



**北辰实业**  
BEIJING NORTH STAR

HKEx Stock Code: 0588  
SSE Stock Code: 601588



**2025** INTERIM  
REPORT



## INTERIM REPORT

For the six months ended 30 June 2025

- Revenue was RMB3,019,320,000, representing a decrease of 11.97% over the same period of the previous year
- Operating loss was RMB1,137,652,000, representing an increase in loss of RMB781,953,000 over the same period last year
- Loss attributable to the ordinary shareholders of the Company was RMB1,647,124,000, representing an increase in loss of RMB877,544,000 over the same period last year, among others, the after-tax core operating results of the Company's principal business (excluding losses arising from the changes in fair value) recorded losses of RMB1,475,877,000, representing an increase in loss of RMB889,450,000 over the same period last year; During the Period, the losses (after taxation) on changes in fair value of investment properties were RMB171,247,000
- Losses per share were RMB0.4892, and losses per share in the same period last year were RMB0.2286
- The board of directors (the "**Board**") resolved that no interim dividend would be declared in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: nil)



# Interim Condensed Consolidated Balance Sheet

	Note	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right-of-use assets	7	374,222	386,821
Investment properties	7	16,063,579	16,297,009
Property, plant and equipment	7	2,248,859	2,314,535
Investments accounted for using the equity method		354,714	268,299
Deferred income tax assets		1,050,916	1,159,616
Other receivables and prepayments	9	27,768	154,156
		<b>20,120,058</b>	20,580,436
<b>Current assets</b>			
Properties under development	8	8,141,167	8,680,201
Completed properties held-for-sale		15,637,826	17,371,429
Other inventories		40,295	42,418
Trade and other receivables and prepayments	9	2,935,130	3,039,682
Restricted bank deposits		1,203,769	1,121,919
Cash and cash equivalents		6,237,377	6,783,364
		<b>34,195,564</b>	37,039,013
<b>Total assets</b>		<b>54,315,622</b>	57,619,449

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

## Interim Condensed Consolidated Balance Sheet (Continued)

	Note	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	12	16,818,846	15,645,024
Loans from other parties	11	1,421,000	5,089,501
Employee termination benefit obligations		85,007	86,939
Deferred income tax liabilities		2,173,919	2,194,392
Deferred income		991	1,653
		<b>20,499,763</b>	23,017,509
<b>Current liabilities</b>			
Trade and other payables	11	5,361,130	5,992,601
Loans/advances from other parties	11	4,493,684	1,717,994
Contract liabilities		1,818,089	1,475,855
Current income tax liabilities		751,718	1,526,586
Lease liabilities		16,977	20,543
Current portion of long-term borrowings	12	4,138,785	5,517,749
		<b>16,580,383</b>	16,251,328
<b>Total liabilities</b>		<b>37,080,146</b>	39,268,837
<b>Net assets</b>		<b>17,235,476</b>	18,350,612
<b>EQUITY</b>			
Share capital	10	3,367,020	3,367,020
Other reserves		4,830,304	4,830,304
Retained earnings		6,438,957	8,086,081
<b>Capital and reserves attributable to ordinary shareholders of the Company</b>		<b>14,636,281</b>	16,283,405
<b>Non-controlling interests</b>		<b>2,599,195</b>	2,067,207
<b>Total equity</b>		<b>17,235,476</b>	18,350,612

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



## Interim Condensed Consolidated Income Statement

		Unaudited Six months ended 30 June	
	Note	2025 RMB'000	2024 RMB'000
<b>Revenue</b>	6	<b>3,019,320</b>	3,429,871
Cost of sales		<b>(3,327,281)</b>	(2,941,989)
<b>Gross (loss)/profit</b>		<b>(307,961)</b>	487,882
Selling and marketing expenses		<b>(180,712)</b>	(150,712)
Administrative expenses		<b>(393,439)</b>	(380,218)
Net provision for impairment losses on financial assets		<b>(60,932)</b>	(133,539)
Other income and other losses – net	13	<b>(194,608)</b>	(179,112)
<b>Operating loss</b>	13	<b>(1,137,652)</b>	(355,699)
Finance income	14	<b>19,974</b>	72,307
Finance expenses	14	<b>(493,708)</b>	(423,279)
<b>Finance expenses – net</b>		<b>(473,734)</b>	(350,972)
Share of net profit/(loss) of investments accounted for using the equity method		<b>1,541</b>	(201)
<b>Loss before income tax</b>		<b>(1,609,845)</b>	(706,872)
Income tax expense	15	<b>(155,614)</b>	(173,560)
<b>Loss for the period</b>		<b>(1,765,459)</b>	(880,432)
<b>Attributable to:</b>			
Ordinary shareholders of the Company		<b>(1,647,124)</b>	(769,580)
Non-controlling interests		<b>(118,335)</b>	(110,852)
		<b>(1,765,459)</b>	(880,432)
<b>Losses per share attributable to ordinary shareholders of the Company</b> (expressed in RMB cents per share) (basic and diluted)	16	<b>(48.92)</b>	(22.86)

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

# Interim Condensed Consolidated Statement of Comprehensive Income

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Loss for the period</b>	<b>(1,765,459)</b>	<b>(880,432)</b>
<b>Other comprehensive income</b>	<b>—</b>	<b>—</b>
<b>Total comprehensive loss for the period</b>	<b>(1,765,459)</b>	<b>(880,432)</b>
<b>Attributable to:</b>		
Ordinary shareholders of the Company	<b>(1,647,124)</b>	<b>(769,580)</b>
Non-controlling interests	<b>(118,335)</b>	<b>(110,852)</b>
	<b>(1,765,459)</b>	<b>(880,432)</b>

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





# Interim Condensed Consolidated Statement of Changes in Equity

	Unaudited					
	Attributable to ordinary shareholders of the Company				Non- controlling interests	Total equity
	Share capital <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total <i>RMB'000</i>		
<b>Six months ended 30 June 2025</b>						
Balance at 1 January 2025	3,367,020	4,830,304	8,086,081	16,283,405	2,067,207	18,350,612
Loss for the period	–	–	(1,647,124)	(1,647,124)	(118,335)	(1,765,459)
Other comprehensive income	–	–	–	–	–	–
<b>Total comprehensive loss for the period</b>	–	–	(1,647,124)	(1,647,124)	(118,335)	(1,765,459)
<b>Transactions with owners in their capacity as owners</b>						
Capital injection from non-controlling interest	–	–	–	–	706,015	706,015
Deregistration of a subsidiary and others	–	–	–	–	(5,011)	(5,011)
Disposal of a subsidiary	–	–	–	–	(55,063)	(55,063)
Gain of control on a subsidiary without change in ownership interest	–	–	–	–	4,382	4,382
<b>Total transactions with owners in their capacity as owners</b>	–	–	–	–	650,323	650,323
<b>Balance at 30 June 2025</b>	<b>3,367,020</b>	<b>4,830,304</b>	<b>6,438,957</b>	<b>14,636,281</b>	<b>2,599,195</b>	<b>17,235,476</b>
<b>Six months ended 30 June 2024</b>						
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 period	–	–	(769,580)	(769,580)	(110,852)	(880,432)
Other comprehensive income	–	–	–	–	–	–
<b>Total comprehensive loss for the period</b>	–	–	(769,580)	(769,580)	(110,852)	(880,432)
<b>Transactions with owners in their capacity as owners</b>						
2023 final dividends	–	–	(67,340)	(67,340)	–	(67,340)
Acquisitions of subsidiaries without a change in control	–	(260,699)	–	(260,699)	80,898	(179,801)
Disposal of a subsidiary	–	–	–	–	(39,357)	(39,357)
<b>Total transactions with owners in their capacity as owners</b>	–	(260,699)	(67,340)	(328,039)	41,541	(286,498)
<b>Balance at 30 June 2024</b>	<b>3,367,020</b>	<b>4,687,438</b>	<b>10,392,093</b>	<b>18,446,551</b>	<b>2,614,379</b>	<b>21,060,930</b>

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

# Interim Condensed Consolidated Statement of Cash Flows

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
<i>Note</i>	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash flows from operating activities</b>		
Cash generated from operations	<b>1,129,058</b>	289,286
Interest received	<b>19,974</b>	72,307
Interest paid	<b>(479,850)</b>	(608,976)
Income tax paid	<b>(734,412)</b>	(209,197)
Net cash used in operating activities	<b>(65,230)</b>	(456,580)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	<b>(15,990)</b>	(16,392)
Payments for investment properties	<b>(18,870)</b>	(68,178)
Loans/funds granted to related parties	<b>(49,000)</b>	–
Loan repayments from related parties	<b>–</b>	33,810
Interests received on loans granted and other investment	<b>44</b>	33,530
Proceeds from sale of property, plant and equipment and investment properties	<b>426</b>	1,162
Cash from gain of control on a subsidiary without change in ownership interest	<b>27,571</b>	–
Capital injection to a joint venture	<b>(4,655)</b>	–
Proceeds from/(payment for) disposal of a subsidiary	<b>4,782</b>	(3,072)
Proceeds from deregistration and disposal of joint ventures	<b>–</b>	35,962
Net cash (used in)/generated from investing activities	<b>(55,692)</b>	16,822
<b>Cash flows from financing activities</b>		
Proceeds from borrowings and issuance of bonds	<b>2,253,850</b>	1,301,639
Repayments of borrowings and bonds	<b>(2,478,779)</b>	(739,712)
Repayments of commercial mortgage backed securities ("CMBS")	<b>–</b>	(11,000)
Proceeds from borrowings from BNSIGC	22(ii) <b>–</b>	950,000
Repayments of borrowings from BNSIGC	22(ii) <b>(208,000)</b>	(2,250,000)
Proceeds from loans/advances from non-controlling interests	<b>2,450</b>	91,370
Repayments of loans/advances from non-controlling interests	<b>(28)</b>	(104,810)
Proceeds from funds from related parties	<b>10,000</b>	13,392
Repayment of funds from related parties	<b>(2,510)</b>	(8,451)
Proceeds from capital injection from non-controlling interest	<b>4,900</b>	–
Payment to non-controlling interest upon deregistration of a subsidiary	<b>(5,011)</b>	–
Payment for acquisitions of subsidiaries without a change in control	<b>–</b>	(4,738)
Principal elements of lease payments	<b>(4,017)</b>	(7,672)
Net decrease in deposits paid for obtaining borrowings	<b>2,080</b>	5,980
Net cash used in financing activities	<b>(425,065)</b>	(764,002)
<b>Net decrease in cash and cash equivalents</b>	<b>(545,987)</b>	(1,203,760)
Cash and cash equivalents at beginning of the period	<b>6,783,364</b>	8,505,482
<b>Cash and cash equivalents at end of the period</b>	<b>6,237,377</b>	7,301,722

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



# Notes to the Interim Condensed Consolidated Financial Information

## 1. GENERAL INFORMATION

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

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

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

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

This interim condensed consolidated financial information is presented in Renminbi ("RMB"), unless otherwise stated. This interim condensed consolidated financial information was approved by the Board of Directors of the Company (the "Board") for issue on 22 August 2025.

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

## 2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2025 (the "interim financial information") has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The interim financial information does not include all the notes of the type normally included in an annual financial statement. Accordingly, this interim financial information should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024 and any public announcements made by the Company during the interim reporting period.

## 3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of amended standards as set out below.

The Group has applied amendments to HKAS 21 "Lack of Exchangeability" for the first time for the Group's financial period beginning on 1 January 2025.

The adoption of the amendments does not have significant impact on the interim financial information of the Group.

The Group has not early adopted any of the new or amended standards and interpretations which have been published but not yet effective for financial period commencing on 1 January 2025. These new or amended standards and interpretation are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.



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

## 4. ESTIMATES

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

In preparing this interim financial information, the significant judgments made by management in applying the Group's material accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements for the year ended 31 December 2024.

## 5. FINANCIAL RISK MANAGEMENT

### 5.1. Financial risk factors

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

This interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

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

### 5.2. Liquidity risk

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

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>As at 30 June 2025 (Unaudited)</b>					
Borrowings (including interests payable)	4,647,594	5,874,189	5,010,787	8,523,922	24,056,492
Trade and other payables and loans/advances from other parties (including interests) (Note i)	9,846,256	1,168,462	291,178	–	11,305,896
Lease liabilities	17,386	–	–	–	17,386
	14,511,236	7,042,651	5,301,965	8,523,922	35,379,774
<b>As at 31 December 2024 (Audited)</b>					
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 (including interests) (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

Notes:

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



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

### 5. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 5.3 Fair value estimation

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

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

At 30 June 2025 and 31 December 2024, the Group has no assets that are carried at fair value, except for the investment properties.

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

There were no transfers between different levels during the period.

There were no changes in valuation techniques during the period.

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

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

### 6. SEGMENT INFORMATION

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

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

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 before income tax based on assumptions that investment properties are measured at cost less accumulated depreciation. This measurement basis mainly excludes the fair value losses on investment properties and includes land appreciation taxes and the depreciation 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 this interim financial information.

