, etc.) and taking into account the significant adjustment 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 inputs include:

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

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

Notes to the Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES (CONTINUED)

(b) Valuation basis (Continued)

(iv) Information about fair value measurements using significant unobservable inputs (Level 3)

The following table analyses the investment properties carried at fair value, by valuation method.

Description	Fair value at 31 December 2024 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
Investment properties-office units, apartments (except block A), and shopping malls	12,206,770	Income approach (term and reversionary method)	Term yield	0.5% to 1.0% downward adjustment on the reversionary yield	The higher the term yield, the lower the fair value
			Reversionary yield	From 2.0% to 9.0%	The higher the reversionary yield, the lower the fair value
			Market rents	RMB0.67-RMB14.00/ sq.m/day	The higher the market rents, the higher the fair value
Investment properties- convention centers	4,009,000	Discounted cash flow	Rental value	For Year 1 to 5 RMB4.43-RMB6.58/ sq.m/day	The higher the rental value, the higher the fair value
			Discount rate	From 10.0% to 11.0%	The higher the discount rate, the lower the fair value
Investment properties-apartment (block A)	69,000	Discounted cash flow	Room rate	For Year 1 to 5 RMB472 -RMB511/ room/day	The higher the room rate, the higher the fair value
			Discount rate	8.5%	The higher the discount rate, the lower the fair value
Investment properties-others	12,239	Discounted cash flow	Annual rent	Approximately RMB17,050,000	The higher the annual rent, the higher the fair value
			Discount rate	4.35%	The higher the discount rate, the lower the fair value

Notes to the Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES (CONTINUED)

(b) Valuation basis (Continued)

(iv) Information about fair value measurements using significant unobservable inputs (Level 3) (Continued)

Description	Fair value at 31 December 2023 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
Investment properties-office units, apartments (except block A), and shopping malls	12,491,905	Income approach (term and reversionary method)	Term yield	0.5% to 1.0% downward adjustment on the reversionary yield	The higher the term yield, the lower the fair value
			Reversionary yield	From 2.2% to 9.0%	The higher the reversionary yield, the lower the fair value
			Market rents	RMB0.66-RMB22.29/ sq.m/day	The higher the market rents, the higher the fair value
Investment properties- convention centers	4,091,000	Discounted cash flow	Rental value	For Year 1 to 5 RMB3.81-RMB7.57/ sq.m/day	The higher the rental value, the higher the fair value
			Discount rate	From 10.0% to 11.0%	The higher the discount rate, the lower the fair value
Investment properties-apartment (block A)	72,000	Discounted cash flow	Room rate	For Year 1 to 5 RMB416 -RMB460/ room/day	The higher the room rate, the higher the fair value
			Discount rate	8.5%	The higher the discount rate, the lower the fair value

Notes to the Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES (CONTINUED)

(b) Valuation basis (Continued)

(iv) Information about fair value measurements using significant unobservable inputs (Level 3) (Continued)

Description	Fair value at 31 December 2023 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
Investment properties under development – office units	72,600	Income approach (term and reversionary method)	Term yield	1% downward adjustment on the reversionary yield	The higher the term yield, the lower the fair value
			Reversionary yield	9.0%	The higher the reversionary yield, the lower the fair value
			Market rents	RMB4/sq.m/day	The higher the rental value, the higher the fair value
		Residual method	Development costs to completion	Approximately RMB2,298/sq.m	The higher the cost, the lower the fair value
Investment properties – others	12,131	Discounted cash flow	Annual rent	Approximately RMB16,982,000	The higher the annual rent, the higher the fair value
			Discount rate	6.01%	The higher the discount rate, the lower the fair value

Notes to the Consolidated Financial Statements (Continued)

7. INVESTMENT PROPERTIES (CONTINUED)

(c) Non-current assets pledged as securities

As at 31 December 2024, certain investment properties with fair value of RMB9,987,000,000 (2023: RMB9,776,000,000) were pledged as securities for bank and other borrowings (Note 22).

(d) Accounting policy of Investment properties

Investment property, principally leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated income statement as “fair value losses on investment properties”.

Lease income from operating leases where the Group is a lessor is recognised in the consolidated income statement as “revenue” on a straight-line basis over the lease term.

If an owner-occupied property becomes an investment property because its use has been changed, at the date of transfer, investment property is measured at fair value using the fair value model. Any resulting loss between the fair value and the carrying amount of the property on the date of transfer is recognised in profit or loss. Any resulting gain between the fair value and the carrying amount of the investment property on the date of transfer, to the extent that the gain reverses a previous impairment loss for that property, the gain is recognised in profit or loss. The amount recognised in profit or loss does not exceed the amount needed to restore the carrying amount to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised. Any remaining part of the gain is recognised in other comprehensive income as revaluation surplus. On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to retained earnings. The transfer from revaluation surplus to retained earnings is not made through profit or loss.

Notes to the Consolidated Financial Statements (Continued)

8. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Hotel properties RMB'000	Plant and machinery RMB'000	Furniture, fixtures, equipment and motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
Year ended 31 December 2023						
Opening net book amount	267,372	1,885,711	192,555	196,798	1,222	2,543,658
Additions	13,655	–	11,657	30,289	2,820	58,421
Disposals	–	–	(205)	(1,044)	–	(1,249)
Transfers	6,621	–	(30,754)	25,184	(1,051)	–
Depreciation	(31,153)	(45,494)	(33,942)	(54,934)	–	(165,523)
Others (i)	(1,922)	–	23	(5)	–	(1,904)
Closing net book amount	254,573	1,840,217	139,334	196,288	2,991	2,433,403
At 31 December 2023						
Cost	605,386	2,716,076	626,697	888,688	2,991	4,839,838
Accumulated depreciation and impairment	(350,813)	(875,859)	(487,363)	(692,400)	–	(2,406,435)
Net book amount	254,573	1,840,217	139,334	196,288	2,991	2,433,403
Year ended 31 December 2024						
Opening net book amount	254,573	1,840,217	139,334	196,288	2,991	2,433,403
Additions	–	–	31,631	30,968	7,121	69,720
Disposals	(70)	–	(615)	(1,889)	–	(2,574)
Transfers	(25,807)	–	131	9,423	(9,554)	(25,807)
Depreciation	(38,241)	(36,873)	(44,793)	(44,135)	–	(164,042)
Others (i)	3,835	–	–	–	–	3,835
Closing net book amount	194,290	1,803,344	125,688	190,655	558	2,314,535
At 31 December 2024						
Cost	572,582	2,716,076	647,714	918,906	558	4,855,836
Accumulated depreciation and impairment	(378,292)	(912,732)	(522,026)	(728,251)	–	(2,541,301)
Net book amount	194,290	1,803,344	125,688	190,655	558	2,314,535

Notes to the Consolidated Financial Statements (Continued)

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

- (i) Others represent the amounts adjusted for the differences between the final settled costs and the estimated costs as originally recognised based on the budgeted completion costs of the related assets.
- (ii) As at 31 December 2024, the impairment provision on property, plant and equipment is amounted to approximately RMB78,961,000 (2023: RMB78,961,000), which is attributable to a hotel property.
- (iii) For the year ended 31 December 2024, depreciation expenses of RMB140,586,000, RMB2,361,000 and RMB21,095,000 (2023: RMB139,612,000, RMB3,659,000 and RMB22,252,000) are recognised in cost of sales, selling and marketing expenses and administrative expenses, respectively in the consolidated income statement.
- (iv) As at 31 December 2024, certain hotel properties with net book value of RMB1,674,375,000 (2023: RMB1,344,825,000) are pledged as securities for bank and other borrowings (Note 22).
- (v) Depreciation methods and useful lives

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	20-70 years
Hotel properties	20-70 years
Plant and machinery	5-15 years
Furniture, fixtures, equipment and motor vehicles	5-15 years

See Note 38.2 for the other accounting policies relevant to property, plant and equipment.

Notes to the Consolidated Financial Statements (Continued)

9. SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2024. All subsidiaries are established and operate in the PRC.

Name	Place of incorporation	Principal activities and place of operation	Registered capital and paid up capital	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2024	2023	2024	2023
Beijing North Star Real Estate Development Co., Limited 北京北辰房地產開發股份有限公司 ("BNSRE") (Note i)	Beijing	Property development in Beijing	RMB 500,180,000	99.05%	99.05%	0.95%	0.95%
Beijing North Star Lu Zhou Commercial Trading Co., Limited 北京北辰綠洲商貿有限公司 (Note iii)	Beijing	Trading in Beijing	RMB1,000,000	100%	100%	–	–
Beijing North Star Xin Cheng Property Management Co., Limited 北京北辰信誠物業管理有限責任公司 (Note iii)	Beijing	Property management in Beijing	RMB5,000,000	100%	100%	–	–
Beijing Jiang Zhuang Hu Property Co., Limited 北京姜莊湖園林別墅開發有限公司 (Note ii)	Beijing	Property development in Beijing	US\$16,000,000	51%	51%	49%	49%
Beijing Tian Cheng Tian Property Co., Limited 北京天成天房地產開發有限公司 (Note iii)	Beijing	Property development in Beijing	RMB 11,000,000	100%	100%	–	–
Beijing North Star Xintong Internet Technology Service Co., Limited 北京北辰信通網絡技術服務有限公司 (Notes iii and v)	Beijing	Multimedia information network development, system integration and software development in Beijing	RMB 20,000,000	100%	100%	–	–
Changsha North Star Real Estate Development Co., Limited 長沙北辰房地產開發有限公司 (Note iii)	Changsha	Property development in Changsha	RMB 1,200,000,000	100%	100%	–	–
Beijing North Star Hotel Management Co., Limited 北京北辰酒店管理有限公司 (Note iii)	Beijing	Hotel and restaurant management consulting service in Beijing	RMB 20,500,000	100%	100%	–	–
Beijing North Star Times Exhibition Co., Limited ("BNSTE") 北京北辰時代會展有限公司 (Note iii)	Beijing	Convention and exhibition in Beijing	RMB 10,000,000	100%	100%	–	–
Beijing North Star Exhibition Research Co., Limited 北京北辰會展研究院有限公司 (Note iii)	Beijing	Convention and exhibition in Beijing	RMB10,000,000	100%	100%	–	–
Beijing North Star Exhibition Information Service Co., Limited 北京北辰會展信息服務有限公司 (Note iii)	Beijing	Convention and exhibition in Beijing	RMB 20,000,000	100%	100%	–	–
Beijing Capital Group Exhibitions & Events Co., Limited ("BCGEE") 首都會展(集團)有限公司 (Notes iii and v)	Beijing	Convention and exhibition in Beijing	RMB 200,000,000	60%	60%	40%	40%
Beijing North Star Linghang Business Exhibition Research Co., Limited 北京北辰領航商務會展有限公司 (Note iii)	Beijing	Convention and exhibition in Beijing	RMB 10,000,000	100%	100%	–	–
Changsha Central Garden Real Estate Co., Limited ("CSCGRE") 長沙世紀御景房地產有限公司 (Note iii)	Changsha	Property development in Changsha	RMB 20,410,000	51%	51%	49%	49%
Hangzhou North Star Real Estate Co., Limited 杭州北辰置業有限公司 (Note iii)	Hangzhou	Property development in Hangzhou	RMB 50,000,000	80%	80%	20%	20%
Beijing North Star MOMA Real Estate Co., Limited 北京北辰當代置業有限公司 (Note iii and iv)	Beijing	Property development in Beijing	RMB 50,000,000	50%	50%	50%	50%

Notes to the Consolidated Financial Statements (Continued)