Total segment assets mainly exclude 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 the total assets in the interim condensed consolidated balance sheet.



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

## 6. SEGMENT INFORMATION (CONTINUED)

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

The Group's revenue consists of revenue generated from the operation of convention and exhibition (including hotels) and commercial properties and revenue from sales of developed properties. Revenues recognised during the six months ended 30 June 2025 and 2024 are as follows:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue</b>		
Convention and exhibition (including hotels) and commercial properties segment	<b>1,476,714</b>	1,248,098
Real estate development segment	<b>1,461,344</b>	2,079,049
	<b>2,938,058</b>	3,327,147
Other segments	<b>81,262</b>	102,724
	<b>3,019,320</b>	3,429,871

For the six months ended 30 June 2025 and 2024, the Group derives revenue from the deliveries of properties, goods and services over time and at a point in time from the following segments:

	<b>At a point in time</b>	<b>Over time</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue recognised under HKFRS 15</b>		
<b>For the six months ended 30 June 2025</b>		
Convention and exhibition (including hotels) and commercial properties segment	<b>209,697</b>	<b>547,590</b>
Real estate development segment	<b>1,461,344</b>	–
Other segments	<b>10,044</b>	<b>71,218</b>
	<b>1,681,085</b>	<b>618,808</b>

	<b>At a point in time</b>	<b>Over time</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue recognised under HKFRS 15</b>		
<b>For the six months ended 30 June 2024</b>		
Convention and exhibition (including hotels) and commercial properties segment	366,750	418,693
Real estate development segment	2,079,049	–
Other segments	32,590	70,134
	<b>2,478,389</b>	<b>488,827</b>





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

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

The segment information provided to the Board for the reportable segments for the six months ended 30 June 2025 and 2024 is as follows:

Business segment	Convention and exhibition (including hotels) and commercial properties RMB'000	Real estate development RMB'000	Other segments RMB'000	Total RMB'000
<b>Six months ended 30 June 2025 (Unaudited)</b>				
Total segment revenue	1,576,651	1,461,344	99,654	3,137,649
Inter-segment revenue	(99,937)	–	(18,392)	(118,329)
Revenue from external customers	1,476,714	1,461,344	81,262	3,019,320
Adjusted profit/(loss) before income tax	201,526	(1,606,723)	(26,631)	(1,431,828)
<b>Six months ended 30 June 2024 (Unaudited)</b>				
Total segment revenue	1,294,139	2,079,049	130,937	3,504,125
Inter-segment revenue	(46,041)	–	(28,213)	(74,254)
Revenue from external customers	1,248,098	2,079,049	102,724	3,429,871
Adjusted profit/(loss) before income tax	198,372	(801,340)	(34,567)	(637,535)

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

## 6. SEGMENT INFORMATION (CONTINUED)

The segment information as at 30 June 2025 and 31 December 2024 is as follows:

Business segment	Convention and exhibition (including hotels) and commercial properties <i>RMB'000</i>	Real estate development <i>RMB'000</i>	Other segments <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As at 30 June 2025 (Unaudited)</b>				
Total segment assets	10,281,805	29,907,086	94,270	40,283,161
Total segment assets include:				
Investments accounted for using the equity method	12,412	342,302	–	354,714
Additions to non-current assets*	5,106	6,700	1,375	13,181
Total segment liabilities	1,352,724	19,910,618	272,146	21,535,488
Contract liabilities	161,033	1,649,891	7,165	1,818,089
<b>As at 31 December 2024 (Audited)</b>				
Total segment assets	10,125,946	32,678,630	78,589	42,883,165
Total segment assets include:				
Investments accounted for using the equity method	17,111	251,188	–	268,299
Additions to non-current assets*	77,650	20,859	5,218	103,727
Total segment liabilities	1,361,736	21,126,170	378,195	22,866,101
Contract liabilities	272,395	1,197,755	5,705	1,475,855

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

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

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



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

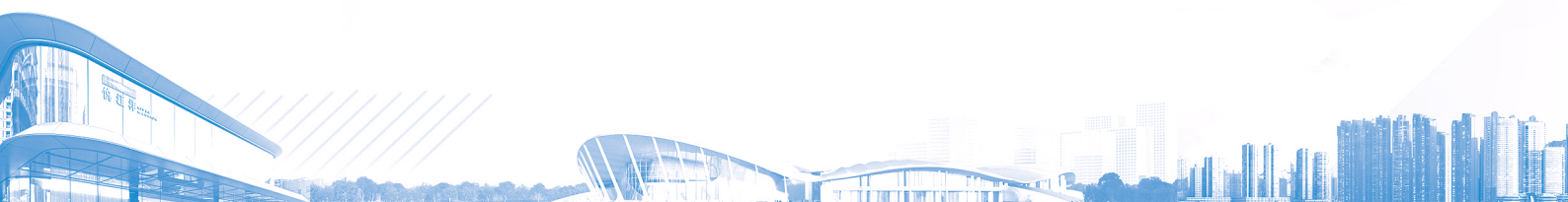
## 6. SEGMENT INFORMATION (CONTINUED)

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

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
<b>Revenue recognised that was included in the contract liability balance at the beginning of the period</b>		
Convention and exhibition (including hotels) and commercial properties segment	272,251	112,360
Real estate development segment	248,997	1,341,945
Other segments	5,705	5,381
	<b>526,953</b>	<b>1,459,686</b>

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

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
<b>Loss before income tax for reportable segments</b>	<b>(1,431,828)</b>	<b>(637,535)</b>
Corporate overheads	(61,559)	(60,331)
Corporate finance expenses	(22,935)	(13,238)
Corporate finance income	14,738	65,951
Other income and other losses – net	141	237
Net provision of impairment losses on financial assets	(952)	(97,813)
Fair value losses on investment properties (Note 13)	(228,821)	(245,672)
Reversal of depreciation and impairment losses of investment properties	146,930	203,401
Land appreciation tax (Note 15)	(25,559)	78,128
<b>Loss before income tax</b>	<b>(1,609,845)</b>	<b>(706,872)</b>





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

## 6. SEGMENT INFORMATION (CONTINUED)

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

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
<b>Total segment assets</b>	<b>40,283,161</b>	42,883,165
Deferred income tax assets at corporate level	281,767	326,299
Corporate cash	5,017,600	5,598,225
Accumulated fair value gains on investment properties	4,630,805	4,859,626
Reversal of accumulated depreciation and impairment of investment properties	4,064,868	3,917,938
Other corporate assets	37,421	34,196
<b>Total assets</b>	<b>54,315,622</b>	57,619,449

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

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
<b>Total segment liabilities</b>	<b>21,535,488</b>	22,866,101
Deferred income tax liabilities at corporate level	2,173,919	2,194,392
Corporate borrowings	8,787,300	8,683,101
Other corporate liabilities	4,583,439	5,525,243
<b>Total liabilities</b>	<b>37,080,146</b>	39,268,837

The Company and its subsidiaries were domiciled in the PRC and all the revenue from external customers of the Group for the six months ended 30 June 2025 and 2024 are derived in the PRC.

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

At 30 June 2025 and 31 December 2024, all the Group's non-current assets (other than deferred income tax assets) were located in the PRC.

The Group has a large number of customers and no significant revenue (in excess of 10% of the Group's revenue) was derived from any specific external customers during the six months ended 30 June 2025 and 2024.



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

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

	Right-of-use assets	Unaudited Property, plant and equipment	Investment properties (note)
	RMB'000	RMB'000	RMB'000
<b>Six months ended 30 June 2025</b>			
Opening net book amount as at 1 January 2025	386,821	2,314,535	16,297,009
Fair value losses charged to profit or loss (Note 13)	—	—	(228,821)
Additions	—	13,881	1,743
Disposals	—	(1,255)	(6,352)
Depreciation	(12,599)	(78,280)	—
Others	—	(22)	—
Closing net book amount as at 30 June 2025	374,222	2,248,859	16,063,579
<b>Six months ended 30 June 2024</b>			
Opening net book amount as at 1 January 2024	414,133	2,433,403	16,739,636
Fair value losses charged to profit or loss (Note 13)	—	—	(245,672)
Additions	—	16,393	9,372
Disposals	—	(3,153)	(170)
Depreciation	(15,923)	(81,312)	—
Closing net book amount as at 30 June 2024	398,210	2,365,331	16,503,166

Note:

The investment properties at 30 June 2025 were revalued by an independent and qualified valuer, Vertex Appraisal & Advisory Limited ("Vertex").



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

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

### (a) Fair value hierarchy

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

	Fair value measurements using significant unobservable inputs (Level 3)	
	Unaudited	Audited
	As at 30	As at
	June 2025	31 December 2024
	RMB'000	RMB'000
Recurring fair value measurements for Investment properties:		
– Office units	6,502,900	6,581,900
– Apartments	2,063,360	2,115,270
– Convention centers	3,995,000	4,009,000
– Shopping malls	3,496,200	3,578,600
– Others	6,119	12,239
	<b>16,063,579</b>	<b>16,297,009</b>

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

### (b) Valuation processes of the Group

The Group's investment properties were valued on 30 June 2025 by Vertex who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued.

The Group's finance department includes a team that review the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the chief financial officer ("CFO"). Discussions of valuation processes and results are held between the CFO, the valuation team and the valuer at least once every six months, in line with the Group's interim and annual reporting dates. As at 30 June 2025, the fair values of the investment properties have been determined by reference to the valuation reports issued by Vertex.

At each reporting date, the finance department:

- Verifies all major inputs to the independent valuation report;
- Assesses 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 Interim Condensed Consolidated Financial Information (Continued)

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

#### (c) Valuation techniques

For office units, apartments (except block A) and shopping malls, the valuations were based on income capitalisation approach (term and reversionary method) which largely used unobservable inputs (e.g. market rent, yield, etc.) and took 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 existing leases, other contracts and external evidence such as current market rents or room rates for similar properties;
Discount rates	Reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
Estimated vacancy rates	Based on current and expected future market conditions after expiry of any current lease;
Maintenance costs	Including necessary investments to maintain functionality of the property for its expected useful life;
Capitalisation rates	Based on actual location, size and quality of the properties and taking into account market data at the valuation date;
Terminal value	Taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

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



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

## 8. PROPERTIES UNDER DEVELOPMENT

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Land use rights	5,281,513	5,358,373
Development costs and capitalised expenditure	2,610,002	2,673,900
Finance expenses capitalised	1,546,487	1,517,151
Less: accumulated impairment	(1,296,835)	(869,223)
	8,141,167	8,680,201

## 9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Unaudited As at 30 June 2025			Audited As at 31 December 2024		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade and other receivables (a)	1,248,861	25,398	1,274,259	1,262,050	151,202	1,413,252
Prepayments for tax, construction costs and others	1,686,269	2,370	1,688,639	1,777,632	2,954	1,780,586
	2,935,130	27,768	2,962,898	3,039,682	154,156	3,193,838

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

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

#### (a) Trade and other receivables

	Unaudited As at 30 June 2025			Audited As at 31 December 2024		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade receivables ( <i>note i</i> )	342,513	–	342,513	281,710	–	281,710
Less: provision for impairment of trade receivables	(114,295)	–	(114,295)	(84,693)	–	(84,693)
Trade receivables – net	228,218	–	228,218	197,017	–	197,017
Receivables due from other related parties ( <i>Notes ii and 22(viii)</i> )	300,360	–	300,360	291,708	538,995	830,703
Receivables due from non-controlling interests of subsidiaries ( <i>Notes iii</i> )	655,589	–	655,589	693,975	–	693,975
Other receivables	225,225	25,517	250,742	233,887	34,725	268,612
	1,181,174	25,517	1,206,691	1,219,570	573,720	1,793,290
Less: provision for impairment of other receivables	(160,531)	(119)	(160,650)	(154,537)	(422,518)	(577,055)
Other receivables – net	1,020,643	25,398	1,046,041	1,065,033	151,202	1,216,235
	1,248,861	25,398	1,274,259	1,262,050	151,202	1,413,252

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

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

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

### (a) Trade and other receivables (Continued)

#### (i) Trade receivables

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

As at 30 June 2025 and 31 December 2024, the ageing analysis of the trade receivables based on the date of provision of services/goods was as follows:

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
0 – 30 days	65,143	125,889
31 – 90 days	39,516	29,836
Over 90 days	237,854	125,985
	<b>342,513</b>	281,710

(ii) At 30 June 2025, receivables due from other related parties include receivables due from the Group's joint venture and a subsidiary of BNSIGC (At 31 December 2024: the Group's associate and joint venture).

(iii) The receivables due from non-controlling interests refer to the funds receivable by some subsidiaries of the Company from minority shareholders, which do not bear interest and can be recovered at any time as needed. As at 31 December 2024, certain receivables due from non-controlling interests, amounting to RMB416,500,000 are deemed as receivables from related parties since the non-controlling interests have significant influence over the related subsidiaries which are material to the Group. At 30 June 2025, non-controlling interests are no longer deemed as related parties.

## 10. SHARE CAPITAL

	Audited As at 31 December 2024 RMB'000	Movement during the period RMB'000	Unaudited As at 30 June 2025 RMB'000
Registered, issued and fully paid (3,367,020,000 shares of RMB1 each)	3,367,020	–	3,367,020



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

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

	Unaudited As at 30 June 2025			Audited As at 31 December 2024		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade and other payables (a)	5,361,130	–	5,361,130	5,992,601	–	5,992,601
Loans/advances from other parties (b)	4,493,684	1,421,000	5,914,684	1,717,994	5,089,501	6,807,495
	9,854,814	1,421,000	11,275,814	7,710,595	5,089,501	12,800,096

#### (a) Trade and other payables

	Unaudited As at 30 June 2025			Audited As at 31 December 2024		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Trade payables to third parties	4,068,811	–	4,068,811	4,038,985	–	4,038,985
Trade payables to related parties	34,505	–	34,505	625,816	–	625,816
Prepaid rental income from tenants	92,290	–	92,290	100,668	–	100,668
Dividends payable to non-controlling shareholders of subsidiaries	1,162	–	1,162	1,162	–	1,162
Amounts due to non-controlling shareholders of subsidiaries (Note i)	–	–	–	38,952	–	38,952
Amounts due to related parties (Note 22(viii))	804	–	804	100	–	100
Employee termination benefit obligations-current portion	5,445	–	5,445	5,533	–	5,533
Other taxes payable	175,351	–	175,351	178,444	–	178,444
Other payables	982,762	–	982,762	1,002,941	–	1,002,941
	5,361,130	–	5,361,130	5,992,601	–	5,992,601

- (i) At 31 December 2024, certain amounts due to non-controlling interests, amounting to RMB266,000, 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 30 June 2025, non-controlling interests are no longer deemed as related parties.

# Notes to the Interim Condensed Consolidated Financial Information

## (Continued)

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

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

	Unaudited As at 30 June 2025			Audited As at 31 December 2024		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Loans from non-controlling interests (i)	1,350,799	–	1,350,799	1,426,403	602,885	2,029,288
Loans from BNSIGC (Note 22(ii))	27,407	1,421,000	1,448,407	27,770	1,629,000	1,656,770
CMBS issued by the Group (ii)	2,885,184	–	2,885,184	27,011	2,857,616	2,884,627
Advances from non-controlling interests	48,264	–	48,264	48,264	–	48,264
Loans/advances from other related parties (Note 22(viii))	182,030	–	182,030	188,546	–	188,546
	4,493,684	1,421,000	5,914,684	1,717,994	5,089,501	6,807,495

- (i) Loans from non-controlling interests are all unsecured loans and are repayable by installment within one year (At 31 December 2024: RMB1,307,588,000 is repayable by installment within one year, the remaining loans from non-controlling interests are all repayable after one year).

Loans from non-controlling interests of RMB924,276,000 and RMB272,762,000 bear interests at fixed rates of 6.5% and 7% per annum respectively (At 31 December 2024: RMB1,625,994,000 and RMB282,378,000 bear interests at fixed rates of 6.5% and 7% per annum respectively). The carrying amount of loans from non-controlling interests include interest payable of RMB153,761,000 (At 31 December 2024: RMB120,916,000), which is interest-free.

At 31 December 2024, certain loans from non-controlling interests of RMB463,043,000 are deemed as loans from related parties since the non-controlling interests have significant influence over the related subsidiaries which are material to the Group. At 30 June 2025, non-controlling interests are no longer deemed as related parties.

- (ii) 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. Open exit filing period is established for the holders of senior tranches every three years. The senior tranches were guaranteed by the Group and pledged with all current and future monetary claims and rights to proceeds (including rental income and other revenues) arising from all operating contracts (including but not limited to lease agreements) and any amendments, supplements, or modifications thereto, signed between 1 January 2023 (inclusive) and the date when the claims are fully settled (exclusive), with the relevant payment obligors, in relation to Tower A of North Star Century Center. At 30 June 2025, the carrying amount of CMBS-B is RMB2,885,184,000 (At 31 December 2024: RMB2,884,627,000).

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

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

- (c) The carrying amounts of the Group's trade and other payables and loans/advances from other parties are denominated in RMB.
- (d) The carrying amounts of current portion of trade and other payables and loans/advances from other parties approximate their fair values. The fair values of the non-current portion of loans/advances from other parties are not materially different from their carrying amounts as they bear interests at rates which are comparable to market interest rates for similar instruments.
- (e) As at 30 June 2025 and 31 December 2024, the ageing analysis of the trade payables to third parties and related parties based on date of services/goods received was as follows:

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
0 – 180 days	803,263	1,499,404
181 – 365 days	515,678	578,138
Over 365 days	2,784,375	2,587,259
	<b>4,103,316</b>	4,664,801

# Notes to the Interim Condensed Consolidated Financial Information

## (Continued)

### 12. BORROWINGS

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
<b>Non-current</b>		
Long term borrowings		
– Secured and guaranteed borrowings (a)	13,352,339	13,610,068
– Unsecured bank borrowings	25,024	28,635
– 5-year bonds of 2021 (I) (b)	327,617	322,797
– 5-year medium-term notes of 2021 (b)	1,322,595	1,302,674
– 5-year bonds of 2021 (II) (b)	1,358,828	1,337,657
– 5-year medium-term notes of 2022 (I) (b)	573,856	1,076,766
– 5-year bonds of 2022 (b)	602,099	843,298
– 5-year medium-term notes of 2022 (II) (b)	1,471,532	1,446,350
– 3-year bonds of 2023 (I) (b)	–	615,298
– 2-year bonds of 2024 (I) (b)	376,802	382,412
– 3-year medium-term notes of 2024 (I) (b)	199,240	196,818
– 3 year bonds of 2025 (I) (b)	326,886	–
– 2 year bonds of 2025 (II) (b)	501,512	–
– 3-year medium-term notes of 2025 (I) (b)	519,301	–
	<b>20,957,631</b>	21,162,773
Less: current portion of long-term borrowings	<b>(4,138,785)</b>	(5,517,749)
	<b>16,818,846</b>	15,645,024
<b>Current</b>		
Current portion of long-term borrowings	<b>4,138,785</b>	5,517,749
Total borrowings	<b>20,957,631</b>	21,162,773

(a) Secured and guaranteed borrowings

#### Secured borrowings

As at 30 June 2025, long term borrowings of RMB13,336,081,000 (As at 31 December 2024: RMB13,400,494,000) are secured by certain right-of-use assets, investment properties, hotel properties, properties under development, completed properties held for sale and trade receivables. Secured borrowings of RMB3,223,239,000 (As at 31 December 2024: RMB2,809,000,000) are also guaranteed by the Company. The principal portion of the long term borrowings of RMB13,336,081,000 (As at 31 December 2024: RMB13,400,494,000) bears interest at rates ranged from 3.15% per annum to 7.0% per annum and is repayable by installments by March 2036 (As at 31 December 2024: bore interest rates ranged from 3.15% per annum to 7.0% per annum and was repayable by installments by May 2038).

#### Guaranteed borrowings

As at 30 June 2025, long-term borrowings of nil (At 31 December 2024: RMB190,690,000) as obtained by the Company are unsecured and guaranteed by subsidiaries.





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

### 12. BORROWINGS (CONTINUED)

(b) Corporate bonds and medium term notes

On 26 July 2021, the Company issued corporate bonds with an aggregate principal amount of RMB319,000,000. The bonds have a term of 5 years, carry a coupon rate of 3.46% per annum and also are embedded with a put option for the investors to sell back the bonds 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. 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. It has a term of 5 years, carries a coupon rate of 3.50% per annum and also is embedded with a put option for the investors to sell back the note at the end of the third year. The net proceeds of the note 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. The bonds have a term of 5 years, carry a coupon rate of 3.46% per annum and also are embedded with a put option for the investors to sell back at the end of the third year. The net proceeds of this bond 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 note with an aggregate principal amount of RMB1,052,000,000. It has a term of 5 years, carries a coupon rate of 3.60% per annum and also is embedded with a put option for the investors to sell back at the end of the third year. The net proceeds of the note were RMB1,049,686,000 (net of issuance costs of RMB2,314,000). The interests on the note are paid annually and the principal is fully repayable on 25 April 2027. On 24 April 2025, certain investors put to sell back medium term notes of RMB480,300,000 to Company, the coupon rate has been adjusted from 3.60% to 2.90%.

On 28 April 2022, the Company issued corporate bonds with an aggregate principal amount of RMB825,000,000. The bonds have a term of 5 years, carry a coupon rate of 3.50% per annum and also are embedded with a put option for the investors to sell back the bonds 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. On 24 April 2025, certain investors put to sell back corporate bonds of RMB225,000,000 to Company, the coupon rate has been adjusted from 3.50% to 2.90%.



# Notes to the Interim Condensed Consolidated Financial Information

## (Continued)

### 12. BORROWINGS (CONTINUED)

#### (b) Corporate bonds and medium term notes (Continued)

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

On 17 April 2023, the Company issued corporate bonds with an aggregate principal amount of RMB600,000,000. The bonds have a term of 3 years, carry a coupon rate of 3.74% per annum and also is embedded with a put option for the investors to sell back the bonds 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. On 15 April 2025, investors put to sell back corporate bonds of RMB600,000,000 to Company and the corporate bonds were fully repaid on 17 April 2025.

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 notes 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 interests on the notes are paid annually and the principal is fully repayable on 19 December 2027.

On 14 April 2025, the Company issued corporate bonds with an aggregate principal amount of RMB325,000,000. The bonds have a term of 3 years, carry a coupon rate of 3.50% per annum. The net proceeds of these bonds were RMB324,415,000 (net of issuance costs of RMB585,000). The interests on these bonds are paid annually and the principal is fully repayable on 14 April 2028.

On 24 April 2025, the Company issued corporate bonds with an aggregate principal amount of RMB500,000,000. The bonds have a term of 2 years, carry a coupon rate of 2.50% per annum. The net proceeds of these bonds were RMB499,100,000 (net of issuance costs of RMB900,000). The interests on these bonds are paid annually and the principal is fully repayable on 24 April 2027.

On 28 April 2025, the Company issued medium term notes with an aggregate principal amount of RMB518,000,000. These medium term notes have a term of 3 years, carry a coupon rate of 2.40% per annum. The net proceeds of these medium term notes were RMB517,067,600 (net of issuance costs of RMB932,400). The interests on these medium term notes are paid annually and the principal is fully repayable on 28 April 2028.



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

### 13. OPERATING LOSS

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

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Fair value losses on investment properties charged to profit or loss (Note 7)*	(228,821)	(245,672)
Provision of impairment for properties under development and completed properties held-for-sale#	(1,077,353)	(478,572)
Net provision for impairment on financial assets	(60,932)	(133,539)
Loss on deregistration of joint ventures*	–	(4,490)
Gain on disposal of a subsidiary*	139	348
Loss on disposal of property, plant and equipment*	(1,060)	(471)
Government grants*	3,763	1,075
Investment income*	8,350	26,738
Penalty and compensation and others*	23,021	43,360

# Included in cost of sales in the interim condensed consolidated income statement.

\* Included in other income and other losses – net, in the interim condensed consolidated income statement.

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

No properties under development, completed properties held for sale and other inventories were written off during the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

### 14. FINANCE INCOME AND EXPENSES

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest expenses	(532,611)	(626,436)
Less: amounts capitalised in properties under development and investment properties	43,320	206,150
Finance expenses	(489,291)	(420,286)
Bank charges and others	(4,417)	(2,993)
Finance income	(493,708)	(423,279)
– Interest income	19,974	72,307
Net finance expenses	(473,734)	(350,972)

# Notes to the Interim Condensed Consolidated Financial Information

## (Continued)

### 15. INCOME TAX EXPENSE

The PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable income tax rate is 25% (2024: 25%).

The subsidiaries of the Company, Beijing Capital Group Exhibitions & Events Co., Limited ("BCGEE") and Beijing North Star Times Exhibition Co., Limited ("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.

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current income tax		
– PRC enterprise income tax	<b>92,946</b>	175,727
– PRC land appreciation tax	<b>(25,559)</b>	78,128
Deferred income tax	<b>88,227</b>	(80,295)
	<b>155,614</b>	173,560

### 16. LOSSES PER SHARE

Basic losses per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the number of shares in issue during the six months ended 30 June 2025 and 2024.

Diluted losses per share is equal to the basic losses per share since the Company has no potential dilutive ordinary shares during the six months ended 30 June 2025 and 2024.

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
Losses attributable to ordinary shareholders of the Company (RMB'000)	<b>(1,647,124)</b>	(769,580)
Number of ordinary shares in issue (thousands)	<b>3,367,020</b>	3,367,020
Losses per share (RMB cents per share) (basic and diluted)	<b>(48.92)</b>	(22.86)





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

### 17. DIVIDENDS

It was resolved not to distribute final dividend in relation to the year ended 31 December 2024 at the annual general meeting in May 2025. The final dividend that related to the year ended 31 December 2023 amounting to RMB67,340,000 was approved at the annual general meeting in May 2024.