9. SUBSIDIARIES (CONTINUED)

Name	Place of incorporation	Principal activities and place of operation	Registered capital and paid up capital	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2024	2023	2024	2023
Wuhan Guanggu Creative Culture Science & Technology Park Co., Limited 武漢光谷創意文化科技園有限公司(Notes iii and vii)	Wuhan	Property development in Wuhan	RMB 1,640,816,000	100%	51%	–	49%
Chengdu Chenshi Real Estate Co., Limited 成都辰詩置業有限公司(Notes iii and iv)	Chengdu	Property development in Chengdu	RMB 70,000,000	40%	40%	60%	60%
Nanjing Xuchen Real Estate Co., Limited 南京旭辰置業有限公司(Notes iii and vi)	Nanjing	Property development in Nanjing	RMB 50,000,000	–	51%	–	49%
Langfang North Star Real Estate Co., Limited 廊坊市北辰房地產開發有限公司(Note iii)	Langfang	Property development in Langfang	RMB 31,000,000	100%	100%	–	–
Suzhou North Star Xuzhao Real Estate Co., Limited (“SZXZ”) 蘇州北辰旭昭置業有限公司(Notes iii, iv and vi)	Suzhou	Property development in Suzhou	RMB 10,000,000	–	50%	–	50%
Chengdu North Star Tianfu Investment Co., Limited 成都北辰天府置業有限公司(Note iii)	Chengdu	Property development in Chengdu	RMB 100,000,000	100%	100%	–	–
Hangzhou North Star Jinghua Investment Co., Limited 杭州北辰京華置業有限公司(Note iii)	Hangzhou	Property development in Hangzhou	RMB50,000,000	100%	100%	–	–
Hefei Chenxu Real Estate Development Co., Limited 合肥辰旭房地產開發有限公司(Notes iii and iv)	Hefei	Property development in Hefei	RMB50,000,000	50%	50%	50%	50%
Ningbo North Star Jinghua Investment Co., Limited 寧波北辰京華置業有限公司(Notes iii and v)	Ningbo	Property development in Ningbo	RMB 20,000,000	100%	100%	–	–
Chongqing North Star Liangjiang Investment Co., Limited 重慶北辰兩江置業有限公司(Note iii)	Chongqing	Property development in Chongqing	RMB 100,000,000	100%	100%	–	–
Suzhou North Star Investment Co., Limited 蘇州北辰置業有限公司(Note iii)	Suzhou	Property development in Suzhou	RMB 2,000,000,000	100%	100%	–	–
Ningbo Chenxin Investment Co., Limited 寧波辰新置業有限公司(Note iii)	Ningbo	Property development in Ningbo	RMB 50,000,000	51%	51%	49%	49%
Beijing North Star Real Estate Group Co. Limited (“NSREG”) 北京北辰地產集團有限公司(Notes iii and v)	Beijing	Investment management in Beijing	RMB 8,859,093,600	100%	100%	–	–
Wuhan North Star Chenzhi Real Estate Development Company Limited 武漢北辰辰智房地產開發有限公司(Note iii)	Wuhan	Property development in Wuhan	RMB 730,000,000	100%	100%	–	–
Wuhan North Star Chenhui Real Estate Development Company Limited 武漢北辰辰慧房地產開發有限公司(Note iii)	Wuhan	Property development in Wuhan	RMB 1,330,000,000	100%	100%	–	–
Haikou Chenzhi Real Estate Company Limited 海口辰智置業有限公司(Note iii)	Haikou	Property development in Haikou	RMB 50,000,000	70%	70%	30%	30%
Chengdu North Star Huafu Real Estate Co. Limited 成都北辰華府置業有限公司(Notes iii and vi)	Chengdu	Property development in Chengdu	RMB 50,000,000	–	100%	–	–
Sichuan North Star Tianren Real Estate Co. Limited 四川北辰天仁置業有限公司(Note iii)	Meishan	Property development in Meishan	RMB 100,000,000	100%	100%	–	–
Wuhan North Star Pilot Business Exhibition Co. Limited 武漢北辰領航商務會展有限公司(Note iii)	Wuhan	Convention and exhibition in Wuhan	RMB 10,000,000	60%	60%	40%	40%
Chengdu North Star Zhongjin Exhibition Co. Limited 成都北辰中金展覽有限公司(Notes iii and v)	Chengdu	Convention and exhibition in Chengdu	RMB 5,000,000	51%	51%	49%	49%

Notes to the Consolidated Financial Statements (Continued)

9. SUBSIDIARIES (CONTINUED)

Name	Place of incorporation	Principal activities and place of operation	Registered capital and paid up capital	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2024	2023	2024	2023
Wuhan Jinchenyongzhi Real Estate Co. Limited 武漢辰盈智置業有限公司(Notes iii and ix)	Wuhan	Property development in Wuhan	RMB 20,000,000	51%	51%	49%	49%
Wuhan Yuchen Real Estate Co. Limited 武漢裕辰房地產開發有限公司(Notes iii and v)	Wuhan	Property development in Wuhan	RMB 30,000,000	60%	60%	40%	40%
Wuhan North Star Guangda Creative Industry Operation Management Co., Limited 武漢北辰廣大創意產業運營管理有限公司(Notes iii and vii)	Wuhan	Property management in Wuhan	RMB 2,000,000	100%	51%	–	49%
Hangzhou North Star Jingcheng Real Estate Co. Limited 杭州北辰京誠置業有限公司(Notes iii and vi)	Hangzhou	Property development in Hangzhou	RMB 20,000,000	–	100%	–	–
Beijing Chenyu Real Estate Co. Limited ("BJCY") 北京宸宇房地產開發有限公司(Notes iii)	Beijing	Property development in Beijing	RMB 5,500,000,000	51%	51%	49%	49%
Wuhan Chenfa Real Estate Co. Limited 武漢辰發房地產開發有限公司(Notes iii and v)	Wuhan	Property development in Wuhan	RMB 37,500,000	80%	80%	20%	20%
Wuhan Chenzhan Real Estate Co. Limited 武漢辰展房地產開發有限公司(Notes iii and v)	Wuhan	Property development in Wuhan	RMB 37,500,000	80%	80%	20%	20%
Changsha Binchen Real Estate Co. Limited 長沙濱辰置業有限公司(Notes iii and v)	Changsha	Property development in Changsha	RMB 40,000,000	100%	100%	–	–
Langfang Chenzhi Real Estate Co. Limited 廊坊市辰智房地產開發有限公司(Notes iii and v)	Langfang	Property development in Langfang	RMB 31,000,000	100%	100%	–	–
Chengdu Tianchen Real Estate Co. Limited 成都北辰天辰置業有限公司(Notes iii and v)	Chengdu	Property development in Chengdu	RMB 62,500,000	80%	80%	20%	20%
Chongqing Beichen Heyue Real Estate Co. Limited 重慶北辰合悅置業有限公司(Notes iii and v)	Chongqing	Property development in Chongqing	RMB 50,000,000	100%	100%	–	–
Guangzhou Chenxu Real Estate Co. Limited 廣州辰旭置業有限公司(Notes iii and v)	Guangzhou	Property development in Guangzhou	RMB 98,039,200	51%	51%	49%	49%
Beijing North Star Xingshun Exhibition Co. Limited 北京北辰興順會展有限公司(Notes iii)	Beijing	Convention and exhibition in Beijing	RMB 50,000,000	90%	90%	10%	10%
Ningbo North Star Jingcheng Real Estate Co. Limited 寧波北辰京誠置業有限公司(Notes iii)	Ningbo	Property development in Ningbo	RMB 50,000,000	100%	100%	–	–
Langfang Chenrui Real Estate Development Co., Ltd 廊坊市辰睿房地產開發有限公司(Notes iii)	Langfang	Property development in Langfang	RMB 31,000,000	100%	100%	–	–
Diaoyutai North Star Exhibition Co. Limited 釣魚台北辰(北京)會展有限公司(Notes iii)	Beijing	Convention and exhibition in Beijing	RMB 20,000,000	51%	51%	49%	49%
Haikou Chenrui Real Estate Co. Limited 海口辰睿置業有限公司("HKCR") (Notes iii)	Haikou	Property development in Haikou	RMB 50,000,000	100%	100%	–	–
Hangzhou North Star Jingyang Real Estate Co. Limited 杭州北辰京陽置業有限公司(Notes iii)	Hangzhou	Property development in Hangzhou	RMB 50,000,000	100%	100%	–	–
Beijing International Exhibition Center Co. Limited 北京國際展覽中心有限公司(Notes iii)	Beijing	Convention and exhibition in Beijing	RMB 20,000,000	100%	100%	–	–
Beijing North Star Business Management Co. Limited 北京北辰商業管理有限公司(Notes iii and v)	Beijing	Hotel and restaurant management consulting service in Beijing	RMB 50,000,000	100%	100%	–	–
Beijing North Star Yue Property Service Company Limited 北京北辰悅物業服務有限公司(Notes iii)	Beijing	Property management in Beijing	RMB 20,000,000	100%	100%	–	–

Notes to the Consolidated Financial Statements (Continued)

9. SUBSIDIARIES (CONTINUED)

Name	Place of incorporation	Principal activities and place of operation	Registered capital and paid up capital	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2024	2023	2024	2023
Changsha Beichen International Exhibition Co., Ltd. 長沙北辰國際會展有限公司 (Notes iii and viii)	Changsha	Convention and exhibition in Changsha	RMB 10,000,000	100%	-	-	-
Beichen Zhiao (Beijing) Venue Management Co., Ltd. 北辰智奧(北京)場館管理有限公司 (Notes iii and viii)	Beijing	Property management in Beijing	RMB 10,000,000	51%	-	49%	-
Beijing Chenwei Enterprise Operation Management Co., Ltd. 北京辰緯企業運營管理有限公司(Notes iii and viii)	Beijing	Property management in Beijing	RMB 1,000,000,000	100%	-	-	-

The English translation of above companies' name is for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

- (i) BNSRE is a joint stock limited company. A joint stock limited company is a company having a registered share capital divided into shares of equal par value.
- (ii) The company is an equity joint venture. Equity joint ventures are sino-foreign joint ventures of which the partners' capital contribution ratios are defined in the joint venture contracts and the partners' profit-sharing ratios are in proportion to the capital contribution ratios.
- (iii) These companies are limited liability companies.
- (iv) Although the Group only owns equity interests of 50% or less in these companies, the Group has the power to control and direct the key of operating and financing activities of these companies through the Group's presence in the board of directors of these companies. Consequently, these companies are considered as subsidiaries of the Group.
- (v) These companies are directly held by the Company.
- (vi) These companies were disposed of or deregistered during the year ended 31 December 2024.
- (vii) During the year ended 31 December 2024, the Group acquired the 49% equity interest in subsidiaries, Wuhan Guanggu Creative Culture Science & Technology Park Co., Limited and Wuhan North Star Guangda Creative Industry Operation Management Co., Limited, from the minority shareholders, Wuhan Optics Valley Creative Industry Base Construction Investment Co., Ltd. ("WHJD") and Wuhan Jielong Investment Co., Ltd. ("WHJL").
- (viii) These companies were newly established during the year ended 31 December 2024.
- (ix) The Company owns equity interests of 50% in the subsidiary directly and 1% indirectly.

Notes to the Consolidated Financial Statements (Continued)

9. SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interests (“NCI”)

The total non-controlling interests as at 31 December 2024 was RMB2,067,207,000 (2023: RMB2,683,690,000), among which RMB2,109,422,000 (2023: RMB2,281,949,000) was for BJCY.

Set out below is the summarised financial information of BJCY that has non-controlling interests which are material to the Group. The amounts as disclosed below are before inter-company eliminations.

Summarised balance sheet

(i) BJCY

	As at 31 December 2024 RMB'000	2023 RMB'000
Current		
Assets	4,209,923	4,561,856
Liabilities	(62,799)	(66,255)
Total net current assets	4,147,124	4,495,601
Non-current		
Assets	157,818	161,437
Liabilities	—	—
Total net non-current assets	157,818	161,437
Net assets	4,304,942	4,657,038
Accumulated non-controlling interests	2,109,422	2,281,949

Notes to the Consolidated Financial Statements (Continued)

9. SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interests (“NCI”) (Continued)

Summarised statement of comprehensive income

(i) BJCY

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue	108,261	183,988
Post-tax loss	(352,095)	(11,486)
Other comprehensive income	—	—
Total comprehensive loss	(352,095)	(11,486)
Total comprehensive loss allocated to NCI	(172,527)	(5,628)
Dividends paid to NCI	—	—

Summarised cash flows

(i) BJCY

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Net cash generated from/(used in) operating activities	92,858	(20,867)
Net cash used in investing activity	—	—
Net increase/(decrease) in cash and cash equivalents	92,858	(20,867)

Notes to the Consolidated Financial Statements (Continued)

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated balance sheet are as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Associates	176,648	49,355
Joint ventures	91,651	277,365
	268,299	326,720

The amounts recognised in the consolidated income statement are as follows:

	For the year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Associates	127,293	(2,113)
Joint ventures	2,338	10,263
	129,631	8,150

(a) Investments in associates

	2024	2023
	RMB'000	RMB'000
At 1 January	49,355	51,282
Additions	—	186
Share of net profit/(loss) accounted for using the equity method	127,293	(2,113)
At 31 December	176,648	49,355

Notes to the Consolidated Financial Statements (Continued)

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(a) Investments in associates (Continued)

(i) Summarised financial information for a material associate

Beijing Chenxuan Real Estate Co., Limited ("BJCX")

	2024 RMB'000
Gross amount of the associate	
Current assets	786,468
Non-current assets	109
Current liabilities	(410,577)
Non-current liabilities	—
Equity	(376,000)
Revenue	2,458,534
Net profit	398,182
Other comprehensive income	—
Total comprehensive income	398,182
Dividend from the associate	—
Reconciliation to the Group's interest in the associate	
Gross amount of net assets of the associate	376,000
Group's effective interest	34%
Carrying amount in the consolidated financial statements	127,840

As at 31 December 2023, in the opinion of the directors, there was no individual associate which was considered as material to the Group. Financial information of BJCX for the year ended 31 December 2023 is grouped in Note 10 (a) (ii).

Notes to the Consolidated Financial Statements (Continued)

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(a) Investments in associates (Continued)

(ii) Individually immaterial associates

The Group has interests in immaterial associates that are accounted for using the equity method.