The Board resolved that no interim dividend will be declared in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

### 18. PLEDGED ASSETS

As at 30 June 2025, certain investment properties with fair value of RMB9,854,000,000 (At 31 December 2024: RMB9,987,000,000), right-of-use assets with net book value of RMB369,619,000 (At 31 December 2024: RMB376,574,000), property, plant and equipment with net book value of RMB1,430,977,000 (At 31 December 2024: RMB1,674,375,000), properties under development with carrying amount of RMB2,442,350,000 (At 31 December 2024: RMB3,494,749,000), completed properties held for sale with carrying amount of nil (At 31 December 2024: RMB103,691,000) and trade receivables with carrying amount of RMB14,725,000 (At 31 December 2024: RMB10,145,000) were pledged by the Group as securities for borrowings of RMB13,319,822,000 (At 31 December 2024: RMB13,400,494,000).

### 19. FINANCIAL GUARANTEES

The Group 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 RMB4,074,213,000 as at 30 June 2025 (At 31 December 2024: RMB4,175,446,000).

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

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



# Notes to the Interim Condensed Consolidated Financial Information

## (Continued)

### 20. COMMITMENTS

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

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Properties under development		
– Contracted but not provided for	2,404,186	2,678,973
– Authorised but not contracted for	382,699	387,920
	<b>2,786,885</b>	3,066,893
Investment properties		
– Contracted but not provided for	14,925	9,215
– Authorised but not contracted for	12,183	10,430
	<b>27,108</b>	19,645

- (b) At 30 June 2025 and 31 December 2024, the Group had future aggregate minimum rental receivables under non-cancellable operating leases as lessor as follows:

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Rental receivables in respect of investment properties		
Not later than one year	705,098	541,523
Later than one year and not later than five years	1,041,972	1,028,693
Later than five years	371,984	433,149
	<b>2,119,054</b>	2,003,365

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

### 21. MAJOR NON-CASH INVESTING OR FINANCING ACTIVITIES

- (i) The recognition of right-of-use assets and lease liabilities for properties and equipment are considered as non-cash investing and financing activities.
- (ii) During the six months ended 30 June 2025, the loan from non-controlling interests of RMB701,115,000 in a subsidiary, Guangzhou Chenxu Real Estate Co. Limited, was converted as equity attributable to non-controlling interests in conversion of shareholders' debts to equity arrangement. There is no change in the ownership interests in the subsidiary and no impact to profit or loss.
- (iii) During the six months ended 30 June 2025, the loan to an associate, Guangzhou Guangyue Real Estate Co., Limited ("GZGY"), of RMB91,447,000 (loan principal of RMB538,995,000 less provision for impairment of RMB447,548,000) was converted to investments accounted for using the equity method in conversion of shareholders' debts to equity arrangement. There is no change in the ownership interests in the associate and no impact to profit or loss.
- (iv) During the six months ended 30 June 2025, completed properties held-for-sale of RMB9,588,000 was offset against loans from non-controlling interests.

### 22. RELATED PARTY TRANSACTIONS

The Group is controlled by BNSIGC, which owns 35.02% (At 31 December 2024: 34.67%) of the Company's shares. The remaining 64.98% (At 31 December 2024: 65.33%) of the shares are widely held.

BNSIGC itself is a state-owned enterprise controlled by the PRC government. For the six months ended 30 June 2025 and 2024, 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 included the drawdown of bank borrowings and purchases of certain goods and services from these government controlled entities. The transactions with the government controlled entities were 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 convention and exhibition (including hotels) and commercial properties, real estate development 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 in this interim financial information.

For the six months ended 30 June 2024, some non-controlling shareholders of certain subsidiaries of the Group had significant influence over the related subsidiaries which were material to the Group, and hence were deemed as a related party of the Group for the purpose of this related party transaction disclosure note. These non-controlling shareholders include:

- Beijing Jinyu Real Estate Development Group Co., Ltd. ("JYDC"), and
- China State Construction Jiuhe Development Group Co., Ltd. ("JHDGC") and China State Construction Engineering Corporation (holding company of JHDGC) and its subsidiaries ("CSCEC").

During the six months ended 30 June 2025, considering the above mentioned subsidiaries were immaterial to the Group, non-controlling interests were no longer deemed as related parties.



# Notes to the Interim Condensed Consolidated Financial Information

## (Continued)

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Provision of services and rental</b>		
Beijing North Star Exhibition Investment Co.,Ltd. ("BNSEIC", controlled by the same ultimate parent company) (phone rental service and management service income)	<b>12,500</b>	1,925
Beijing Chenxing International Exhibition Co.,Ltd. ("BJCXIEC", an associate of BNSIGC) (management service income)	—	402
Yuanchenxin Property Management Center ("YCXPMC", a branch of BNSIGC) (management service income)	<b>609</b>	716
Chenqun Property Management Center ("CYP", a branch of BNSIGC) (internet service and management service income)	<b>896</b>	904
Nanjing North Star Yangtze Conventional Co.,Ltd. ("NJYZJ", a joint venture of the Company) (management service income)	<b>1,499</b>	2,877
Beichen Jingxi Science Fiction (Beijing) Convention and Exhibition Co.,Ltd. ("BJSFCEC") (management service income and convention service income) #	—	4,264
Beijing Chenxuan Real Estate Co., Limited ("BJCX", an associate of the Company) (brand royalty fee)	<b>144</b>	—
Beijing Beichen Yayun Village Automotive Exchange Market Center ("YVAEX", controlled by the same ultimate parent company) (management service income)	<b>788</b>	858
<b>Purchases of services and rental</b>		
BJSFCEC (purchases of convention service) #	—	574
BNSIGC (brand royalty fee)	<b>5</b>	5
YCXPMC (management service fee)	—	10
CYP (rental expense)	<b>450</b>	450
Beijing Asia Olympic Technology Co.,Ltd. ("KCYA", an associate of BNSIGC) (purchases of various goods and services)	<b>71</b>	765
BNSIEC (rental expense and convention service expense)	<b>34,226</b>	—
BJCXIEC (exhibition service expense)	<b>624</b>	—
Zhiao Beichen (Beijing) Exhibition Services Co., Ltd ("ZBES", a joint venture of the Company) (labor service)	<b>435</b>	—
CSCEC (purchases of construction service) *	—	398,651

# On 17 January 2025, BJSFCEC becomes a subsidiary of the Group.

\* During the six months ended 30 June 2025, CSCEC is no longer deemed as related party.

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



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

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (ii) Loans from BNSIGC

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
At beginning of the period	1,656,770	2,902,871
Proceeds from loans	—	950,000
Repayments	(208,000)	(2,250,000)
Interest accrued	28,361	33,502
Interest paid	(28,724)	(34,640)
At end of the period	1,448,407	1,601,733

As at 30 June 2025, the Company repaid RMB208,000,000 of the loans from BNSIGC, the remaining principal balance of the loans from BNSIGC is RMB1,447,000,000, in which:

As at 30 June 2025, a loan with remaining principal balance of RMB655,000,000 is unsecured with no collateral or guarantees, carries an interest rate set at the 5-year Loan Prime Rate ("LPR") minus 10 basis points per annum and RMB5,000,000 is repaid every six month, and the remaining balance is repayable on 26 December 2026.

As at 30 June 2025, a loan with remaining principal balance of RMB490,000,000 is unsecured with no collateral or guarantees, carries an interest rate set at the 5-year LPR minus 10 basis points per annum and the principal is repayable in semi-annual installment of 1% of the principal amount, and the remaining balance is repayable on 7 June 2027.

As at 30 June 2025, a loan with remaining principal balance of RMB297,000,000 is unsecured with no collateral or guarantees, carries an interest rate set at the 5-year LPR minus 10 basis points per annum, the principal is repayable in semi-annual installment of 1% of the principal amount, and the remaining balance is repayable on 2 September 2027.

As at 30 June 2025, a loan with remaining principal balance of RMB5,000,000 is unsecured with no collateral or guarantees, 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.



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

## 22. RELATED PARTY TRANSACTIONS (CONTINUED)

### (iii) Loans from JHDGC

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
At beginning of the period	—	444,948
Proceeds from loans	—	1,664
Repayments	—	—
Interest accrued	—	14,509
Interest paid	—	(6,376)
At end of the period	—	454,745

\* During the six months ended 30 June 2025, JHDGC is no longer deemed as related party.

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



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

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

Six months ended 30 June 2025 (Unaudited)	WHJCYC(a) RMB'000	GZGY(b) RMB'000	Total RMB'000
At 1 January 2025	291,708	538,995	830,703
Project cooperation funds granted	—	—	—
Repayments of project cooperation funds	—	(538,995)	(538,995)
Interest income accrued	8,647	—	8,647
Interest income received	—	—	—
At 30 June 2025	300,355	—	300,355
Six months ended 30 June 2024 (Unaudited)			
At 1 January 2024	287,942	585,235	873,177
Project cooperation funds granted	—	—	—
Repayments of project cooperation funds	—	(33,810)	(33,810)
Interest income accrued	8,696	18,968	27,664
Interest income received	(13,720)	(19,135)	(32,855)
At 30 June 2024	282,918	551,258	834,176

- (a) On 30 August 2021, the Group provided a project cooperation fund of RMB362,600,000 to WHJCYC. The fund bears interests at fixed rate of 6.5% per annum, with interest payable quarterly, and is unsecured, unpledged and unguaranteed. In 2022, the Group received an early repayment of RMB9,800,000. In 2023, the Group received a repayment of RMB88,200,000. The outstanding fund of RMB264,600,000 is repayable in August 2025. The remaining balance does not bear interest and is unsecured, unpledged, and unguaranteed.

At 30 June 2025, the provision for impairment of the receivables from WHJCYC amounted to RMB139,517,000 (At 31 December 2024: RMB134,140,000).

- (b) At 31 December 2024, the funds to GZGY were unsecured, bear interests at fixed rate of 6.5% per annum and were repayable in two years from November 2024. During the six months ended 30 June 2025, the funds to GZGY were converted to investments accounted for using the equity method in conversion of shareholders' debts to equity arrangement.

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

## 22. RELATED PARTY TRANSACTIONS (CONTINUED)

### (v) Funds from related parties

The Group has received funds from its joint ventures, Wuhan Modern Land North Star Real Estate Co., Limited ("WHML"), Hangzhou Jinhu Real Estate Development Co., Limited ("HZJH") and ZBES, and its associates, Wuxi ChenWan Real Estate Co., Limited ("WXCW"), GZGY and BJCX, a subsidiary of BNSIGC, BNSEIC, and a branch of BNSIGC, CYP.

	WHML RMB'000	HZJH <sup>†</sup> RMB'000	BJCX RMB'000	WXCW RMB'000	BNSEIC RMB'000	CYP RMB'000	JYDC <sup>*</sup> RMB'000	BJSFCEC# RMB'000	GZGY RMB'000	ZBES RMB'000	Total RMB'000
At 1 January 2025	42,000	-	96,220	22,050	10	194	266	-	11,760	5,355	188,812
Funds obtained	-	-	-	-	-	-	-	-	10,000	-	10,000
Repayment of funds	-	-	-	-	-	(194)	(266)	-	-	(5,355)	(16,772)
At 31 June 2025	42,000	-	96,220	22,050	10	-	-	-	21,760	-	182,040

	WHML RMB'000	HZJH RMB'000	BJCX RMB'000	WXCW RMB'000	BNSEIC RMB'000	CYP RMB'000	JYDC <sup>*</sup> 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	-	-	-	-	-	-	274	11,728	-	-	12,002
Repayment of funds (Note 21)	-	(152,500)	-	-	-	-	(219)	(8,451)	-	-	(161,170)
At 30 June 2024	42,000	-	96,220	22,050	-	-	114	11,864	-	-	172,248

<sup>†</sup> During the six months ended 30 June 2025, BJSFCEC becomes a subsidiary of the Group.

<sup>\*</sup> During the six months ended 30 June 2025, JYDC is no longer deemed as a related party.

<sup>†</sup> During the six months ended 30 June 2024, HZJH was deregistered.

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

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

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (vi) Funds advanced to JYDC

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
At beginning of the period	—	416,500
Funds granted	—	—
Repayments of funds	—	—
At end of the period	—	416,500

During the six months ended 30 June 2025, JYDC is no longer deemed as a related party.

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

#### (vii) Advances to related parties

	BJCXIEC RMB'000	WHML RMB'000	YCXPMC RMB'000	YVAEX RMB'000	Total RMB'000
At 1 January 2025	—	—	—	—	—
Advances during the period	117	29	89	153	388
Repayments	(117)	(29)	(89)	(153)	(388)
At 30 June 2025	—	—	—	—	—

	BJCXIEC RMB'000	WHML RMB'000	YCXPMC RMB'000	YVAEX RMB'000	Total RMB'000
At 1 January 2024	—	—	—	—	—
Advances during the period	224	13	13	—	250
Repayments	(224)	(13)	(13)	—	(250)
At 30 June 2024	—	—	—	—	—

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



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

## 22. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Trade and other receivables from related parties		
– GZGY^	–	538,995
– WHJCYC	300,355	291,708
– JYDC*	–	416,500
– NJYZJ	2,754	2,265
– BNSEIC	9,394	–
– BJCXIEC	–	305
– CYP	70	–
– YCXPMC	166	89
– YVAEX	131	153
– CSCEC*	–	8,070
	<b>312,870</b>	1,258,085
Trade and other payables to related parties		
– KCYA	1,375	1,853
– JYDC*	–	266
– CSCEC*	–	623,022
– CYP	450	900
– BNSEIC	33,232	–
– BJCXIEC	252	–
– ZBES	–	141
	<b>35,309</b>	626,182

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

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Loans/advances from related parties		
– BNSIGC	1,448,407	1,656,770
– BJCX	96,220	96,220
– WHML	42,000	42,000
– WXCW	22,050	22,050
– JHDGC*	–	463,043
– GZGY	21,760	11,760
– BNSEIC	–	10
– ZBES	–	5,355
– CYP	–	194
– BJSFCEC#	–	10,957
	<b>1,630,437</b>	2,308,359

^ During the six months ended 30 June 2025, the receivables from GZGY were converted to investments accounted for using the equity method in conversion of shareholders' debts to equity arrangement.

# During the six months ended 30 June 2025, BJSFCEC becomes a subsidiary of the Group.

\* During the six months ended 30 June 2025, JYDC, CSCEC and JHDGC are no longer deemed as related parties.

As at 30 June 2025, loss allowance for receivables from related parties of RMB140,066,000 (At 31 December 2024: RMB556,738,000) have been recognised based on the expected credit loss model.

#### (ix) Key management compensation

	Unaudited Six months ended 30 June 2025 RMB'000	2024 RMB'000
Salaries and other short-term employee benefits	9,656	6,485
Post-employment benefits	1,155	1,092
	<b>10,811</b>	7,577

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

## 22. RELATED PARTY TRANSACTIONS (CONTINUED)

### (x) Lease liabilities

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
BNSIGC (lease liability in respect of the Land)	16,695	16,339

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

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

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

### (xi) Dividends received/receivable

During the six months ended 30 June 2025, no dividend was received/receivable by the Group.

During the six months ended 30 June 2024, the Group's joint venture, HZJH, declared a dividend of RMB42,730,000 to the Group.



## Supplementary Information

### RECONCILIATION OF CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Group has prepared a separate set of consolidated interim financial information for the six months ended 30 June 2025 in accordance with Basic Standard and 38 specific standards of the China Accounting Standards for Business Enterprises issued by Ministry of Finance of the PRC on 15 February 2006, and the Application Guidance for Accounting Standard for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter ("CAS"). The differences between the financial information prepared under the CAS and the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants are summarised as follows:

	Loss attributable to owners of the Company For the six months ended 30 June		Capital and reserves attributable to the owners of the Company As at	
	2025	2024	30 June	31 December
	RMB'000	RMB'000	RMB'000	RMB'000
As stated in accordance with CAS	(1,585,414)	(738,317)	8,113,729	9,699,143
Impact of HKFRS adjustments:				
1. Reversal of depreciation and impairment of investment properties under CAS	109,537	151,890	2,995,689	2,886,152
2. Fair value adjustment of investment properties under HKFRS	(171,247)	(183,153)	3,526,863	3,698,110
As stated in accordance with HKFRS	(1,647,124)	(769,580)	14,636,281	16,283,405

## Management Discussion and Analysis

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

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

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

##### 1. *Convention and exhibition (including hotels) business*

Convention and exhibition (including hotels) business of the Company relies on Capital Convention (Group) Co., Ltd. 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 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, and an important carrier for the development of the capital's international convention and exhibition industry. The Company has taken on the duty of enhancing the core competitiveness of the convention and exhibition industry of Beijing as the capital, with a focus on upholding Beijing's functions as the capital, thereby supporting the functional construction of the “four centers” of Beijing and the establishment of Beijing's international consumption center, while committing to building “an international first-class and domestically leading convention and exhibition brand”.



2024 China International Fair for Trade in Services (Shougang Park)



## Management Discussion and Analysis (Continued)

### 2. *Commercial properties business*

Relying on Beijing North Star Commercial Management Co., Ltd., the commercial properties business of the Company refined asset operations with meticulous efforts based on the mindset of developing the industry, 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 and actively served the construction of Beijing as an international science and innovation center and a benchmark of global digital economy, which contributes to the building of an asset operation and management model and a standard property management system with North Star's characteristics, thereby setting a new benchmark in the property assets management industry for Asian Games business communities in Beijing.



Panoramic view of Hui Yuan Apartment

### 3. *Real estate development business*

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.



Changsha North Star Delta

## Management Discussion and Analysis (Continued)

### (II) Development of the Industry of the Company

In the first half of 2025, China fully implemented the new development philosophy, accelerated the construction of a new development pattern, coordinated domestic economic work and international economic and trade struggles, and effectively implemented more proactive and promising macro policies. The economy has remained generally stable with steady progress, production demand grew steadily, new drivers grew stronger, and new progress was made in high-quality development, with the growth rate of GDP reaching 5.3% in the first half of the year.

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

In the first half of 2025, benefiting from the steady growth of the domestic economy and the increasing government support, the convention and exhibition industry in China developed rapidly and the market size expanded. Domestic convention and exhibition companies continued to make efforts in business innovation, and the digital transformation and upgrading of conventions and exhibitions was accelerated. At the same time, the outbound conventions and exhibitions developed rapidly, cross-border exchanges and cooperation were further deepened, and the level of internationalization was significantly enhanced. In the hotel industry, due to the recovery of domestic business demand and the recovery of the tourism market, the occupancy rate rebounded mildly, but the average room rate was under pressure. The supply side of Beijing office buildings continued to tighten while the demand side recovered. The net absorption of office buildings increased slightly, the vacancy rate declined to some extent, and the decline in rent continued to narrow. The market showed a trend of bottoming out and stabilizing.

#### 2. *Real Estate Development*

In the first half of 2025, China's real estate market continued to recover and the supply and demand relationship was further optimized. The central government emphasized the need to further optimize existing policies, improve the systemic and effective implementation of policies, adopt a multi-pronged approach to stabilize expectations, optimize supply and mitigate risks, fully release the potential of rigid and improving housing demand, and make greater efforts to promote the growth of the real estate market to stop decline and stabilize. Local governments continued to strengthen city-specific policies, with more cities optimizing the policies of restricting purchases and sales, increasing subsidies for housing purchases and optimizing housing loan interest rates.

In general, the real estate market continued to recover in the first quarter and weakened in the second quarter. In the first half of the year, the transaction volume declined slightly, 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 the first half of 2025, the commodity housing sales area in the real estate market of the PRC was 383,580,000 square meters, representing a year-on-year decrease of 3.7%, while the sales of commodity housing amounted to RMB3,884.9 billion, representing a year-on-year decrease of 5.2%. In the first half of the year, land auctions were mainly concentrated in core cities. The rapid launch of high-quality land parcels in core cities and the fierce competition drove the price of residential land to rise significantly, but the transaction area decreased, and the central state-owned enterprises still dominated the land acquisition.

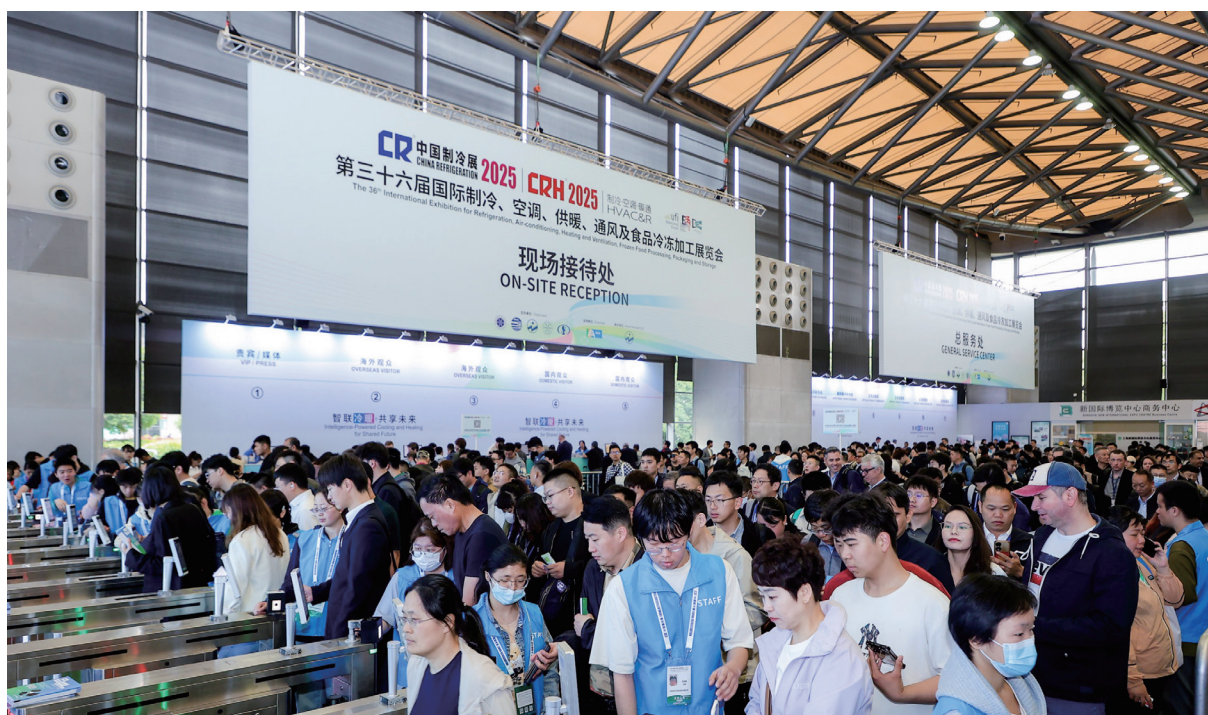




## Management Discussion and Analysis (Continued)

### 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.



China Refrigeration Expo

## Management Discussion and Analysis (Continued)

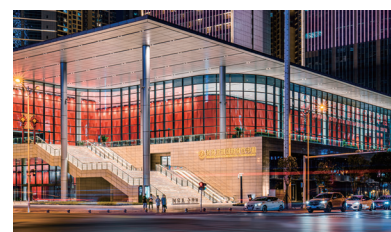
As for the convention and exhibition business segment, with its nearly 30 years of experience in professional exhibition operation and international services, the Company has actively invested in the convention and exhibition ecological industry, aiming to become a comprehensive solution service provider 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 official professional operator 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, Beijing International Convention Center, and Changsha North Star International Convention Centre, and its light asset management output covers 33 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.



The China National  
Convention Center



Beijing International  
Convention Center



Changsha North Star International  
Convention Centre

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, by 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. DISCUSSION AND ANALYSIS ON THE OPERATIONS

#### (I) Review of the Company's Operation

In the first half of 2025, the Company focused on “collaborative development, reform and innovation”, actively planned for business growth, deepened the integration and synergistic coordination of multi-industry resources, continuously improved management efficiency, made continuous efforts in the core sectors of convention and exhibition (including hotels), commercial properties and real estate development, fully coped with the challenges in the industry and sought new growth opportunities. During the Reporting Period, the Company recorded an operating income of RMB3,019,320,000, which is due to the decrease in completed area of the real estate business, representing a year-on-year decrease of 11.97%. The Company's loss before tax and loss attributable to ordinary shareholders amounted to RMB1,609,845,000 and RMB1,647,124,000, respectively, representing an increase in loss of RMB902,973,000 and RMB877,544,000 as compared to that of last year, respectively. In particular, the after-tax core operating loss of the Company's main business (excluding losses arising from the changes in fair value) was RMB1,475,877,000, representing a year-on-year increase in loss of RMB889,450,000. During the Period, the losses (after taxation) on changes in fair value of investment properties were RMB171,247,000. Losses per share were RMB0.4892.

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

The Company's convention and exhibition and hotel business improved the service level and operation efficiency, and achieved stable and sound operation; relying on regional synergy and model innovation for commercial property business, the quality and efficiency of operation were steadily improved. During the Reporting Period, operating income from the convention and exhibition (including hotels) and commercial properties segment reached RMB1,476,714,000, representing a year-on-year increase of 18.32%, while profit before tax amounted to RMB201,526,000, representing a year-on-year increase of 1.59%.

##### 1) **Convention and Exhibition (Including Hotels)**

Relying on the support of five major businesses, namely high-end state and governmental activities services support, sponsoring and undertaking of convention and exhibition activities, operation and management of convention and exhibition venues and hotels, research and consultation on the convention and exhibition industry and integrated digital service platform, the Company laid out its layout in the entire convention and exhibition industry chain through active expansion of government-led exhibitions and international exhibitions, and self-branded exhibition projects, efforts to vigorously fostering self-branded exhibition projects, and convention and one-stop exhibition services for leading companies in strategic emerging industries, with a view to establishing an international first-class and domestically leading convention and exhibition enterprise.