	2024 RMB'000	2023 RMB'000
Aggregate carrying amount of the immaterial associates	48,808	49,355
Aggregate amounts of the Group's share of:		
– Post-tax loss	(547)	(2,113)
– Other comprehensive income	–	–
Total comprehensive loss	(547)	(2,113)

(b) Investments in joint ventures

	2024 RMB'000	2023 RMB'000
At 1 January	277,365	306,483
Additions	4,900	3,000
Disposals and deregistration	(150,222)	(9,891)
Share of net profit accounted for using the equity method	2,338	10,263
Dividends paid	(42,730)	(32,490)
At 31 December	91,651	277,365

As at 31 December 2024 and 2023, in the opinion of the directors, there is no individual joint venture which is considered as material to the Group.

As at 31 December 2024 and 2023, neither the Group nor the joint venturers can exercise absolute control over the key operating and financing activities of the joint ventures through their respective representatives in the board of directors of the respective joint venture. Accordingly, they are accounted for as joint ventures of the Group.

There are no contingent liabilities relating to the Group's interest in the joint ventures.

Notes to the Consolidated Financial Statements (Continued)

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(b) Investments in joint ventures (Continued)

Individually immaterial joint ventures

The Group has interests in immaterial joint ventures that are accounted for using the equity method.

	2024 RMB'000	2023 RMB'000
Aggregate carrying amount of the immaterial joint ventures (<i>note</i>)	91,651	277,365
Aggregate amounts of the Group's share of:		
– Post-tax profit	2,338	10,263
– Other comprehensive income	–	–
Total comprehensive income	2,338	10,263

Note:

As at 31 December 2024, the immaterial joint ventures with carrying amount of RMB74,541,000 (2023: RMB267,076,000) represents one joint venture (2023: three joint ventures), which was engaged in property development. The property as developed by the joint venture (2023: three joint ventures) has been substantially sold out and hence the joint venture (2023: three joint ventures) has no significant contribution to the Group's loss (2023: profit) for the year ended 31 December 2024. It is also not expected that the aforesaid joint venture will have any significant contribution to the Group's profit or loss going forward.

Notes to the Consolidated Financial Statements (Continued)

11. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Financial assets at amortised cost		
Trade receivables (Note 12)	197,017	195,199
Other receivables (b) (Note 12)	1,216,235	1,593,903
Restricted bank deposits (Note 16)	1,121,919	931,854
Cash and cash equivalents (Note 17)	6,783,364	8,505,482
	9,318,535	11,226,438
Financial liabilities		
	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Liabilities at amortised cost		
Trade and other payables and loans/advances from other parties (c)	12,515,451	15,885,428
Borrowings (Note 22)	21,162,773	20,559,883
Lease liabilities	20,543	33,721
	33,698,767	36,479,032

- (a) The Group's exposure to various risks associated with the financial instruments is disclosed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.
- (b) The above other receivables comprise receivables due from other related parties, receivables due from non-controlling interests and other receivables.
- (c) The above trade and other payables and loans/advances from other parties comprise trade payables, dividends payable to non-controlling interests of subsidiaries, amounts due to non-controlling interests and other related parties, loans/advances from other parties and other payables excluding statutory liabilities.

Notes to the Consolidated Financial Statements (Continued)

12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December					
	Current RMB'000	2024 Non-current RMB'000	Total RMB'000	Current RMB'000	2023 Non-current RMB'000	Total RMB'000
Trade and other receivables (a)	1,262,050	151,202	1,413,252	1,393,800	395,302	1,789,102
Prepayments (b)	1,777,632	2,954	1,780,586	1,780,560	8,094	1,788,654
	3,039,682	154,156	3,193,838	3,174,360	403,396	3,577,756

(a) Trade and other receivables

	As at 31 December					
	Current RMB'000	2024 Non-current RMB'000	Total RMB'000	Current RMB'000	2023 Non-current RMB'000	Total RMB'000
Trade receivables (i)	281,710	–	281,710	256,434	–	256,434
Less: provision for impairment of trade receivables	(84,693)	–	(84,693)	(61,235)	–	(61,235)
Trade receivables – net	197,017	–	197,017	195,199	–	195,199
Receivables due from other related parties (Notes iii and 35(ix))	291,708	538,995	830,703	218,052	655,125	873,177
Receivables due from non-controlling interests (iv)	693,975	–	693,975	859,822	–	859,822
Other receivables	233,887	34,725	268,612	265,199	43,103	308,302
	1,219,570	573,720	1,793,290	1,343,073	698,228	2,041,301
Less: provision for impairment of other receivables	(154,537)	(422,518)	(577,055)	(144,472)	(302,926)	(447,398)
Other receivables – net	1,065,033	151,202	1,216,235	1,198,601	395,302	1,593,903
	1,262,050	151,202	1,413,252	1,393,800	395,302	1,789,102

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

Note 3.1 sets out information about the impairment of trade and other receivables and the Group's expose to credit risk.

Notes to the Consolidated Financial Statements (Continued)

12 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. At 31 December 2024 and 2023, the ageing analysis of the trade receivables based on the invoice date were as follows:

	As at 31 December 2024 RMB'000	2023 RMB'000
0 – 30 days	125,889	146,463
31 – 90 days	29,836	16,456
Over 90 days	125,985	93,515
	281,710	256,434

(ii) As at 31 December 2024, certain trade receivables with net book value of RMB10,145,000 (2023: RMB2,202,264) are pledged as securities for bank and other borrowings.

(iii) Receivables due from other related parties include receivables due from the associates and joint ventures.

(iv) The receivables due from non-controlling interests refer to the funds receivable by some subsidiaries of the Company from the minority shareholders, which do not bear interest and can be recovered at any time as needed. Certain receivables due from non-controlling interests are deemed as receivables from related parties since the non-controlling interests have significant influence over the related subsidiaries which are material to the Group. At 31 December 2024, the related party portion of receivables due from non-controlling interests was RMB416,500,000 (2023: RMB495,500,000) (Note 35(ix)).

Notes to the Consolidated Financial Statements (Continued)

12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(b) Prepayments

	As at 31 December					
	Current RMB'000	2024 Non-current RMB'000	Total RMB'000	Current RMB'000	2023 Non-current RMB'000	Total RMB'000
Prepaid tax	1,676,409	–	1,676,409	1,681,013	–	1,681,013
Prepaid costs to obtain customer contracts	–	2,954	2,954	–	8,094	8,094
Other prepayments	101,223	–	101,223	99,547	–	99,547
	1,777,632	2,954	1,780,586	1,780,560	8,094	1,788,654

Notes to the Consolidated Financial Statements (Continued)

13. PROPERTIES UNDER DEVELOPMENT

	As at 31 December 2024 RMB'000	2023 RMB'000
Land use rights	5,358,373	8,778,115
Development costs and capitalised expenditure	2,673,900	3,463,306
Finance expenses capitalised	1,517,151	2,053,889
Less: accumulated impairment	(869,223)	(678,291)
	8,680,201	13,617,019
	As at 31 December 2024 RMB'000	2023 RMB'000
Land use rights:		
In PRC, held on leases of:		
Between 40 – 50 years	1,111,486	1,407,523
Over 50 years	4,246,887	7,370,592
	5,358,373	8,778,115

As at 31 December 2024, certain properties under development with net book value of RMB3,494,749,000 (2023: RMB3,201,015,000) are pledged as securities for bank and other borrowings (Note 22).

As at 31 December 2024, the carrying amount of the properties under development that are expected to be completed and available for sale more than twelve months after the balance sheet date amounted to approximately RMB2,622,620,000 (2023: RMB8,288,475,000). The remaining balance is expected to be completed and available for sale within one year.

Notes to the Consolidated Financial Statements (Continued)

13. PROPERTIES UNDER DEVELOPMENT (CONTINUED)

(i) **Accounting policy of properties under development and completed properties held-for-sale**

Properties under development and completed properties held-for-sale are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights, construction costs and borrowing costs incurred during the construction period. On completion, the properties are transferred to completed properties held-for-sale.

Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Properties under development and completed properties held-for-sale are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

Notes to the Consolidated Financial Statements (Continued)

14. COMPLETED PROPERTIES HELD-FOR-SALE

	As at 31 December 2024 RMB'000	2023 RMB'000
Land use rights	8,658,828	6,725,362
Development costs and capitalised expenditure	10,276,810	9,848,162
Finance expenses capitalised	1,873,585	2,236,333
Less: accumulated impairment	(3,437,794)	(1,402,227)
	17,371,429	17,407,630
	As at 31 December 2024 RMB'000	2023 RMB'000
Land use rights:		
In PRC, held on leases of:		
Between 40 – 50 years	1,821,861	2,362,178
Over 50 years	6,836,967	4,363,184
	8,658,828	6,725,362

During the year ended 31 December 2024, RMB3,892,554,000 (2023: RMB10,415,250,000) of the completed properties held-for-sale was transferred to cost of sales.

As at 31 December 2024, completed properties held-for-sale with carrying amounts of RMB103,691,000 (2023: RMB250,433,000) were pledged as securities for bank borrowings (Note 22). See Note 13 for the accounting policies relevant to completed properties held-for-sale.

Notes to the Consolidated Financial Statements (Continued)

15. OTHER INVENTORIES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Goods for resale	18,538	14,320
Consumables	24,124	27,421
Less: provision for inventories	(244)	(244)
	42,418	41,497

For the year ended 31 December 2024, the cost of inventories recognised as expense and included in cost of sales amounted to RMB206,144,000 (2023: RMB223,079,000).

16. RESTRICTED BANK DEPOSITS

Restricted bank deposits mainly include the guarantee deposits for construction of certain properties pursuant to the relevant government requirements, the guarantee deposits as securities for certain mortgage loans to the Group's customers, and the restricted funds from the Group's pre-sales of properties.

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following for the purposes of the consolidated cash flow statement:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Cash at bank and on hand	5,193,364	3,690,482
Short-term bank deposits (a)	1,590,000	4,815,000
	6,783,364	8,505,482
Maximum exposure to credit risk	6,782,876	8,504,975

- (a) The deposits are recoverable with seven days' notice, without loss of interest earned. The effective interest rate on short-term bank deposits ranged from 1.475% to 2.025% (2023: 1.35% to 2.025%) per annum.

Notes to the Consolidated Financial Statements (Continued)

17. CASH AND CASH EQUIVALENTS (CONTINUED)

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
RMB	6,756,575	8,496,430
US dollar	22,745	5,305
HK dollar	1,683	1,653
EUR dollar	2,361	2,094
	6,783,364	8,505,482

The Group's cash and cash equivalents denominated in RMB, US dollar, HK dollar and EUR dollar are deposited with banks in the PRC. The conversion of these Renminbi denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

18. SHARE CAPITAL

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Registered, issued and fully paid (3,367,020,000 shares of RMB1 each)	3,367,020	3,367,020

Notes to the Consolidated Financial Statements (Continued)

19. RESERVES AND RETAINED EARNINGS

	Other reserves				Subtotal RMB'000	Retained earnings RMB'000
	Capital reserve RMB'000	Statutory reserve fund (a) RMB'000	Discretionary reserve fund (b) RMB'000	Other comprehensive income RMB'000		
At 1 January 2024	3,438,030	1,043,368	161,468	305,271	4,948,137	11,229,013
Loss for the year	-	-	-	-	-	(2,992,483)
Appropriation of statutory reserves	-	83,109	-	-	83,109	(83,109)
Revaluation of properties newly transferred to investment properties, net of tax	-	-	-	50,694	50,694	-
Remeasurement of post-employment benefit obligations	-	-	-	9,062	9,062	-
Change in ownership interests in subsidiaries without a change in control (c)	(260,698)	-	-	-	(260,698)	-
2023 final dividends	-	-	-	-	-	(67,340)
At 31 December 2024	3,177,332	1,126,477	161,468	365,027	4,830,304	8,086,081
At 1 January 2023	3,438,030	1,001,488	161,468	314,458	4,915,444	11,130,486
Profit for the year	-	-	-	-	-	140,407
Appropriation of statutory reserves	-	41,880	-	-	41,880	(41,880)
Remeasurement of post-employment benefit obligations	-	-	-	(9,187)	(9,187)	-
At 31 December 2023	3,438,030	1,043,368	161,468	305,271	4,948,137	11,229,013

- (a) According to the respective Articles of Association, the Company and its subsidiaries established in the PRC are required to transfer 10% of their profit after taxation, as shown in the financial statements prepared under China Accounting Standards for Business Enterprises, which was issued by the Ministry of Finance of PRC in February 2006, to their statutory reserve fund. The statutory reserve fund can be used to offset accumulated losses or convert as share capital of the Company and the respective subsidiaries.
- (b) The proposed transfer to the discretionary reserve fund is subject to approval by the shareholders in general meeting. Its usage is similar to that of the statutory reserve fund. No transfer to the discretionary reserve fund has been proposed for the years ended 31 December 2024 and 2023.
- (c) During the year ended 31 December 2024, the group acquired the entire non-controlling interests in two subsidiaries without a change in control. The differences between the amount by which the non-controlling interests were adjusted and the fair value of the considerations paid were recognised in equity.

Notes to the Consolidated Financial Statements (Continued)

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

	As at 31 December					
	Current RMB'000	2024 Non-current RMB'000	Total RMB'000	Current RMB'000	2023 Non-current RMB'000	Total RMB'000
Trade and other payables (a)	5,992,601	–	5,992,601	7,273,603	–	7,273,603
Loans/advances from other parties (b)	1,717,994	5,089,501	6,807,495	3,431,650	5,512,543	8,944,193
	7,710,595	5,089,501	12,800,096	10,705,253	5,512,543	16,217,796

(a) Trade and other payables

	As at 31 December					
	Current RMB'000	2024 Non-current RMB'000	Total RMB'000	Current RMB'000	2023 Non-current RMB'000	Total RMB'000
Trade payables	4,664,801	–	4,664,801	5,768,782	–	5,768,782
– Related parties	625,816	–	625,816	1,024,351	–	1,024,351
– Third parties	4,038,985	–	4,038,985	4,744,431	–	4,744,431
Prepaid rental income from tenants	100,668	–	100,668	164,171	–	164,171
Dividends payable to non-controlling interests of subsidiaries	1,162	–	1,162	1,162	–	1,162
Amounts due to non-controlling interests of subsidiaries	38,952	–	38,952	89,361	–	89,361
Amounts due to related parties (Note 35(ix))	100	–	100	728	–	728
Employee termination benefit obligations current portion	5,533	–	5,533	7,094	–	7,094
Other taxes payable	178,444	–	178,444	261,487	–	261,487
Other payables	1,002,941	–	1,002,941	980,818	–	980,818
	5,992,601	–	5,992,601	7,273,603	–	7,273,603

Certain amounts due to non-controlling interests are deemed as amounts due to related parties since the non-controlling interests have significant influence over the related subsidiaries which are material to the Group. At 31 December 2024, the related party portion of amounts due to non-controlling interests was RMB266,000 (2023: RMB59,000) (Note 35(ix)).

Notes to the Consolidated Financial Statements (Continued)

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

(a) Trade and other payables (Continued)

At 31 December 2024 and 2023, the ageing analysis of the trade payables based on date of services/goods received. The ageing analysis of the Group's trade payables is as follows:

	As at 31 December 2024	2023
	RMB'000	RMB'000
0 – 180 days	1,499,404	2,251,550
181 – 365 days	578,138	981,950
Over 365 days	2,587,259	2,535,282
	4,664,801	5,768,782

(b) Loans/advances from other parties

	As at 31 December					
	Current	2024 Non-current	Total	Current	2023 Non-current	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loans from non-controlling interests (i)	1,426,403	602,885	2,029,288	1,962,025	98,833	2,060,858
Loans from BNSIGC (Note 35(ii))	27,770	1,629,000	1,656,770	344,871	2,558,000	2,902,871
CMBS issued by the Group (ii)	27,011	2,857,616	2,884,627	755,138	2,855,710	3,610,848
Advances from non-controlling interests	48,264	–	48,264	48,274	–	48,274
Loans/advances from other related parties (Note 35(ix))	188,546	–	188,546	321,342	–	321,342
	1,717,994	5,089,501	6,807,495	3,431,650	5,512,543	8,944,193

Notes to the Consolidated Financial Statements (Continued)

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

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

- (i) Loans from non-controlling shareholders of subsidiaries ("non-controlling interests") are all unsecured loans. RMB1,307,588,000 is repayable by installment within one year, the remaining loans from non-controlling interests are all repayable after one year (At 31 December 2023: except for loan amounts of RMB104,810,000 which have no fixed terms of repayment, RMB1,752,461,000 is repayable by installment within one year, the remaining loans from non-controlling interests are all repayable after one year).

As at 31 December 2024, loans from non-controlling interests of RMB1,625,994,000 and RMB282,378,000 (2023: RMB1,568,916,000, RMB282,378,000 and RMB104,810,000) bear interests at fixed rates of 6.5% and 7% (2023: 6.5%, 7% and 10.5%) per annum, respectively. As at 31 December 2024, the carrying amount of loans from non-controlling interests include interest payable of RMB120,916,000 (2023: RMB104,754,000), which is interest-free.

Certain loans from non-controlling interests are deemed as loans from related parties since the non-controlling interests have significant influence over the related subsidiaries which are material to the Group. At 31 December 2024, the related party portion of loans from non-controlling interests was RMB463,043,000 (2023: RMB566,847,000) (Note 35(ix)).

- (ii) On 20 December 2018, Beijing North Star Real Estate Group Co. Limited ("NSREG") issued Tianfeng-North Star Changsha Intercontinental Hotel CMBS ("CMBS-A") of RMB1,050,000,000, which has a term of 18 years and are divided into senior tranche A, senior tranche B and junior tranche with principal of RMB527,000,000, RMB473,000,000 and RMB50,000,000 respectively. NSREG has purchased all the junior tranches of the CMBS-A. The senior tranches entered the open exit filing period every three years and were guaranteed by the Group. On 30 November 2021, the coupon rate on senior tranche A was adjusted to 4.2% per annum and the coupon rate on senior tranche B was adjusted to 4.7% per annum. At 31 December 2023, the carrying amount of CMBS-A is RMB728,127,000. During the year ended 31 December 2024, the Group fully redeemed the CMBS-A.

On 29 March 2023, the Group issued China Securities-Tianfeng-North Star Century Center CMBS ("CMBS-B") of RMB2,861,000,000, which has a term of 18 years and are divided into senior tranche and junior tranche with principal of RMB2,860,000,000 and RMB1,000,000 respectively. The coupon rate on the senior tranche is 5% per annum and the Company has purchased all the junior tranches. The senior tranche entered the open exit filing period every three years and were guaranteed by the Group. As at 31 December 2024, the carrying amount of CMBS-B is RMB2,884,627,000 (2023: RMB2,882,721,000).

- (c) The carrying amounts of the Group's trade and other payables and loans/advances from other parties are denominated in Renminbi.
- (d) The carrying amounts of current portion of trade and other payables and loans/advances from other parties approximate their fair values. The fair values of the non-current portion of loans/advances from other parties are not materially different from their carrying amounts as they bear interests at rates which are comparable to market interest rates for similar instruments.

Notes to the Consolidated Financial Statements (Continued)

21. CURRENT INCOME TAX LIABILITIES

	As at 31 December 2024 RMB'000	2023 RMB'000
Income tax payable	387,868	351,335
Land appreciation tax payable	1,138,718	1,308,039
	1,526,586	1,659,374

22. BORROWINGS

	As at 31 December 2024 RMB'000	2023 RMB'000
Non-current		
Long term borrowings		
– Secured and guaranteed borrowings (a)	13,610,068	13,052,547
– Unsecured borrowings	28,635	34,781
– 5-year bonds of 2019 (b)	–	383,279
– 5-year bonds of 2021 (I) (b)	322,797	323,297
– 5-year medium term note of 2021 (I) (b)	1,302,674	1,449,301
– 5-year bonds of 2021 (II) (b)	1,337,657	1,336,894
– 5-year medium term note of 2022 (I) (b)	1,076,766	1,076,309
– 5-year bonds of 2022 (I) (b)	843,298	842,809
– 5-year medium term note of 2022 (II) (b)	1,446,350	1,445,763
– 3-year bonds of 2023 (I) (b)	615,298	614,903
– 2-year bonds of 2024 (I) (c)	382,412	–
– 3-year medium term note of 2024 (I) (c)	196,818	–
	21,162,773	20,559,883
Less: current portion of long term borrowings	(5,517,749)	(5,575,026)
	15,645,024	14,984,857
Current		
– Current portion of long term borrowings	5,517,749	5,575,026
	5,517,749	5,575,026
Total borrowings	21,162,773	20,559,883

Notes to the Consolidated Financial Statements (Continued)

22. BORROWINGS (CONTINUED)

(a) Secured and guaranteed borrowings

Secured borrowings

As at 31 December 2024, long term borrowings of RMB13,400,494,000 (2023: RMB12,901,985,000) were secured by certain right-of-use assets (Note 6), investment properties (Note 7), hotel properties (Note 8), trade receivables (Note 12), properties under development (Note 13) and completed properties held-for-sale (Note 14), out of which, secured borrowing of RMB2,809,000,000 (2023: RMB1,472,000,000) are also guaranteed by the Company.

Guaranteed borrowings

As at 31 December 2024, long-term borrowings of RMB190,690,000 (2023: RMB133,405,000) as obtained by the Company are unsecured and guaranteed by subsidiaries.

Covenants

Certain of the Group's borrowings are subject to the fulfilment of covenants relating to certain of the statement of financial position and financial performance ratios of the Group and a subsidiary (including debt to asset ratio, current ratio and values of the pledged properties), as are commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants or in any case of an event of default, the borrowings would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2024 and 2023, the Group was in compliance with the relevant requirements.

Notes to the Consolidated Financial Statements (Continued)

22. BORROWINGS (CONTINUED)

(b) Bonds and medium term notes

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). On 18 April 2022, certain investors put to sell back 5 year bonds of RMB826,000,000 to Company and the remaining 5 year bonds carry an interest rate of 3.55% per annum. The remaining amount was fully repaid on 12 April 2024.

On 26 July 2021, the Company issued corporate bonds with an aggregate principal amount of RMB319,000,000. These bonds have a term of 5 years, carry a coupon rate of 3.46% per annum and also embedded a put option to the investors at the end of the third year. The net proceeds of these bonds were RMB318,043,000 (net of issuance costs of RMB957,000). The interests on these bonds are paid annually and the principal is fully repayable on 26 July 2026 (if the investors do not exercise their put options as mentioned above). On 26 July 2024, certain investors put to sell back corporate bonds of RMB5,000,000 to Company and the Company resold those bonds in the market at RMB5,000,000, the coupon rate has been adjusted from 3.46% to 2.96%.

On 21 December 2021, the Company issued medium term notes with an aggregate principal amount of RMB1,450,000,000. These medium term notes have a term of 5 years, carry a coupon rate of 3.50% per annum and also embedded a put option to the investors at the end of the third year. The net proceeds of these medium term notes were RMB1,446,375,000 (net of issuance costs of RMB3,625,000). On 21 December 2024, certain investors put to sell back 5 year bonds of RMB147,000,000 to Company and the remaining 5 year bonds carried a coupon rate of 3.00% per annum. The interests on these medium term notes were paid annually and the principal was fully repayable on 21 December 2026.

On 29 December 2021, the Company issued corporate bonds with an aggregate principal amount of RMB1,339,000,000. These bonds have a term of 5 years, carry a coupon rate of 3.46% per annum and also embedded a put option to the investors at the end of the third year. The net proceeds of these bonds were RMB1,334,983,000 (net of issuance costs of RMB4,017,000). On 29 December 2024, certain investors put to sell back 5 year bonds of RMB80,000,000 to Company and the Company resold those bonds in the market at RMB80,000,000. The remaining 5 year bonds carried a coupon rate of 3.10% per annum. The interests on these bonds are paid annually and the principal is fully repayable on 29 December 2026.

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

Notes to the Consolidated Financial Statements (Continued)

22. BORROWINGS (CONTINUED)

(b) Bonds and medium term notes (Continued)

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

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

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

On 26 March 2024, the Company issued corporate bonds with an aggregate principal amount of RMB374,000,000. The bonds have a term of 2 years, carry a coupon rate of 3.10% per annum. The net proceeds of these bonds were RMB373,252,000 (net of issuance costs of RMB748,000). The interests on these bonds are paid annually and the principal is fully repayable on 26 March 2026.

On 19 December 2024, the Company issued medium term note with an aggregate principal amount of RMB197,000,000. The note has a term of 3 years, carries a coupon rate of 2.40% per annum. The net proceeds of the note were RMB196,645,400 (net of issuance costs of RMB354,600). The interest on the note is paid annually and the principal is fully repayable on 19 December 2027.

Notes to the Consolidated Financial Statements (Continued)

22. BORROWINGS (CONTINUED)

- (c) The Group's borrowings mature until 2038 and its bonds and medium term notes mature until 2027 (if the investors do not exercise their put options as detailed on Note 22 (b) above). As at 31 December 2024 and 2023, the Group's borrowings were repayable as follows:

	Bank borrowings As at 31 December		Other borrowings As at 31 December		Corporate bonds and medium term notes As at 31 December	
	2024	2023	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	816,453	968,226	705,000	1,034,812	3,996,296	3,571,988
Between 1 and 2 years	630,233	613,862	834,000	705,000	3,331,124	3,900,567
Between 2 and 5 years	2,239,533	1,782,897	—	834,000	196,650	—
Over 5 years	8,413,484	7,148,531	—	—	—	—
	12,099,703	10,513,516	1,539,000	2,573,812	7,524,070	7,472,555

- (d) The effective interest rates at the balance sheet date are as follows:

	As at 31 December 2024	2023
Bank and other long term borrowings	4.38%	4.73%
5 year bonds of 2019	—	4.14%
5 year bonds of 2021 (I)	3.03%	3.53%
5 year medium term note of 2021 (I)	3.06%	3.56%
5 year bonds of 2021 (II)	3.17%	3.53%
5 year medium term note of 2022 (I)	3.65%	3.65%
5 year bonds of 2022 (I)	3.57%	3.57%
5 year medium term note of 2022 (II)	3.53%	3.53%
3 year bonds of 2023 (I)	3.81%	3.81%
2 year bonds of 2024 (I)	3.20%	—
3 year medium term note of 2024 (I)	2.46%	—

Notes to the Consolidated Financial Statements (Continued)

22. BORROWINGS (CONTINUED)

- (e) The Group's undrawn borrowing facilities are analysed as follows:

	As at 31 December 2024 RMB'000	2023 RMB'000
Undrawn borrowing facilities expiring:		
– within one year	444,134	418,211
– between one and five years	938,035	1,874,800
	1,382,169	2,293,011

- (f) The exposure of the Group's borrowings to interests-rate changes and the contractual repricing dates or maturity whichever is the earliest date is as follows:

	As at 31 December 2024 RMB'000	2023 RMB'000
6 months or less	10,911,566	9,278,036
Between 6 and 12 months	5,127,432	5,682,869
Between 1 and 5 years	4,526,774	5,598,978
Over 5 years	597,001	–
	21,162,773	20,559,883

- (g) The fair values of the long term borrowings are not materially different from their carrying amounts.
- (h) All borrowings are denominated in Renminbi.