## Management Discussion and Analysis (Continued)

- **The Company continued to enhance the state and governmental activities services support.** During the Reporting Period, the Company successfully completed service support tasks for a number of major state and government activities, including the Fourth Ministerial Meeting of the Forum of China and the Community of Latin American and Caribbean States, the Tenth Annual Meeting of the Board of Directors of Asian Infrastructure Investment Bank in 2025, the Third Meeting of the Fourteenth Beijing Committee of the Chinese People's Political Consultative Conference and the Fourth China-Africa Economic and Trade Expo. "North Star Service" was highly recognized by the organizers, which further enhanced the brand influence.



China-Community of Latin American and Caribbean States Forum Fourth Ministerial Meeting Held at the China National Convention Center Phase II



Opening Ceremony Venue 10th Annual Meeting of the Board of Governors Asian Infrastructure Investment Bank (AIIB)

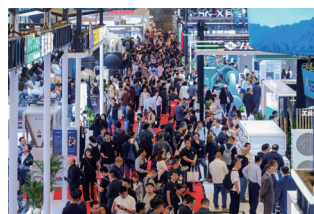


Service and Reception at the Beijing International Conference Chinese People's Political Consultative Conference The 3rd Session of the 14th Committee of the Beijing Municipal People's Congress

- **The Company effectively improved the quality of sponsoring and undertaking of convention and exhibition activities.** During the Reporting Period, the Company successfully organized convention and exhibition projects including the 29th World Gas Conference, 2025 China Refrigeration Expo, 27th China Beijing International High-tech Expo, 2025 Beijing International Healthy Lifestyle Expo (2025 北京國際健康生活消費博覽會), 2025 Beijing Half Marathon Expo (2025 北京半程馬拉松博覽會). Among which, the 29th World Gas Conference covered an exhibition area of 50,000 square meters, attracting about 300 institutions from all over the world, with an average daily visitors attendance exceeding 40,000, achieving record-breaking performances in key exhibition indicators; 2025 China Refrigeration Expo attracted nearly 1,200 companies from 32 countries and regions around the world to participate in, with a total exhibition area of 115,000 square meters, setting a historical record.



The 29th World Gas Conference was held at the China National Convention Center Phase II



China Refrigeration Expo



Beijing International Science and Technology Industry Expo (Beijing Tech Expo)

## Management Discussion and Analysis (Continued)

- **The Company steadily expanded the scale of operation and management of convention and exhibition venues and hotels.** During the Reporting Period, the Company held 1,071 exhibitions of various types at the self-owned venues and hotels of North Star, representing a year-on-year increase of approximately 58.9%, of which 18 were major exhibitions, attracting 2.52 million visitors. At the same time, the brand output management business continued to lead the Chinese market. During the Reporting Period, the Company entered into 3 new entrusted venue and hotel management projects and 3 new consultancy projects. To date, the Company has expanded its convention and exhibition venue and hotel management output business into 33 cities across China, covering Beijing-Tianjin-Hebei, Guangdong-Hong Kong-Macao, Chengdu-Chongqing and other important strategic development areas in China, including 76 venue and hotel consultancy projects and 66 entrusted venue and hotel management projects, with a total area of nearly 7 million square meters of venues under entrusted management, enabling the Company to steadily expand its market share.



Anji International Convention  
& Exhibition Center



Qingdao SCODA Pearl  
International Expo Center



Lishui International Convention  
& Exhibition Center



A bird's-eye view of Qingdao  
Shanghe Building



A bird's-eye view of Shihezi  
International Convention and  
Exhibition Center



## Management Discussion and Analysis (Continued)

The China National Convention Center Phase II and Capital International Convention & Exhibition Center under entrusted management of the Company have been in full operation during the Reporting Period, which actively promoted the use of venues for diverse functions and purposes. The China National Convention Center Phase II is an important building as an international exchange center in Beijing and an important building for China's major diplomatic events. Following its operation, the China National Convention Center Phase II forms a world-class convention and exhibition complex with a total area of over 1.3 million square meters with China National Convention Center held by the Company, which held 119 convention events (including 19 large international events that hosted over a thousand of people) and provided hospitality services for 89,000 domestic and overseas guests, becoming an important platform and window for international exchange events in Beijing. As an important platform in Beijing for serving expansion and opening, Capital International Convention & Exhibition Center covers total construction area of 611,000 square meters and internal exhibition area of nearly 210,000 square meters. Following its operation, China National Convention Center becomes the largest integrated convention and exhibition venue with complete functions and cutting-edge technologies. During the Reporting Period, it worked with the Shunyi venue of the China International Convention Centers to provide hospitality services for the 19<sup>th</sup> China International Machine Tool Show, the ever largest exhibition event in Beijing. With a total area of 310,000 square meters, the exhibition event is the largest one in Beijing in terms of area and scale. The two venues had successively provided services for scientific and technology exhibitions such as Volcano Engine FORCE Power Conference (火山引擎原動力大會) and Global Digital Economy Conference and ceremonies of automobile brands such as Hongqi, Xiaomi and Li Auto, developing itself as the "hub of frontline technologies" and the "destination of launching ceremony for new automobile".



The China National  
Convention Center  
Phase II at Dusk



Capital International Exhibition  
& Convention Center  
Exterior Facade



Capital International  
Convention & Exhibition  
Center Services Host the 19th  
China International Machine  
Tool Exhibition



Xiaomi's June New Car  
Launch Event Held  
at Capital International  
Exhibition & Convention Center



Chery Fulwin Brand Night  
and Fulwin A9L Global  
Launch Event Held at Capital  
International Exhibition &  
Convention Center



## Management Discussion and Analysis (Continued)

**Table 1: Convention and exhibition venue and hotel projects under entrusted management of the Company to date**

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		China National Convention Center Phase II Project
6		Capital International Exhibition & Convention Center
7	Chongqing City	Chongqing BBMG V-Continent Crown Hotel
8		Chongqing BBMG V-Continent Crown Executive Apartment
9		Chongqing V-Continent China Communications City Crown Hotel
10	Shijiazhuang City, Hebei Province	Shijiazhuang International Convention & Exhibition Center
11	Zhangjiakou City, Hebei Province	Chongli International Convention & Exhibition Center
12		V-Continent Chongli Garden-style Hotel
13		North Star V-Continent Zhangjiakou Crown Hotel
14		North Star V-Continent Wanquan Crown Hotel
15		North Star V-Continent Huai'an Garden-style Hotel
16	Xiong'an New District, Hebei	Xiong'an Convention & Exhibition Center
17		Xiong'an Convention & Exhibition Center Hotel
18	Langfang City, Hebei Province	North Star V-Continent Yongqing Crown Hotel
19		North Star V-Continent Yinfeng Crown Hotel
20	Xingtai City, Hebei Province	Xingtai World Exhibition & Convention Center Project, Xingtai Convention Center
21		Ancillary hotels for Xingtai Convention Center
22	Guangzhou City, Guangdong Province	Nansha International Convention & Exhibition Center (former Convention & Exhibition Project of Permanent Venue of International Finance Forum (IFF))
23	Zhuhai City, Guangdong Province	Zhuhai International Convention & Exhibition Center
24		North Star Zhuhai JinYE V-Continent Crown Hotel
25		Zhuhai V-Continent Athletes Apartment
26		Zhuhai V-Continent Athletes Integrated Center
27	Huizhou City, Guangdong Province	North Star V-Continent Huidong Executive Apartment
28	Fuzhou City, Fujian Province	Fuzhou Digital China Convention & Exhibition Center
29	Nanjing City, Jiangsu Province	Yangtze International Convention Center
30		Yangtze International Convention Center Hotel
31		Nanjing Biotech and Pharmaceutical Valley Business Center Project
32		V-Continent Nanjing Executive Apartment
33		Nanjing V-Continent Crown Hotel



## Management Discussion and Analysis (Continued)

No.	Location	Name
34	Nantong City, Jiangsu Province	Nantong International Convention & Exhibition Center
35		Nantong V-Continent Crown Hotel
36	Lianyungang City, Jiangsu Province	Lianyungang Continental Bridge Convention Center
37		Ancillary hotels for Lianyungang Continental Bridge Convention Center
38	Taizhou City, Jiangsu Province	Taizhou China Medical City Exhibition Center
39	Hangzhou City, Zhejiang Province	Hangzhou International Expo Center
40		Hangzhou International Expo Center North Star Hotel
41	Lishui City, Zhejiang Province	Lishui International Convention & Exhibition Center
42		Ancillary hotels for Lishui International Convention & Exhibition Center
43	Huzhou City, Zhejiang Province	Anji International Convention & Exhibition Center
44		Ancillary hotels for Anji International Convention & Exhibition Center
45	Qingdao City, Shandong Province	Qingdao Shanghe Building (former Shanghe International Convention Center)
46		Qingdao SCODA Pearl International Expo Center Complex (Hall A)
47	Weihai City, Shandong Province	Weihai International Economic and Trade Exchange Center
48		Weihai Chengtou Beichen Hotel
49	Dezhou City, Shandong Province	Dezhou Tianqu International Convention & Exhibition (former Dezhou Tianqu Expo Plaza)
50	Yuncheng City, Shanxi Province	Yuncheng Convention and Exhibition Center
51	Chengdu City, Sichuan Province	Chengdu Airport International Convention Center (former Conference Center of Chengdu Airport Industrial Service Zone Construction Project)
52		Chengdu Airport International Convention Center Hotel
53	Wuhan City, Hubei Province	North Star V-Continent Wuhan China Communications City Crown Hotel
54		Wuhan Junshan Convention and Exhibition Center
55	Changsha City, Hunan Province	North Star V-Continent Changsha China Communications International Center Crown Hotel
56	Zhengzhou City, Henan Province	Zhengzhou Central Culture District Culture Exchange Center and Convention Center
57		Ancillary hotels for Zhengzhou Central Culture District Culture Exchange Center and Convention Center
58	Tonghua City, Jilin Province	North Star V-Continent Tonghua Wanfeng Crown Hotel
59		Tonghua V-Continent Canchuang Crown Hotel
60	Yichun City, Jiangxi Province	North Star V-Continent Jiangxi Hongwei Crown Hotel
61	Hohhot City, Inner Mongolia Autonomous Region	V-Continent Commerce Hohhot Jinqiao Development Zone Hotel
62	Guilin City, Guangxi Zhuang Autonomous Region	Guilin International Conference and Exhibition Center
63		Ancillary hotels for Guilin International Conference and Exhibition Center



## Management Discussion and Analysis (Continued)

No.	Location	Name
64	Yinchuan City, Ningxia Hui Autonomous Region	Ningxia International Hall
65	Nyingchi City, Tibet Autonomous Region	V-Continent Linzhi Hotel
66	Shihezi City, Xinjiang Uygur Autonomous Region	Shihezi International Convention and Exhibition Center Project

- **Continuous enhancement of the capacity to provide studies and consultancy services for convention and exhibition.** Leveraging the roles of the North Star Exhibition Research as the government think-tank and the industry think-tank, the Company applied digital thinking and full-chain capabilities to transform and innovate the traditional convention and exhibition business layout, and enrich and improve full-chain convention and exhibition service system to continuously enhance the Company's capabilities in building a convention and exhibition ecosystem, coordinating digital platforms and integrating industry resources, jointly creating a convention and exhibition ecosystem featuring "government, enterprises, universities, research institutions, financial institutions, intermediaries and transformation of results".
- **Continuous improvement in digitalization of convention and exhibition services.** The Company accelerated the improvement in digitalization and intelligence of its convention and exhibition venues and entrusted venues through completion of upgrading and renovation of the operation management platform for the intelligent convention and exhibitions venue and construction of the centralised digital Software-as-a-Service operation management platform, thereby setting standards and procedures for digital operation management, while improving efficiency and quality of services at the venues.



## Management Discussion and Analysis (Continued)

### 2) Commercial Properties

In respect of the commercial properties segment, relying on regional synergy and model innovation, the Company promoted steady improvement in operating quality and efficiency.

- **The Company promoted the normalized operation of the New Consumption Innovation Alliance in the Asia Olympic Business District.** The Company continued to expand the number of members to 24, covering a number of enterprises and public institutions such as the Central Cultural (中央文化場館), Central Sports Center (中央體育場館), state enterprises with capital contribution by municipalities and high schools with capital contribution by municipalities that hold premium resources within the Asian Games area. During the Reporting Period, the Alliance of New Consumption and Innovation for the Asian Games took the “convention and exhibition + entertainment + business” as a breakthrough, and held the “Convention and Exhibition Market”, developed the “Asian Olympics Consumption Pass” and established a closed consumption-loop of “Entertainment Pop-up” to promote the integrated development of “convention, exhibition, business, culture, tourism and sports” which supported the Company’s efforts to further improve its branding, market expansion and influence.
- **The Company implemented asset operations with industrial thinking.** The Company integrated internal resources to build a “full-spectrum” office buildings product system covering super A, A, 5A and other commercial spaces, and implemented precision marketing for the two major regional markets of the Asian Games and the Olympic Games. Meanwhile, the Company innovated a digital marketing matrix and launched special circle activities to form an all-round closed-loop marketing to enhance customer stickiness.
- **The Company activated the consumption potential of the apartment business.** The Company is continuously exploring the marketing of cultural and entertainment hotspots, deepening the three-dimensional strategy of “multi-dimensional momentum building, precise traffic direction and long-term operation”, and expanding the brand exposure through online promotion activities such as theme live streaming, while orderly promoting apartment repositioning to enhance market competitiveness.