Notes to the Consolidated Financial Statements (Continued)

23. DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities are as follows:

	As at 31 December 2024 RMB'000	2023 RMB'000
Deferred income tax assets:		
– to be recovered within 12 months	114,103	91,034
– to be recovered after more than 12 months	1,072,865	1,102,002
	1,186,968	1,193,036
Deferred income tax liabilities:		
– to be settled within 12 months	(13,963)	(26,962)
– to be settled after more than 12 months	(2,207,781)	(2,238,048)
	(2,221,744)	(2,265,010)
Offsetting	(27,352)	(32,339)
Deferred income tax assets after offsetting	1,159,616	1,160,697
Deferred income tax liabilities after offsetting	(2,194,392)	(2,232,671)
Deferred income tax liabilities-net	(1,034,776)	(1,071,974)

The movements on the deferred income tax liabilities – net are as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	(1,071,974)	(898,782)
Credited/(charged) to profit or loss (Note 28)	54,096	(173,192)
Charged to other comprehensive income	(16,898)	–
At 31 December	(1,034,776)	(1,071,974)

Notes to the Consolidated Financial Statements (Continued)

23. DEFERRED INCOME TAX (CONTINUED)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax assets:

	Provisions RMB'000	Deductible losses RMB'000	Lease liabilities RMB'000	Accrued expenses and others RMB'000	Total RMB'000
At 1 January 2023	192,111	74,752	9,314	1,085,390	1,361,567
Credited/(charged) to profit or loss	71,961	(37,864)	(883)	(201,745)	(168,531)
At 31 December 2023	264,072	36,888	8,431	883,645	1,193,036
Credited/(charged) to profit or loss	12,374	(11,136)	(3,295)	1,114	(943)
Disposals of subsidiaries	–	–	–	(5,125)	(5,125)
At 31 December 2024	276,446	25,752	5,136	879,634	1,186,968

- (a) Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognised deferred income tax assets of RMB1,710,644,000 (2023: RMB1,297,845,000) in respect of losses amounting to RMB6,842,577,000 (2023: RMB5,191,379,000) that can be carried forward against future taxable income, these tax losses will expire in the period from 2025 to 2029 as follows:

Expiring in year ending 31 December					Total
2025 RMB'000	2026 RMB'000	2027 RMB'000	2028 RMB'000	2029 RMB'000	RMB'000
444,126	1,297,640	1,558,969	1,546,584	1,995,258	6,842,577

The Group did not recognised deferred tax assets of RMB986,015,000 (2023: RMB383,216,000), which are attributable to unrecognised temporary differences arising from provisions for impairment of trade and others receivables, as well as impairments on properties under development and completed properties held-for-sale with a total amount of RMB3,944,061,000 (2023: RMB1,532,863,000).

Deferred income tax liabilities:

	Investment properties revaluation RMB'000	Tax depreciation allowances RMB'000	Right-of-use- assets RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	(1,277,205)	(930,924)	(9,314)	(42,906)	(2,260,349)
Credited/(charged) to profit or loss	45,150	(69,692)	368	19,513	(4,661)
At 31 December 2023	(1,232,055)	(1,000,616)	(8,946)	(23,393)	(2,265,010)
Credited/(charged) to profit or loss	143,816	(88,639)	3,325	1,662	60,164
Charged to other comprehensive income	(16,898)	–	–	–	(16,898)
At 31 December 2024	(1,105,137)	(1,089,255)	(5,621)	(21,731)	(2,221,744)

Notes to the Consolidated Financial Statements (Continued)

24. EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses and administrative expenses are analysed as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Depreciation of property, plant and equipment and right-of-use assets	206,607	209,231
Provision of impairment for properties under development and completed properties held-for-sale (Notes 13 and 14)	2,545,326	637,211
Employee benefit expense (Note 26)	1,140,280	1,147,178
Advertising costs	33,373	48,495
Cost of properties sold	3,518,346	9,881,338
Cost of goods sold and consumables used	206,144	223,079
Taxes and levies (other than income tax expenses)	312,954	400,576
Office and consumable expenses	89,740	90,315
Property management fee	141,897	142,723
Energy and utilities expenses	138,920	109,318
Consulting and service expenses	358,105	375,358
Repair and maintenance expenses	49,641	61,407
Short-term leases	21,620	11,523
Auditor's remuneration	6,200	7,240
Exhibition construction fee (i)	211,896	119,993
Others	97,730	79,626
	9,078,779	13,544,611

- (i) The exhibition construction fee was mainly related to cost as incurred for the construction and setting of exhibition stages booths for the large scale exhibition events.

Notes to the Consolidated Financial Statements (Continued)

25. OTHER INCOME AND LOSSES – NET

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Net losses on disposals of property, plant and equipment and investment properties and termination of a lease	(1,290)	(1,476)
(Loss)/gain on deregistration of a joint venture	(1,156)	20,678
Loss on disposal of a joint venture	(3,325)	–
Losses on disposals of subsidiaries	(368)	–
Fair value losses on investment properties	(575,267)	(180,599)
Donation	(500)	(750)
Government grants	5,289	6,204
Penalty and compensation income	49,434	44,054
Penalty and compensation expense	(6,852)	(14,678)
Investment income	65,742	58,148
Others	58,609	23,127
	(409,684)	(45,292)

Deferral and presentation of Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the life of a depreciable asset as a reduced depreciation expense.

26. EMPLOYEE BENEFIT EXPENSE

The employee benefit expense of the Group, including its directors' emoluments is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Wages, salaries and bonus	831,094	865,657
Social security costs	283,692	309,050
Retirement benefit costs – defined contribution plans (a)	116,592	115,417
	1,231,378	1,290,124
Less: capitalised in properties under development	(91,098)	(142,946)
	1,140,280	1,147,178

Notes to the Consolidated Financial Statements (Continued)

26. EMPLOYEE BENEFIT EXPENSE (CONTINUED)

(a) Retirement benefit costs – defined contribution plans

The employees of the subsidiaries of the Group participate in various retirement benefit plans established by different Municipal Labor and Social Insurance Bureaus in the PRC. Under these plans, the Group was required to make monthly defined contributions to these plans at 16% of the employees' basic salary (subject to a floor and a cap).

In addition, the Group provides an additional defined contribution plan to its employees. Each year, participants make contributions to the plan equaling 1.25% of their compensation (subject to a floor and a cap) and the Group will contribute 5% of the abovementioned compensation to the plan for the participants.

During the year ended 31 December 2024, no forfeited contributions were utilised by the Group to reduce its contributions for the current year (2023: Nil).

Contribution totaling RMB9,373,000 (2023: RMB10,508,000) were payable to the funds of the above mentioned defined contribution plans at the year end.

(b) Five highest paid individuals

During the year ended 31 December 2024 and 2023, none of the directors of the Company is one of the five individuals whose emoluments were the highest in the Group. The emoluments payable to the remaining five (2023: five) highest paid individuals during the year are as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Basic salaries and other allowances	6,727	6,956
Employer's contribution to retirement benefit scheme	468	473
	7,195	7,429

Notes to the Consolidated Financial Statements (Continued)

26. EMPLOYEE BENEFIT EXPENSE (CONTINUED)

(b) Five highest paid individuals (Continued)

The emolument fell within the following bands:

	Number of individuals Year ended 31 December	
	2024	2023
Emolument bands		
RMBNil – RMB800,000 (equivalent to HK\$Nil – HK\$1,000,000)	1	–
Over RMB800,000 – RMB1,200,000 (equivalent to HK\$1,000,000 – HK\$1,500,000)	3	4
Over RMB2,670,000 – RMB3,050,000 (equivalent to HK\$3,000,000 – HK\$3,500,000)	1	1

- (c) During the year, no emolument was paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. No directors waived or agreed to waive any emoluments during the years ended 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements (Continued)

27. FINANCE INCOME AND EXPENSES

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Interest expenses:		
– bank and other borrowings	(984,789)	(1,137,910)
– bonds and medium term notes	(262,963)	(279,522)
	(1,247,752)	(1,417,432)
Less: amounts capitalised in properties under development at a capitalisation rate of 4.10% (2023: 4.14%) per annum	227,173	511,866
	(1,020,579)	(905,566)
Bank charges and others	(6,821)	(7,868)
Finance expenses	(1,027,400)	(913,434)
Finance income – interest income	139,419	80,273
Finance expenses – net	(887,981)	(833,161)

28. INCOME TAX EXPENSES

The PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable income tax rate is 25% (2023: 25%).

HKCR, a subsidiary of the Company, is entitled to enjoy a preferential income rate of 15% in accordance with the Notice of the State Administration of Taxation of the Ministry of Finance on the Preferential Income Tax Policy of Hainan Free Trade Port (Finance and Taxation [2020]31) starting from 2023, being the first profit making year of the subsidiary.

The subsidiaries, BCGEE and BNSTE obtained the High-Tech Enterprise Certification jointly issued by the Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Taxation Bureau of the State Taxation Administration of The People's Republic of China on 20 December 2023. In accordance with the provisions of Article 28 of the Enterprise Income Tax Law of the People's Republic of China, BCGEE and BNSTE are now entitled to enjoy a preferential enterprise income tax rate of 15%.

The Company and certain PRC subsidiaries are also subject to the PRC land appreciation tax which is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditure including costs of land use rights and development and construction expenditure.

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax		
PRC enterprise income tax ("EIT")	279,299	313,511
Over-provision in previous years	(6,901)	–
	272,398	313,511
PRC land appreciation tax	123,853	579,458
Deferred income tax (Note 23)	(59,221)	173,192
	337,030	1,066,161

Notes to the Consolidated Financial Statements (Continued)

28. INCOME TAX EXPENSES (CONTINUED)

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the local statutory tax rate in the PRC as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
(Loss)/profit before income tax expense	(3,249,183)	1,076,351
Less: share of net profit of investments accounted for using the equity method	(129,631)	(8,150)
	(3,378,814)	1,068,201
Tax calculated at the statutory tax rate of 25% (2023: 25%)	(844,704)	267,050
The effect of preferential income tax rate (<i>Note a</i>)	(4,380)	(17,390)
Income not chargeable for tax purposes	(5,074)	–
Expenses not deductible for tax purposes	5,899	9,153
Tax losses not recognised	498,814	193,432
Temporary differences not recognised	593,911	190,456
Effect of the land appreciation tax in the PRC	92,890	434,594
Utilisation of previously unrecognised tax losses	(37,240)	(11,134)
Reversal of temporary differences previously recognised	43,815	–
Over-provision in previous year	(6,901)	–
Income tax expenses	337,030	1,066,161

Notes to the Consolidated Financial Statements (Continued)

29. (LOSSES)/EARNINGS PER SHARE

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to ordinary shareholders of the Company by the number of shares in issue during the year.

Diluted (losses)/earnings per share is equal to the basic (losses)/earnings per share since the Company has no potential dilutive ordinary shares during the years ended 31 December 2024 and 2023.

	Year ended 31 December 2024	2023
(Loss)/profit attributable to ordinary shareholders of the Company (<i>RMB'000</i>)	(2,992,483)	140,407
Number of ordinary shares in issue (<i>thousands</i>)	3,367,020	3,367,020
(Losses)/earnings per share (basic and diluted) (<i>RMB cents per share</i>)	(88.88)	4.17

30. DIVIDENDS

The dividends paid in 2024 are RMB67,340,000 (2023: RMB Nil). Proposed dividends of 2024 and 2023 were as follows:

	Year ended 31 December 2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
2024 proposed final dividend of RMB Nil (2023: RMB0.02) per share	—	67,340
	—	67,340

The Board resolved to propose that no dividend will be declared in respect of 2024.