## Management Discussion and Analysis (Continued)

- **The Company actively carried out investment promotion of the Chaoyang Data Industry Park.** The Company successfully signed contracts with 14 industrial enterprises during the Reporting Period. The Company also signed a co-construction agreement with the Chaoyang Park Management Committee to introduce professional services such as data trading and circulation to assist in the construction of Beijing's international science and technology innovation center and a global digital economy benchmark city.
- **The Company strived to promote the expansion of property management business.** During the Reporting Period, North Star Yue Property successfully took over the high-end property services such as North Star Center, POLPAS and Olympic Tower, achieving “zero interruptions” in service and “zero customer complaints”, setting a new benchmark in the commercial property asset management industry in Beijing's Asia Olympic Business District.



North Star Center and POLPAS

## 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	20,011	100
2	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Beijing International Convention Center	Convention and exhibition	58,000	4,039	100
3	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Bin Plaza	Office building	37,800	2,691	100
4	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Xin Plaza	Office building	40,900	2,329	100
5	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	North Star Times Tower	Office building	131,300	6,972	100
6	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	North Star Century Center	Office building	149,800	9,503	100
7	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Zhen Building Property	Office building	8,400	1,022	100
8	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Beijing Continental Grand Hotel	Hotel	42,000	5,233	100
9	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	National Convention Centre Hotel	Hotel	42,900	5,351	100
10	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	V-Continent Beijing Parkview Wuzhou Hotel	Hotel	60,200	7,415	100
11	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	Intercontinental Beijing Beichen Hotel	Hotel	60,000	7,529	100
12	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Intercontinental Changsha	Hotel	79,200	6,728	100
13	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Yuan Apartment	Apartment	184,300	12,518	100
14	A13 Beiyuan Road, Chao Yang District, Beijing	B5 Commercial Area of North Star Green Garden	Commercial	49,700	1,554	100
15	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Changsha North Star Delta Joy City	Commercial	100,000	6,482	100

## Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Construction area of the leased real estate (square meter)	Rental income of the leased real estate	Equity proportion (%)
16	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Changsha North Star International Convention Centre	Convention and exhibition	39,100	2,627	100
17	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Changsha North Star International Hotel	Hotel	62,500	3,886	100
18	No. 9, Gaoxin 2nd Road, Hongshan District, Wuhan City, Hubei Province	Wuhan Guangguli	Commercial	29,600	1,009	100
19	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	North Star New Space	Office building	31,000	2,155	100

### 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.





## Management Discussion and Analysis (Continued)

### 2. Real Estate Development

Under the complex environment of continuous adjustment of the real estate market, the Company coordinated efforts to reduce inventory, ensure delivery, prevent risks and seek transformation to continuously promote the stable operation of the real estate business. Affected by the decrease in completed area of the real estate development segment, the real estate development segment achieved operating revenue of RMB1,461,344,000 (including parking spaces) during the Reporting Period, representing a year-on-year decrease of 29.71%. Affected by market environment and decrease of gross margin level, while making provisions for impairment of inventory for certain real estate projects, the loss before tax amounted to RMB1,606,723,000, representing an increase in loss of RMB805,383,000 as compared to that of last year.

- **Precision marketing to accelerate project disposals.** In response to market changes, the Company seized the opportunity of policies and formulated precision marketing strategies under “one policy for one project”. At the same time, the Company strengthened digital marketing methods to increase online customer acquisition. During the Reporting Period, the Company achieved contracted sales amount of RMB2.282 billion (including parking spaces) and contracted sales area of 174,900 square meters. Among which, the North Star Red Oak Villa project recorded successful sales upon its launch, with an accumulated sales amount of RMB480 million; the Chongqing North Star Yuelai Mansion One project achieved a sales amount of RMB330 million, ranking second in regional sales.



Chongqing North Star Yuelai Mansion One



## Management Discussion and Analysis (Continued)

- **Focusing on construction to ensure smooth delivery.** The Company strengthened the refined management and control of the whole project cycle, and vigorously promoted the development and construction on the basis of strictly controlling the cost and ensuring the project quality. During the Reporting Period, the Company recorded the area for new and resumed construction of 1,093,900 square meters and a completed area of 27,400 square meters. Among which, the topping-out of Building 1 in A2 Residence, the “final phase” of the Changsha North Star Delta marked the completion of all main structure of the project. At the same time, the Company promoted the project delivery in an efficient and orderly manner. During the Reporting Period, the North Star Red Oak Villa project successfully achieved the centralized delivery of the first batch of housing units.



Changsha North Star Delta



North Star Red Oak Villa

- **Strictly controlling risks to promote transformation and development.** Adhering to the principle of “determining expenditures based on revenue”, the Company strengthened capital budgeting and process control to ensure safe and stable cash flow. The Company effectively promoted the conclusion of the final-phase project and revitalized the dormant assets by integrating local resources and improving productivity per capita through the three parallel strategies of “liquidation and deregistration, absorption and merger, and equity transfer”. In addition, focusing on renovation projects and improvement needs, the Company actively promoted the transformation and development of the real estate business to explore and cultivate new profit growth points, laying a foundation for the sustainable development of the real estate segment.

## Management Discussion and Analysis (Continued)

**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:*

1. Land area held for development represents the gross construction area of undeveloped portion of project land;
2. Planned plot ratio-based gross floor area represents the data calculated with reference to the conditions of assignment at the time of project auction;
3. Area of cooperative development project represents the plot ratio-based gross floor area attributable to the interest held by the Company;
4. During the Reporting Period, total land reserve of the Company was 3,696,900 square meters; equity land reserve was 3,445,800 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	Project area (square meter)	Planned ratio-based gross floor 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
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	0.45
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	0.07
6	Mentougou, Beijing	Beijing Longfor North Star Lanjing	Residence	Completed	26,000	66,200	104,100	-	104,100	24.78	0.12
7	Changsha, Hunan	Changsha North Star Delta	Residence, commercial and office building etc.	Under construction	780,000	3,820,000	5,200,000	236,500	4,963,500	407.08	6.59
8	Changsha, Hunan	Changsha North Star Central Park	Residence	Completed	336,300	720,000	927,100	-	927,100	26.03	0.15
9	Changsha, Hunan	Changsha North Star Shiguangli	Residence and commercial	Completed	27,700	107,900	145,400	-	145,400	12.28	0.31
10	Wuhan, Hubei	Wuhan North Star Modern You +	Residence and commercial	Completed	104,700	241,100	313,300	-	313,300	21.00	0.01
11	Wuhan, Hubei	Wuhan North Star Guanggu	Commercial service	Under construction	84,200	337,000	492,000	-	357,200	25.81	0.20
12	Wuhan, Hubei	Wuhan Blue City	Residence and commercial	Under construction	358,000	716,000	980,100	17,000	745,400	102.68	0.55
13	Wuhan, Hubei	Wuhan Gemdale • North Star China Chic	Residence	Completed	41,800	127,000	178,900	-	178,900	13.51	0.0019
14	Wuhan, Hubei	Wuhan North Star Peacock City Hangnan Mansion	Residence	Completed	75,200	172,800	220,400	-	220,400	9.88	0.20
15	Wuhan, Hubei	Wuhan North Star Jingkaoyou+ (Lot 067)	Residence and commercial	Completed	50,500	126,200	180,900	-	180,900	12.42	0.26
16	Wuhan, Hubei	Wuhan North Star Jingkaoyou+ (Lot 068)	Residence and commercial	Under construction	63,200	158,100	227,700	227,700	-	16.38	0.02
17	Wuhan, Hubei	Wuhan North Star Jindiyang Time	Residence and commercial	Completed	50,500	151,400	212,100	-	212,100	18.72	0.03
18	Hangzhou, Zhejiang	Hangzhou North Star Shustan Project	Residence and commercial	Completed	83,900	235,000	317,500	-	317,500	25.29	0.08
19	Hangzhou, Zhejiang	Hangzhou Guosongfu	Residence	Completed	21,900	48,200	69,900	-	69,900	17.16	0.03
20	Hangzhou, Zhejiang	Hangzhou Lingchao Mansion	Residence	Completed	12,200	25,700	44,400	-	44,400	12.52	-
21	Hangzhou, Zhejiang	Hangzhou North Star Chenchun Lancheng	Residence	Completed	69,000	179,500	276,600	-	276,600	52.18	1.72
22	Ningbo, Zhejiang	Ningbo Beichenfu	Residence	Completed	47,300	137,400	189,700	-	189,700	45.20	0.14
23	Ningbo, Zhejiang	Ningbo Mansion • Jintian	Residence and commercial	Completed	133,000	292,500	404,800	-	404,800	34.33	0.22
24	Yuyao, Zhejiang	Ningbo Xianglu Bay	Residence	Completed	68,700	116,800	166,400	-	166,400	22.43	0.70



## Management Discussion and Analysis (Continued)

No.	Location	Project	Mode of operation	Projects under construction/ Newly commenced projects/ Completed projects	Project area (square meter)	Planned gross floor 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
25	Suzhou, Jiangsu	Suzhou Guanlan Mansion	Residence and commercial	Completed	170,000	268,800	392,900	-	392,900	65.70	1.41
26	Wuxi, Jiangsu	Wuxi Tianyi Jiuzhu	Residence	Completed	88,000	196,000	255,400	-	255,400	28.60	-
27	Chengdu, Sichuan	Chengdu North Star Langshi Nanmen Lvjun	Residence and commercial	Completed	63,600	158,600	237,000	-	237,000	9.63	0.0001
28	Chengdu, Sichuan	Chengdu North Star • Xianglu	Residence and commercial	Completed	40,400	96,900	148,300	-	148,300	16.16	-
29	Chengdu, Sichuan	Chengdu North Star • South Lake Xianglu	Residence	Completed	88,000	210,000	297,100	-	297,100	26.25	0.35
30	Chengdu, Sichuan	Chengdu North Star Royal Palace	Residence and commercial	Completed	26,600	79,800	120,000	-	120,000	18.03	-
31	Chengdu, Sichuan	Chengdu North Star Luming Mansion	Residence and commercial	Completed	80,100	160,300	227,300	-	227,300	22.00	0.04
32	Meishan, Sichuan	Sichuan North Star Guosonglu	Residence and commercial	Completed	59,900	149,800	197,400	-	197,400	16.32	0.38
33	Meishan, Sichuan	Sichuan North Star Longxitai	Residence and commercial	Completed	69,900	84,000	126,600	-	126,600	15.08	-
34	Langfang, Hebei	Langfang North Star Xianglu	Residence and commercial	Under construction	140,700	286,800	414,500	-	357,700	31.28	1.14
35	Langfang, Hebei	Langfang North Star Blue City (Lot 2018-4)	Residence	Under construction	82,500	164,800	245,600	245,600	-	24.56	1.44
36	Langfang, Hebei	Langfang Xingchenli (Lot 2019-3)	Commercial	Under construction	21,100	52,800	75,400	75,400	-	5.45	-
37	Langfang, Hebei	Langfang North Star (Lot 2020-5)	Residence	Under construction	46,200	92,000	135,400	135,400	-	13.43	0.68
38	Hefei, Anhui	Hefei North Star CIFI Park Mansion • Luzhou	Residence and commercial	Completed	141,700	239,000	356,200	-	356,200	21.07	0.01
39	Yubei, Chongqing	Chongqing • Yuelai Mansion One	Residence and commercial	Under construction	429,100	918,000	1,321,100	-	1,153,600	115.93	2.38
40	Yubei, Chongqing	Chongqing North Star Xianglu	Residence	Completed	68,200	102,200	150,400	1,000	150,400	24.64	0.45
41	Haikou, Hainan	North Star Mansion in Haikou	Residence and commercial	Completed	106,800	206,000	281,100	-	281,100	36.31	0.31
42	Haikou, Hainan	Haikou North Star Changxiu Shijia	Residence	Completed	30,500	106,800	134,700	-	134,700	12.35	0.04
43	Guangzhou, Guangdong	Guangzhou Lanting Xianglu (Lot 116)	Residence and commercial	Under construction	25,900	77,800	113,700	113,700	-	12.00	0.01
44	Guangzhou, Guangdong	Guangzhou Lanting Xianglu (Lot 114)	Residence and commercial	Completed	25,100	76,600	110,600	-	110,600	9.66	0.16