Notes to the Consolidated Financial Statements (Continued)

31. CASH GENERATED FROM OPERATIONS

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
(Loss)/profit before income tax	(3,249,183)	1,076,351
Adjustments for:		
– Net provision for impairment losses on financial assets	154,777	260,213
– Impairment for properties under development and completed properties held-for-sale (<i>Notes 13 and 14</i>)	2,545,326	637,211
– Depreciation of property, plant and equipment and right-of-use assets	206,607	209,231
– Fair value losses on investment properties	575,267	180,599
– Net losses on disposals of property, plant and equipment and investment properties and termination of a lease	1,290	1,476
– Investment income classified as investing cash flows	(65,742)	(58,148)
– Loss/(gain) on deregistration of joint ventures	1,156	(20,678)
– Loss on disposal of a joint venture	3,325	–
– Loss on disposals of subsidiaries	368	–
– Gain on settlement of equity transaction	(28,088)	–
– Interest income	(139,419)	(80,273)
– Interest expense	1,020,579	905,566
– Share of net profit of investments accounted for using the equity method	(129,631)	(8,150)
Operating profit before working capital changes	896,632	3,103,398
Changes in working capital:		
– (Increase)/decrease in restricted bank deposits	(190,065)	323,191
– (Increase)/decrease in other inventories	(921)	1,569
– Decrease in properties under development and completed properties held-for-sale, net	2,500,891	8,410,087
– (Increase)/decrease in trade and other receivables and prepayments	(66,983)	618,421
– Decrease in trade and other payables	(1,221,304)	(1,734,465)
– Decrease in deferred income	(16,604)	–
– Decrease in employee termination benefit obligations	(6,688)	–
– Decrease in contract liabilities	(613,285)	(8,520,190)
Cash generated from operations	1,281,673	2,202,011

Notes to the Consolidated Financial Statements (Continued)

31. CASH GENERATED FROM OPERATIONS (CONTINUED)

(a) Reconciliation of liabilities from financing activities

This section sets out an analysis of liabilities from financing activities and the movements for each of the years presented.

Liabilities from financing activities							
	Borrowings	Loans/advances due to non- controlling interests and loans from third parties	CMBS	Loans/advances from other related parties	Loans from BNSIGC	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	(20,559,883)	(2,060,858)	(3,610,848)	(321,342)	(2,902,871)	(33,721)	(29,489,523)
Cash flows	266,789	157,920	910,485	(16,041)	1,312,282	31,015	2,662,450
New leases	-	-	-	-	-	(16,339)	(16,339)
Other changes							
Interest expense	(865,796)	(126,350)	(184,264)	(3,663)	(66,181)	(1,498)	(1,247,752)
Amortization of the bonds	(3,883)	-	-	-	-	-	(3,883)
Non-cash financing activities (Notes 31 (b)(i) and (b)(ii))	-	-	-	152,500	-	-	152,500
At 31 December 2024	(21,162,773)	(2,029,288)	(2,884,627)	(188,546)	(1,656,770)	(20,543)	(27,942,547)
At 1 January 2023	(24,630,847)	(1,978,569)	(742,937)	(248,550)	(1,600,000)	(37,254)	(29,238,157)
Cash flows	5,099,253	80,619	(2,726,268)	(104,792)	(1,218,279)	31,111	1,161,644
New leases	-	-	-	-	-	(25,513)	(25,513)
Other changes							
Interest expense	(1,020,715)	(162,908)	(141,643)	-	(84,592)	(2,065)	(1,411,923)
Amortization of the bonds	(7,574)	-	-	-	-	-	(7,574)
Non-cash financing activities (Note 31(b)(i))	-	-	-	32,000	-	-	32,000
At 31 December 2023	(20,559,883)	(2,060,858)	(3,610,848)	(321,342)	(2,902,871)	(33,721)	(29,489,523)

Notes to the Consolidated Financial Statements (Continued)

31. CASH GENERATED FROM OPERATIONS (CONTINUED)

(b) Major non-cash investing or financing activities

- (i) During the year ended 31 December 2024, the Group's dividends receivables from a joint venture of RMB27,500,000 (2023: RMB32,000,000) have been offset against the fund from the joint venture.
- (ii) During the year ended 31 December 2024, the Group's fund from a joint venture of RMB125,000,000 (2023: Nil) has been offset against the net proceeds from the deregistration of the joint venture.
- (iii) During the year ended 31 December 2023, the Group's dividends payable to the non-controlling interests of RMB287,236,000 have been offset against the amounts due from the respective non-controlling interests.
- (iv) The recognition of right-of-use assets and lease liabilities for the leased land, properties and equipment as detailed in Note 6 are considered as non-cash investing and financing activities.
- (v) During the year ended 31 December 2024, RMB175,062,000 of the consideration in the equity transaction with the non-controlling interests of two subsidiaries has been offset against certain completed properties held-for-sale and amounts due to the non-controlling interests.
- (vi) During the year ended 31 December 2024, the Group invested in a newly established joint venture with a capital injection of RMB4,900,000, in which RMB245,000 was settled and the remaining balance has yet been paid at 31 December 2024.

32. 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 RMB4,175,446,000 as at 31 December 2024 (2023: RMB7,137,252,000).

Such guarantees terminate upon (i) the 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 property to its purchasers; (ii) the completion of the mortgage registration; and (iii) the issuance of the real estate miscellaneous right certificate relating to the relevant property.

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

Notes to the Consolidated Financial Statements (Continued)

33. COMMITMENTS

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

	As at 31 December 2024 RMB'000	2023 RMB'000
Properties under development		
– Contracted but not provided for	2,678,973	5,162,143
– Authorised but not contracted for	387,920	2,197,717
	3,066,893	7,359,860

	As at 31 December 2024 RMB'000	2023 RMB'000
Investment properties and hotel properties		
– Contracted but not provided for	9,215	10,247
– Authorised but not contracted for	10,430	3,349
	19,645	13,596

- (b) At 31 December 2024 and 2023, the Group had future aggregate minimum lease rental receivables under non-cancellable operating leases as lessor as follows:

	As at 31 December 2024 RMB'000	2023 RMB'000
Rental receivables in respect of investment properties		
Not later than one year	541,523	749,998
Later than one year and not later than five years	1,028,693	901,478
Later than five years	433,149	593,756
	2,003,365	2,245,232

Notes to the Consolidated Financial Statements (Continued)

34. TERMINATION BENEFITS

	Current RMB'000	2024 Non-current RMB'000	Total RMB'000	Current RMB'000	2023 Non-current RMB'000	Total RMB'000
Termination benefits	5,533	86,939	92,472	7,094	100,604	107,698

The Group did have operations of retail business in supermarkets and shopping centres which were all have been eventually ceased on 8 January 2018 (the “discontinued operations”). To terminate the Group's employment relationships with the employees for the discontinued operations prior to their statutory retirement ages, the Group has already paid certain once-off compensations to these ex-employees for their voluntary redundancy in prior years. The Group has also committed to continuing paying certain defined benefit medical or living expenses allowances to these ex-employees on a monthly basis (prior to their death) and the present value of the Group's unfunded obligations in respect of these committed defined benefits have been recognised as the Group's liability for the termination benefits as of the balance sheet date.

The net liability disclosed above relates to provision for termination as follows:

	As at 31 December 2024 RMB'000	2023 RMB'000
Present value of unfunded obligations	92,472	107,698

The significant actuarial assumptions were as follows:

	2024	2023
Discount rate	2.00%-2.25%	2.25%-2.75%
Salary growth rate	6.00%-10.00%	6.00%-10.00%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption 2024	Impact on defined benefit obligation	
		Increase in assumption 2024 RMB'000	Decrease in assumption 2024 RMB'000
Discount rate	One percentage point	Decrease by 13,369	Increase by 17,762
Salary growth rate	One percentage point	Increase by 93	Decrease by 95

Notes to the Consolidated Financial Statements (Continued)

34. TERMINATION BENEFITS (CONTINUED)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption 2023	Impact on defined benefit obligation	
		Increase in assumption 2023 RMB'000	Decrease in assumption 2023 RMB'000
Discount rate	One percentage point	Decrease by 21,687	Increase by 16,191
Salary growth rate	One percentage point	Increase by 247	Decrease by 243

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as the method adopted for calculating the defined benefit liability recognised in the consolidated balance sheet.

35. RELATED PARTY TRANSACTIONS

The Group is controlled by BNSIGC, which owns 34.67% (2023: 34.48%) of the Company's shares. The remaining 65.33% (2023: 65.52%) of the shares are widely held.

BNSIGC itself is a state-owned enterprise controlled by the PRC government. For the years ended 31 December 2024 and 2023, the Group's significant transactions with entities that are controlled, jointly controlled or significantly influenced by the PRC government (collectively the "government controlled entities") mainly include the drawdown of bank borrowings and purchases of certain goods and services from these government controlled entities. The transactions with the government controlled entities are carried out on pricing and settlement terms agreed with counter parties in the ordinary course of business.

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

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

For the years ended 31 December 2024 and 2023, some non-controlling shareholders of certain subsidiaries of the Group has significant influence over the related subsidiaries which were material to the Group, and hence were deemed as related parties of the Group for the purpose of this related party transaction disclosure note. These non-controlling shareholders include:

- Beijing Jinyu Real Estate Development Group Co., Ltd. ("JYDC"); and
- China State Construction Jiuhe Development Group Co., Ltd. ("JHDGC", which has been deemed as a related party from 1 January 2023 as the related subsidiary become material to the Group)

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

During the year ended 31 December 2024, the Group acquired the 49% equity interest in a subsidiary, Wuhan Guanggu Creative Culture Science & Technology Park Co., Limited, from the minority shareholders, Wuhan Optics Valley Creative Industry Base Construction Investment Co., Ltd. ("WHJD") and Wuhan Jielong Investment Co., Ltd. ("WHJL"). The share transfer was completed within the year. As such, WHJD and WHJL were no longer related parties of the Group. In addition, Shenzhen Jiangwan Information Consulting Co., Ltd. ("SZJW") became immaterial to the Group. As such, the companies mentioned above were no longer deemed as related parties of the Group for the purpose of this related party transaction disclosure note.

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

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

In addition to the abovementioned transactions with the government controlled entities and the related party information shown elsewhere in these consolidated financial statements, 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 year and balances arising from related party transactions at the end of the year as indicated:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Provision of services and rental income		
Beijing North Star Exhibition Investment Co., Ltd. ("BNSEIC", controlled by the same ultimate parent company) (management service income, internet service income and rental income)	3,850	2,807
Beijing Chenxing International Exhibition Co., Ltd. ("BJCXIEC", controlled by the same ultimate parent company) (internet service income and rental income)	4,991	1,142
BNSIGC (internet service income and management service income)	2,838	2,847
Nanjing North Star Yangtze Conventional Co., Ltd. ("NJYZJ", a joint venture of the Company) (management service income)	4,401	3,915
Beichen Jingxi Science Fiction (Beijing) Convention and Exhibition Co., Ltd. ("BJSFCEC", a joint venture of the Company) (management service income and exhibition service income)	8,519	6,552
Beijing Beichen Yayun Village Automotive Exchange Market Center ("YVAEX", controlled by the same ultimate parent company) (management service income)	1,702	2,265
Beijing Chenxuan Real Estate Co., Limited ("BJCX", a joint venture of the Company) (brand licensing services income)	3,396	–
Purchases of services and rental expenses		
BJSFCEC (purchases of exhibition service)	19,427	17,473
BNSIGC (brand royalty fee, rental expense and management service expense)	920	3,144
Beijing Asia Olympic Technology Co., Ltd. ("KCYA", an associate of BNSIGC) (purchases of various goods and services)	72	5,717
SZJW (consulting service fee) (c)	–	849
CSCEC (purchases of construction service) (b)	723,487	823,924

- (a) Provision/purchases of services and rental arrangement are carried out in accordance with the terms as mutually agreed between the parties in concern.
- (b) The purchases of construction service are calculated based on the conducted construction in the current period, regardless of whether the relevant contracts were signed during or before the reporting period.
- (c) SZJW is no longer deemed as a related party of the Group for the purpose of this related party transaction disclosure note for the year ended 31 December 2024.

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Loans from BNSIGC

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At 1 January	2,902,871	1,601,907
Proceeds from loans	1,555,000	2,600,000
Repayments of loans	(2,800,000)	(1,300,000)
Interest accrued	66,181	84,592
Interest paid	(67,282)	(83,628)
At 31 December	1,656,770	2,902,871

On 21 January 2024, the Company obtained a loan of RMB35,000,000 from BNSIGC, which was unsecured, bore interests at a fixed interest rate of 3.90% per annum, and was repayable on 21 November 2026. During the year ended 31 December 2024, the Company repaid this loan in full.

On 20 March 2024, the Company obtained a loan of RMB134,000,000 from BNSIGC, which was unsecured, bore interests at a fixed interest rate of 3.90% per annum, and was repayable on 21 November 2026. During the year ended 31 December 2024, the Company repaid this loan in full.

On 24 April 2024, the Company obtained a loan of RMB31,000,000 from BNSIGC, which was unsecured, bore interests at a fixed interest rate of 3.90% per annum, and was repayable on 21 November 2026. During the year ended 31 December 2024, the Company repaid this loan in full.

On 31 May 2024, the Company obtained a loan of RMB200,000,000 from BNSIGC, which was unsecured, bore interests at a fixed interest rate of 3.90% per annum, and was repayable on 30 May 2027. During the year ended 31 December 2024, the Company repaid this loan in full.

On 12 Jun 2024, the Company obtained a loan of RMB500,000,000 from BNSIGC, this unsecured facility, with no collateral or guarantees, carries an interest rate set at the 5-year Loan Prime Rate ("LPR") minus 10 basis points per annum, with quarterly interest payments, the principal is repayable in semi-annual installment of 1% of the principal amount, and the remaining balance is repayable on 7 June 2027. During the year ended 31 December 2024, the company repaid the loan principal in the amount of RMB5,000,000.

On 13 Jun 2024, the Company obtained a loan of RMB50,000,000 from BNSIGC, which was unsecured, bore interests at a fixed interest rate of 3.90% per annum, and was repayable 12 June 2027. During the year ended 31 December 2024, the Company repaid this loan in full.

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Loans from BNSIGC (Continued)

On 2 July 2024, the Company obtained a loan of RMB120,000,000 from BNSIGC, which was unsecured, bore interests at a fixed interest rate of 3.90% per annum, and was repayable on 1 July 2027. During the year ended 31 December 2024, the Company repaid this loan in full.

On 3 September 2024, the Company obtained a loan of RMB300,000,000 from BNSIGC, this unsecured facility, with no collateral or guarantees, carries an interest rate set at the 5-year LPR minus 10 basis points per annum, with quarterly interest payments, the principal is repayable in semi-annual installment of 1% of the principal amount, and the remaining balance is repayable on 2 September 2027.

On 6 September 2024, the company obtained a loan of RMB180,000,000 from BNSIGC, which is unsecured, the interest rate is set at the 5-year or above LPR minus 10 basis points per annum, and is repayable on 5 September 2027. During the year ended 31 December 2024, the company repaid the loan principal in the amount of RMB115,000,000.

On 22 November 2024, the company obtained a loan of RMB5,000,000 from BNSIGC, which is unsecured, the interest rate is set at the 5-year or above LPR minus 10 basis points per annum, and is repayable on 21 November 2027.

The remaining balances of the loans obtained during the year ended 31 December 2023 amounted to RMB790,000,000 in total, which are unsecured, bear interest at 3.90% per annum and are repayable by installment within three years commencing from the borrowing dates.

(iii) Loans from JHDGC

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At 1 January	444,948	529,935
Proceeds from loans	1,664	48,600
Repayments of loans	—	(134,127)
Interest accrued	29,182	31,121
Interest paid	(12,751)	(30,581)
At 31 December	463,043	444,948

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

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

Year ended 31 December 2024	WHJCYC(a) RMB'000	BJCX RMB'000	GZGY(b) RMB'000	Total RMB'000
At 1 January	287,942	—	585,235	873,177
Project cooperation funds granted	—	—	538,995	538,995
Repayments of project cooperation funds	—	—	(584,075)	(584,075)
Interest income accrued	17,486	—	33,955	51,441
Interest income received	(13,720)	—	(35,115)	(48,835)
At 31 December	291,708	—	538,995	830,703

Year ended 31 December 2023	WHJCYC(a) RMB'000	BJCX RMB'000	GZGY(b) RMB'000	Total RMB'000
At 1 January	367,190	23,564	651,516	1,042,270
Project cooperation funds granted	384	—	—	384
Repayments of project cooperation funds	(88,200)	—	(66,150)	(154,350)
Interest income accrued	19,341	—	41,335	60,676
Interest income received	(10,773)	(23,564)	(41,466)	(75,803)
At 31 December	287,942	—	585,235	873,177

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

(b) The funds to GZGY are unsecured, bear interests at fixed rate of 6.5% per annum and are repayable in two years from November 2024.

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(v) Funds from related parties

The Group has received funds from its associate, GZGY, its joint ventures, Wuhan Modern Land North Star Real Estate Co., Limited ("WHML"), Hangzhou Jinhu Real Estate Development Co., Limited ("HZJH"), Zhiao Beichen (Beijing) Exhibition Services Co., Ltd ("ZBES"), Wixi North Star Shengyang Real Estate Development Co., Limited ("WXSJ"), BJSFCEC and its associate, Wuxi ChenWan Real Estate Co., Limited ("WXCW"), BJCX and from its non-controlling shareholders of certain subsidiaries of the Group, JYDC, WHJL and WHJD and a joint venture of BNSIGC, BJCXIEC, and a subsidiary of BNSIGC, BNSEIC and the branch of BNSIGC, Chenqun Property Management Center ("CYP").

	WHML RMB'000	HZJH RMB'000	BJCX RMB'000	WXSJ RMB'000	WXCW RMB'000	WHJL* RMB'000	WHJD* RMB'000	BNSEIC RMB'000	CYP RMB'000	JYDC RMB'000	BJCXIEC RMB'000	BJSFCEC RMB'000	GZGY RMB'000	ZBES RMB'000	Total RMB'000
At 1 January 2024	42,000	152,500	96,220	-	22,050	-	-	-	-	59	-	8,587	-	-	321,416
Funds obtained	-	-	-	-	-	-	-	10	194	558	-	19,267	11,760	700	32,489
Repayment of funds (Note 35(xii))	-	(152,500)	-	-	-	-	-	-	-	(351)	-	(16,897)	-	-	(169,748)
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	4,655	4,655
At 31 December 2024	42,000	-	96,220	-	22,050	-	-	10	194	266	-	10,957	11,760	5,355	188,812

	WHML RMB'000	HZJH RMB'000	BJCX RMB'000	WXSJ RMB'000	WXCW RMB'000	WHJL RMB'000	WHJD RMB'000	BNSEIC RMB'000	Chenyun Property RMB'000	JYDC RMB'000	BJCXIEC RMB'000	BJSFCEC RMB'000	GZGY RMB'000	ZBES RMB'000	Total RMB'000
At 1 January 2023	42,000	152,500	-	32,000	22,050	57,077	53,664	1,196	-	219	23,200	1,115	-	-	385,021
Funds obtained	-	-	96,220	-	-	-	-	-	-	-	-	45,712	-	-	141,932
Interest accrued	-	-	-	-	-	5,751	5,407	-	-	-	-	-	-	-	11,158
Repayment of funds (Note 35(xii))	-	-	-	(32,000)	-	-	-	(1,196)	-	-	(23,200)	(38,255)	-	-	(94,651)
Others	-	-	-	-	-	-	-	-	-	(160)	-	15	-	-	(145)
At 31 December 2023	42,000	152,500	96,220	-	22,050	62,828	59,071	-	-	59	-	8,587	-	-	443,315

* WHJL and WHJD are no longer deemed as related parties of the Group for the purpose of the related party transaction disclosure note for the year ended 31 December 2024.

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

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

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(vi) Funds advanced to related parties

	SZJW* <i>RMB'000</i>	JYDC <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	–	416,500	416,500
Funds granted during the year	–	–	–
Repayments of funds	–	–	–
At 31 December 2024	–	416,500	416,500

	SZJW <i>RMB'000</i>	JYDC <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023	79,000	416,500	495,500
Funds granted during the year	–	–	–
Repayments of funds	–	–	–
At 31 December 2023	79,000	416,500	495,500

* SZJW is no longer deemed as a related party of the Group for the purpose of the related party transaction disclosure note for the year ended 31 December 2024.

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

(vii) Advances to related parties

	BJCXIEC <i>RMB'000</i>	WHML <i>RMB'000</i>	YVAEX <i>RMB'000</i>	BNSIGC <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	–	–	–	–	–
Advances during the year	341	19	–	14	374
Repayments	(341)	(19)	–	(14)	(374)
At 31 December 2024	–	–	–	–	–

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(vii) Advances to related parties (Continued)

	BJCXIEC RMB'000	WHML RMB'000	YVAEX RMB'000	BNSIGC RMB'000	Total RMB'000
At 1 January 2023	–	–	–	–	–
Advances during the year	442	36	112	27	617
Repayments	(442)	(36)	(112)	(27)	(617)
At 31 December 2023	–	–	–	–	–

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

(viii) Key management compensation

	Year ended 31 December 2024 RMB'000	2023 RMB'000
Salaries, bonus and other short-term employee benefits	14,129	20,924
Post-employment benefit	1,544	2,329
	15,673	23,253

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(ix) Balances arising from purchases/provision of goods and services, advances and funds

	As at 31 December 2024 RMB'000	2023 RMB'000
Trade and other receivables and prepayments from related parties		
– SZJW*	–	79,000
– GZGY	538,995	585,235
– WHJCYC	291,708	287,942
– JYDC	416,500	416,500
– BJCXIEC	305	750
– NJYZJ	2,265	346
– BJSFCE	–	1,671
– BNSIGC	89	155
– YVAEX	153	185
– CSCEC	8,070	12,781
	1,258,085	1,384,565
Trade and other payables to related parties		
– BNSIGC	–	713
– KCYA	1,853	3,209
– JYDC	266	59
– BJSFCEC	–	9,136
– CSCEC	623,022	1,020,593
– CYP	900	–
– ZBES	141	–
	626,182	1,033,710
Loans/advances from related parties		
– BNSIGC	1,656,770	2,902,871
– HZJH	–	152,500
– BJCX	96,220	96,220
– WHJL*	–	62,828
– WHJD*	–	59,071
– WHML	42,000	42,000
– WXCW	22,050	22,050
– JHDGC	463,043	444,948
– GZGY	11,760	–
– BNSEIC	10	–
– ZBES	5,355	–
– CYP	194	–
– BJSFCEC	10,957	–
	2,308,359	3,782,488

* SZJW, WHJL and WHJD are no longer deemed as related parties of the Group for the purpose of the related parties transaction disclosure note for the year ended 31 December 2024.

As at 31 December 2024, loss allowance for receivables from related parties of RMB556,738,000 (2023: RMB425,723,000) have been recognised based on the expected credit loss model.

Notes to the Consolidated Financial Statements (Continued)

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(x) Lease liabilities

	As at 31 December	2023
	2024	
	RMB'000	RMB'000
BNSIGC (lease liability in respect of the Land)	16,339	16,196

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

As of the date of these consolidated financial statements, the proposed acquisition of the Land has not yet been completed because the final transfer price has yet to be approved by Beijing SASAC and the proposed acquisition of the Land has to be approved by the independent shareholders of the Company.

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

(xi) Accept financial guarantee

Pursuant to the agreements as entered into between BNSIGC and the Group, BNSIGC provided joint liability counter-guarantee for the Group's borrowings from Beijing International Trust Company Limited, which was fully repaid in advance in 2023. The related joint liability counter-guarantee of BNSIGC has been released accordingly.

(xii) Dividends received/receivable

The Group's joint venture, HZJH, has declared a dividend of RMB170,920,000 in April 2024, among which dividend of RMB42,730,000 is entitled by the Group. Pursuant to the mutual agreement among the Company, NSREG and HZJH, dividend of RMB27,500,000 has been offset against the amounts payable by the Company to HZJH, with the remaining balance received in full during the year.

Notes to the Consolidated Financial Statements (Continued)

36. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Loans to subsidiaries	12,275,820	8,274,077
Right-of-use assets	7,206	13,069
Investment properties	13,133,404	13,386,431
Property, plant and equipment	1,088,719	1,148,999
Investments in subsidiaries	9,193,230	8,314,230
Investments accounted for using the equity method	127,840	—
Deferred income tax assets	332,936	330,770
Other receivables and prepayment	10,946	363,545
	36,170,101	31,831,121
Current assets		
Loans to subsidiaries	9,766,517	14,341,214
Completed properties held-for-sale	66,696	125,826
Other inventories	36,833	34,865
Trade and other receivables and prepayments	332,432	347,895
Restricted bank deposits	8,911	13,551
Cash and cash equivalents	5,655,711	7,268,795
	15,867,100	22,132,146
Total assets	52,037,201	53,963,267

Notes to the Consolidated Financial Statements (Continued)

36. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

	As at 31 December 2024 RMB'000	2023 RMB'000
LIABILITIES		
Non-current liabilities		
Long term borrowings	13,372,126	14,520,857
Lease liabilities	–	2,409
Loans from other parties	4,487,617	5,414,710
Employee termination benefit obligations	86,939	100,604
Deferred income tax liabilities	2,140,424	2,169,622
Deferred income	1,653	34,778
	20,088,759	22,242,980
Current liabilities		
Trade and other payables	1,336,422	1,633,175
Amount due to subsidiaries	6,649,937	7,094,383
Advances from other parties	172,905	151,426
Contract liabilities	197,381	122,841
Current income tax liabilities	538,843	460,404
Lease liabilities	18,748	22,083
Current portion of long term borrowings	5,049,174	4,936,159
	13,963,410	14,420,471
Total liabilities	34,052,169	36,663,451
Net assets	17,985,032	17,299,816
EQUITY		
Equity attributable to owners of the Company		
Share capital	3,367,020	3,367,020
Other reserves	5,061,568	4,918,703
Retained earnings	9,556,444	9,014,093
Total equity	17,985,032	17,299,816

The balance sheet of the Company was approved by the Board of Directors of the Company on 26 March 2025 and was signed on its behalf.



Zhang Jie
Director



Liang Jie
Director

Notes to the Consolidated Financial Statements (Continued)

36. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Reserve movement of the Company

	Retained earnings <i>RMB'000</i>	Other reserves <i>RMB'000</i>
At 1 January 2023	8,587,236	4,886,010
Profit for the year	468,737	–
Appropriation of statutory reserves	(41,880)	41,880
Other comprehensive income	–	(9,187)
At 31 December 2023	9,014,093	4,918,703
At 1 January 2024	9,014,093	4,918,703
Profit for the year	692,800	–
Appropriation of statutory reserves	(83,109)	83,109
2023 final dividends	(67,340)	–
Other comprehensive income	–	59,756
At 31 December 2024	9,556,444	5,061,568

Notes to the Consolidated Financial Statements (Continued)

37. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

The remuneration of every director, supervisor and the chief executive is set out below

For the year ended 31 December 2024:

Name of Director	Fees RMB'000	Salary RMB'000	Employer's contribution to retirement benefit scheme RMB'000	Housing allowance RMB'000	Total RMB'000
<i>Executive directors:</i>					
Mr. ZHANG Jie (iii)	–	74	17	8	99
Ms. LIANG Jie (i)	–	410	93	46	549
Mr. HU Hao (ii)	–	615	101	50	766
Mr. WEI Ming Qian (ii)	–	594	101	50	745
Mr. LI Wei Dong (v)	–	339	35	37	411
Mr. YANG Hua Sen	–	609	101	50	760
Ms. ZHANG Wen Lei	–	615	101	50	766
Mr. GUO Chuan (iv)	–	218	4	4	226
<i>Non-executive directors:</i>					
Mr. CHEN De Qiu (vi)	150	–	–	–	150
Mr. GAN Pei Zhong	150	–	–	–	150
Mr. CHOW Wing Kin, Anthony	150	–	–	–	150
<i>Supervisors:</i>					
Ms. LI Xue Mei (viii)	–	128	–	–	128
Ms. DU Yan	–	662	98	50	810
Mr. MO Fei (ix)	–	–	–	–	–
Ms. LV Yi Hong (x)	–	18	–	–	18
Mr. TIAN Zhen hua (x)	–	166	17	20	203
Ms. HE Shu Fang (vii)	–	552	90	50	692
Mr. ZHAN Wei (vii)	–	537	97	50	684
	450	5,537	855	465	7,307

(i) Appointed as director on 13 March 2024.

(ii) Appointed as director on 16 May 2024.

(iii) Appointed as director on 28 November 2024.

(iv) Resigned from director on 29 January 2024.

(v) Resigned from director on 17 October 2024.

(vi) Resigned from director on 24 January 2025.

(vii) Appointed as supervisor on 16 May 2024.

(viii) Resigned from supervisor on 11 January 2024.

(ix) Resigned from supervisor on 13 March 2024.

(x) Ceased to act as supervisor on 16 May 2024.

Notes to the Consolidated Financial Statements (Continued)

37. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (CONTINUED)

The remuneration of every director, supervisor and the chief executive is set out below (Continued)

For the year ended 31 December 2023:

Name of Director	Fees RMB'000	Salary RMB'000	Employer's contribution to retirement benefit scheme RMB'000	Housing allowance RMB'000	Total RMB'000
<i>Executive directors:</i>					
Mr. LI Wei Dong	–	685	103	47	835
Ms. LI Yun (i)	–	644	94	43	781
Mr. YANG Hua Sen	–	607	103	47	757
Ms. ZHANG Wen Lei	–	621	103	47	771
Mr. GUO Chuan (ii)	–	597	103	47	747
<i>Non-executive directors:</i>					
Mr. CHEN De Qiu	150	–	–	–	150
Mr. GAN Pei Zhong	150	–	–	–	150
Mr. CHOW Wing Kin, Anthony	150	–	–	–	150
<i>Supervisors:</i>					
Mr. MO Fei (iv)	–	92	–	–	92
Ms. DU Yan	–	677	98	47	822
Mr. TIAN Zhen Hua	–	596	91	47	734
Ms. LV Yi Hong	–	302	41	19	362
Ms. LI Xue Mei (iii)	–	885	103	47	1,035
	450	5,706	839	391	7,386

(i) Resigned from director on 6 December 2023.

(ii) Resigned from director on 29 January 2024.

(iii) Resigned from supervisor on 11 January 2024.

(iv) Resigned from supervisor on 13 March 2024.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES

This note provides a list of other potentially material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the group consisting of Company and its subsidiaries.

38.1 Principles of consolidation and equity accounting

(i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations not under common control by the Group (Note 38(18)).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) *Joint arrangements*

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group only has joint ventures.

Interests in joint ventures are accounted for using the equity method (see 38.1 (iv) below), after initially being recognised at cost in the consolidated balance sheet.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.1 Principles of consolidation and equity accounting (Continued)

(iv) *Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 38.4.

(v) *Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 38.4).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised within 'other gains/(losses) – net', in the consolidated income statement.

Construction-in-progress represents buildings, plant and machinery under construction and pending installation and is stated at cost. Cost includes the costs of construction of buildings, the cost of plant and machinery, installation, testing and other direct costs incurred during the development period. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. The carrying amount of a construction-in-progress is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 38.4). When the assets concerned get ready for their intended use, the costs are depreciated in accordance with the policy as stated above. When the assets concerned are available for use, the costs are transferred to the appropriate categories of property, plant and equipment and depreciated in accordance with the policy as set out in Note 8.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.3 Land use rights

All land in Mainland China is state-owned and no individual land ownership right exists. The Group acquired the rights to use certain land and the premiums paid for such rights are recorded as land use rights, which are stated at cost and amortised over the use terms of 40 to 70 years using the straight-line method.

Land use rights which is held for development for sales are inventories (Note 13) and measured at lower of cost and net realisable value. Land use rights which are held for long-term rental yields are investment properties (Note 8) and measured at fair value. Land use rights for own use are stated at cost and amortised over the use terms of 40 to 50 years using the straight-line method.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as investment property and measured at fair value if its fair value becomes reliably determinable or construction is completed (whichever is earlier).

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income and increases the revaluation surplus within equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss.

38.4 Impairment of non-financial assets

Assets that have an indefinite useful life or are not yet available for use are not subject to depreciation or amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposed and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting period.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.5 Financial assets

(i) *Classification*

The Group classifies its financial assets as financial assets at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'other gains/(losses) - net' together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

(iv) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see notes 3.1(b) and 12 for further details.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.6 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

Such financial guarantees are given to banks on behalf of certain purchasers of the Group's properties to secure mortgage loans. The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms, and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised.

38.7 Trade receivables

Trade receivables are amounts due from customers for properties sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 12 for further information about the Group's accounting for trade receivables and Note 38.5(iv) for a description of the Group's impairment policies.

38.8 Cash and cash equivalents

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.9 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

38.10 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has right to defer settlement of the liability for at least 12 months after the end of the reporting period.

38.11 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.12 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the PRC where the Company and its subsidiaries and joint venture and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) *Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred income tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.12 Current and deferred income tax (Continued)

(ii) *Deferred income tax (Continued)*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

38.13 Employee benefits

(i) *Pension obligations*

The Group has only defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

There were no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) to offset existing contributions under the defined contribution schemes.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.13 Employee benefits (Continued)

(ii) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(iii) *Early retirement benefits*

The Group provides early retirement benefits to employees who accept early retirement arrangements. Early retirement benefits are salaries and social welfare paid for employees who accept voluntary retirement before the normal retirement date, as approved by the Group's management. The related benefit payments are made from the date of the early retirement till the normal retirement ages. The accounting treatment of the Group's early retirement benefits is in accordance with termination benefits as determined in HKAS 19. The liability is recognised for the early retirement benefit payments from the date of early retirement to the normal retirement date when satisfied the condition of termination benefit with a corresponding charge in the income statement. Differences arising from changes in assumptions and estimates of the present value of the liabilities are recognised in profit or loss when incurred.

(iv) *Bonus plans*

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.13 Employee benefits (Continued)

(v) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

38.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

38.15 Contract assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer.

The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining rights exceeds the measure of the remaining performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.16 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the income statement as part of other income. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

38.17 Leases

As Lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance expense. The finance expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.17 Leases (Continued)

As Lessor

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated balance sheet based on their nature.

Entity-specific details about the Group's leasing policy are provided in Note 7.

38.18 Business combinations

(i) Business combinations under common control

The consolidated financial statements incorporates the financial statement items of the entities of businesses in which the common control combination occurs as if they had been consolidated from the date when the entities of businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated income statement include the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

A uniform set of accounting policies is adopted by those entities. All intra-group transitions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.18 Business combinations (Continued)

(ii) *Business combinations not under common control*

The acquisition method of accounting is used to account for all business combinations (except for business combination under common control), regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.18 Business combinations (Continued)

(ii) *Business combinations not under common control (Continued)*

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

38.19 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

38.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

Notes to the Consolidated Financial Statements (Continued)

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.21 Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Group's and the Company's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income' or 'finance expense'. All other foreign exchange gains and losses are presented in the consolidated income statement within 'other gains/(losses) - net'.

38.22 Inventories

Other inventories

Other inventories are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises invoiced price, delivery and other direct costs relating to the purchases. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

38.23 Share capital

Liquid shares, A shares and H shares issued by the Company are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

38.24 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the reporting period but not distributed at the end of the reporting period.

38.25 Accounting for costs incurred to obtain a contract

Costs such as stamp duty and sales commissions incurred directly attributable to obtaining a contract, if recoverable, are capitalised and recorded in other receivables and prepayments.

Supplementary Information

RECONCILIATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Group has prepared a separate set of consolidated financial statements for the year ended 31 December 2024 in accordance with the China Accounting Standards for Business Enterprises, the Application Guidance for Accounting Standard for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance of the PRC on 15 February 2006, and thereafter (“**CAS**”). The differences between the financial statements prepared under CAS and HKFRS are summarised as follows:

	(Loss)/profit attributable to owners of the Company for the year ended 31 December		Capital and reserves attributable to the owners of the Company as at 31 December	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
As stated in accordance with CAS	(2,827,464)	68,064	9,699,143	12,845,583
Impact of HKFRS adjustments				
1. Reversal of depreciation and impairment of investment properties under CAS properties under CAS	264,594	200,782	2,886,152	2,621,558
2. Fair value adjustment of investment properties under HKFRS	(429,613)	(128,439)	3,698,110	4,077,029
As stated in accordance with HKFRS	(2,992,483)	140,407	16,283,405	19,544,170

Directors' Proposal on the Appropriation of Profit for the Year of 2024

In accordance with the relevant regulations and based on the actual situation of the Company, the Board of Beijing North Star Company Limited convened a meeting on 26 March 2025 and proposed that the appropriation of profit of the Company for the year of 2024 be as follows:

- I. The appropriation of profits after taxation shall be: 10% for Statutory Reserve Fund, 0% for Discretionary Reserve Fund and 90% for profit available for distribution.
- II. The Company will not make profit distribution or other forms of distribution including transfer of capital reserve to share capital in 2024.
- III. This proposal is subject to the approval by the shareholders at the 2024 annual general meeting of the Company.

Beijing North Star Company Limited

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:	ZHANG Jie (appointed on 28 November 2024) LI Wei-Dong (resign on 17 October 2024)
Company secretaries:	GUO Chuan (resigned on 29 January 2024) HU Hao (appointed on 30 October 2024) LEE Ka Sze, Carmelo
Person-in-charge on information disclosure:	HU Hao (appointed on 30 October 2024) GUO Chuan (resigned on 29 January 2024)
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, (8610) 6499 1055
Fax:	(8610) 6499 1352
Website:	www.beijingns.com.cn

Corporate Information (Continued)

REGISTRATION

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

AUDITORS

<i>PRC auditor:</i>	Zhongxinghua Certified Public Accountants LLP (Appointed on 16 May 2024)
Address:	20/F, South Tower Block 1 20 Lize Road Fengtai District Beijing
Postal code:	10073
Telephone:	(86) 010 – 5142 3818
Fax:	(86) 010 – 5142 3818
<i>International auditor:</i>	Cheng & Cheng Limited <i>Certified Public Accountants</i> Registered Public Interest Entity Auditor (Appointed on 16 May 2024)
Address:	Level 35, Tower 1 Enterprise Square Five 38 Wang Chiu Road Kowloon Bay, Kowloon Hong Kong
Telephone:	(852) 3962 0000
Fax:	(852) 2598 8178

Corporate Information (Continued)

LEGAL ADVISERS

PRC lawyer:

Anli Partners' Beijing office

Address:

36/F, Fortune Financial Center
No. 5 East Third Ring Middle Road
Chaoyang District, Beijing, PRC

Postal code:

100020

Telephone:

(8610) 8587 9199

Fax:

(8610) 8587 9198

Hong Kong lawyer:

Woo Kwan Lee & Lo

Address:

26/F, Jardine House, 1 Connaught Place
Central, Hong Kong

Telephone:

(852) 2847 7999

Fax:

(852) 2845 9225