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 zero square meter, the area for new and resumed construction was 1,093,900 square meters; and the completed area was 27,400 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	923	–	–	–	337
2	Haidian, Beijing	Beijing North Star Xianglu	Residence	2,869	2,869	2,869	3,619	492
3	Chao Yang, Beijing	Beijing North Star Fudi	Residence and commercial	3,131	83	83	47	–
4	Shunyi, Beijing	Beijing North Star • Villa 1900	Residence	1,398	136	660	1,985	167
5	Chao Yang, Beijing	Beijing Bihai Fangzhou	Residence	830	–	–	–	1,499
6	Changping, Beijing	Beijing North Star Red Oak Villa	Villa	27,729	16,069	3,509	14,502	13,183
7	Shunyi, Beijing	Beijing Modern North Star Yue MOMA	Self-occupied commercial housing, two-limit housing	3,243	–	–	–	–
8	Changping, Beijing	Beijing Jinchen Mansion	Residence	82,791	2,996	3,794	14,153	382
9	Mentougou, Beijing	Beijing Longfor North Star Lanjing	Residence	10,466	–	–	–	–
10	Changsha, Hunan	Changsha North Star Delta	Residence, commercial and office building etc.	78,089	14,059	7,366	7,264	50,695
11	Changsha, Hunan	Changsha North Star Central Park	Residence	8,395	336	2,231	644	3,902
12	Changsha, Hunan	Changsha North Star Shiguangli	Residence and commercial	11,206	1,311	1,730	645	1,591
13	Wuhan, Hubei	Wuhan North Star Modern You +	Residence and commercial	662	–	–	–	–
14	Wuhan, Hubei	Wuhan North Star Guangguli	Commercial service	62,222	1,198	1,337	1,278	–
15	Wuhan, Hubei	Wuhan North Star Blue City	Residence and commercial	43,834	6,843	8,577	4,221	532
16	Wuhan, Hubei	Wuhan Gemdale • North Star China Chic	Residence	–	–	–	–	–
17	Wuhan, Hubei	Wuhan North Star Peacock City Hangtian Mansion	Residence	34,205	18,197	911	–	17,558
18	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (Lot 067)	Residence and commercial	21,681	6,039	8,393	3,847	1,101
19	Wuhan, Hubei	Wuhan North Star Jindiayang Time	Residence and commercial	29,286	1,916	–	–	–
20	Hangzhou, Zhejiang	Hangzhou North Star Shushan Project	Residence and commercial	7,304	462	462	596	–
21	Hangzhou, Zhejiang	Hangzhou Guosongfu	Residence	–	–	–	298	–
22	Hangzhou, Zhejiang	Hangzhou Lingchao Mansion	Residence	–	–	–	–	–



## 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)
23	Hangzhou, Zhejiang	Hangzhou North Star Chenchun Lancheng	Residence	40,658	6,945	5,285	6,783	1,865
24	Ningbo, Zhejiang	Ningbo Beichenfu	Residence	7,510	–	–	14	–
25	Ningbo, Zhejiang	Ningbo Mansion • Jintian	Residence and commercial	–	–	–	87	–
26	Yuyao, Zhejiang	Ningbo Xianglu Bay	Residence	5,950	4,038	4,192	5,562	230
27	Suzhou, Jiangsu	Suzhou Guanlan Mansion	Residence and commercial	122,047	18,327	16,967	17,972	6,441
28	Chengdu, Sichuan	Chengdu North Star Langshi Nanmen Lvjun	Residence and commercial	724	–	–	–	735
29	Chengdu, Sichuan	Chengdu North Star • Xianglu	Residence and commercial	601	–	–	32	–
30	Chengdu, Sichuan	Chengdu North Star • South Lake Xianglu	Residence	7,055	–	–	210	–
31	Chengdu, Sichuan	Chengdu North Star Royal Palace	Residence and commercial	5,459	–	126	–	–
32	Chengdu, Sichuan	Chengdu North Star Luming Mansion	Residence and commercial	9,830	54	637	584	209
33	Meishan, Sichuan	Sichuan North Star Guosongfu	Residence and commercial	5,641	–	230	127	246
34	Meishan, Sichuan	Sichuan North Star Longxitai	Residence and commercial	52,860	8,231	10,806	7,508	275
35	Langfang, Hebei	Langfang North Star Xianglu	Residence and commercial	9,628	9,030	9,187	8,274	138
36	Langfang, Hebei	Langfang North Star Blue City	Residence	34,058	10,405	–	–	10,405
37	Hefei, Anhui	Hefei North Star CIFI Park Mansion • Luzhou	Residence and commercial	770	–	–	–	–
38	Yubei, Chongqing	Chongqing • Yuelai Mansion One	Residence and commercial	135,386	35,602	38,265	32,772	77,348
39	Yubei, Chongqing	Chongqing North Star Xianglu	Residence	54,718	4,755	7,434	8,582	146
40	Haikou, Hainan	North Star Mansion in Haikou	Residence and commercial	35,522	1,840	2,348	4,245	8,809
41	Haikou, Hainan	Haikou North Star Changxiu Shijia	Residence	2,373	–	–	121	–
42	Guangzhou, Guangdong	Guangzhou Lanting Xianglu (Lot 114)	Residence and commercial	5,393	3,192	–	–	–

*Note:*

During the Reporting Period, the sales area of the Company was 174,933 square meters, representing a year-on-year increase of 15.34%; the sales amount was RMB2.282 billion, representing a year-on-year increase of 4.03%; the settlement area was 137,398 square meters, representing a year-on-year decrease of 15.83%; the settlement amount was RMB1.461 billion, representing a year-on-year decrease of 29.71%; and the area to be booked as at the end of the Reporting Period was 198,287 square meters.



## Management Discussion and Analysis (Continued)

### 3. Development of Digitalisation

Leveraging the digital marketing platform, the Company integrated the capacities of digital marketing across convention and exhibition business, commercial properties business and the real estate development segment, and developed a centralised channel for digital marketing, thereby realising “centralised branding, centralised channel expansion and centralised resources allocation” and improving efficiency of overall resources utilisation and competitiveness at the market. The Company also completed the development of its digital platform for its integrated capital-business-finance system, thereby promoting the centralised control on asset management, business operation management and financial management. The Company realised refined and process-oriented management on its daily operation, leasing, promotion of services and project expansion, thereby enhancing efficiency of resources allocation and fostering innovation in products and services.

### 4. Financing

The Company strengthened capital coordination and enhanced debt management and control, thus the scale of interest-bearing liabilities remained stable. As at the end of the Reporting Period, the total financing amounted to RMB23.69 billion, which provided a stable capital guarantee for the Company's operation and development. At the same time, the Company continued to optimize its debt structure, and rationally plan financing channels in an effort to reduce capital costs, so that the overall average financing cost was further reduced to 3.66%.

**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
2,368,745	3.66	4,332



## Management Discussion and Analysis (Continued)

### (II) Development Strategy of the Company

The Company will focus on “collaborative development, reform and innovation” to actively plan for the upgrading of core business, promote the layout of the whole convention and exhibition industry chain, accelerate the transformation of real estate business, improve the operational efficiency of commercial properties and advance the in-depth coordination of various business segments with a focus on the development of digitalisation, gradually forming a new industrial landscape featuring mutual support, complementary advantages and coordinated development of convention and exhibition, real estate and commercial property management.

#### 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, with a view to establishing an international first-class and domestically leading convention and exhibition brand, the Company will enhance the two core functions of “service assurance, driving and promoting”, and strengthen the layout of the whole convention and exhibition industry chain and expand and strengthen its primary convention and exhibition business with the “internationalization, digitalization, greening, branding, industrialization, and ecologization” as its main line. The Company is fully committed to providing services and support for state affairs and governmental activities and improving a comprehensive and coordinated service support mechanism to continuously enhance its professional support capabilities for major state affairs and governmental activities and high-level international exhibitions and events. The Company will innovate to enhance the market-oriented operations of the CIFTIS. Under the “one conference, one venue” organizing principle, the Company will focus on internationalization, digital intelligence and distinctive features to drive comprehensive upgrades for the CIFTIS. It will promote the multifunctional and diversified use of convention and exhibition venues, and proactively plan the integrated development of “conventions, exhibitions, festivals, competitions and performances” with “culture, commerce, tourism and sports” through “multi-business operation, brand operation and cooperative operation.” The Company is fully committed to expanding its sponsoring and undertaking business, and focusing on the four major tracks of “big health, big consumption, high technology and new energy”, to integrating industry resources to promote long-term cooperation. The Company will actively promote the implementation of government convention and exhibitions, international convention and exhibitions and independent brand convention and exhibitions, to attract more high-standard convention and exhibitions to settle in Beijing.



## Management Discussion and Analysis (Continued)

In respect of the commercial properties segment, the Company will aim to establish itself as a leading domestic brand in the operation and management of public construction and park-related assets, concentrate on the businesses of office buildings, apartments and business parks, enhance professional business management level, promote business optimization and upgrading, and improve the multi-industry coordinated development strategy to enhance the core competitiveness of its projects. The Company will deeply promote the innovative development of the New Consumption Innovation Alliance in the Asia Olympic Business District, explore the creation of integrated and innovative consumption scenarios such as “culture + commerce”, “tourism + sports” and “food + activities”, promote the synergistic growth and resource sharing of business types, and stimulate the vitality of regional consumption. The Company will strengthen and optimize asset management, improve regional resources, and further optimize the differentiated marketing strategy based on the characteristics of each project and target customer group. The Company will accelerate the pace of investment promotion and infrastructure construction in industrial parks, empower the operation of industrial parks with data elements with industrial ecology, pool high-quality resources, improve supporting facilities, innovate space products, and efficiently promote project disposals. The Company will deepen the refined management of property services, actively expand the business boundaries, build a high-end service brand with North Star characteristics, and promote the development of the “North Star Yue” properties outside Beijing.

### 2. *Real Estate Development*

With the aim to become a unique high-quality life service provider and integrated operator of urban development, the Company will promote the transformation and development of real estate business focusing on the strategy of “One Core, Two Wings” in building a core model and drive the transformation of development model with “North Star Services” and “Convention and Exhibition + Property” to enhance assets operation and property management level. The Company will accelerate the disposal of existing projects and making every effort to promote destocking, risk prevention, cost reduction and loss reduction. In the second half of 2025, it is estimated that the area for new and resumed construction of the Company will be 1,066,500 square meters and the completed area will be 195,600 square meters, and the Company strive to achieve sales area of 288,200 square meters with contracts signed (including parking spaces) amounting to RMB3.228 billion. Meanwhile, the Company will advance the in-depth coordination of “convention and exhibition + real estate + commercial property management”, carry out the construction of “North Star Binjiang Business District” by relying on Changsha North Star Delta, and strive to build a new development pattern featuring “connecting the north and the south” and continuously improve the comprehensive urban operation capability by integrating multiple resources such as convention and exhibition venues, commercial complexes and residential communities and develop a diversified consumption ecology of “convention, exhibition, commerce, cultural, tourism and sports”, which is the first one in Changsha. The Company will carry out in-depth research on the development model of “convention center + residence” projects and explore the path of “drawing traffic from convention and exhibition – commercial value-added – residence premium” to cultivate new profit growth points.





## Management Discussion and Analysis (Continued)

### **3. *Development of digitalisation***

The Company will actively foster digital new business with a focus on the service ecosystem along both upstream and downstream of the convention and exhibition industry, the ecosystem of business communities within the consumption centers of cities for the Asian Games and business segments of the Company. The Company will promote digital transformation in a systematic manner, and improve efficiency of operation across all segments and the core competitiveness of the Company through digital services, digital business communities and synergy of multi-mode consumption.

### **4. *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 the second half of 2025, the Company's estimated fixed asset investment is RMB40 million, the payment of which will be made according to the construction progress. The source of funds will be internal funds.



## Management Discussion and Analysis (Continued)

### IV. POTENTIAL RISKS FACED BY THE COMPANY

#### 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, which could pose 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.



## Management Discussion and Analysis (Continued)

### DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE

#### Financial Resources and Liquidity

As at 30 June 2025, the equity attributable to ordinary shareholders of the Company decreased by 10.12% compared with 31 December 2024. The decrease was mainly due to the loss attributable to the ordinary shareholders of the Company of RMB1,647,124,000 during the Period.

The Group's bank and other borrowings (excluding bonds) as at 30 June 2025 amounted to RMB13,360,602,000. At the end of the Period, net values of the Group's 5-year corporate bonds, 3-year corporate bonds, 2-year corporate bond, 5-year medium term notes and 3-year medium term notes were RMB2,255,713,000, RMB324,455,000, RMB872,896,000, RMB3,301,383,000 and RMB713,828,000, respectively. Net value of the asset-backed securities was RMB2,858,570,000 at the end of the Period.

Current assets of the Group, which mainly comprised cash at bank and on hand, completed properties held for sale and properties under development, amounted to RMB34,195,564,000, whereas the current liabilities amounted to RMB16,580,383,000. As at 30 June 2025, the balance of cash at bank and on hand amounted to RMB6,237,377,000 (excluding restricted bank deposits) and none of the bonds in issue were exposed to redemption and payment risks. During the Period, the Company did not engage in any transaction on financial products or derivative instruments.

As at 30 June 2025, the Group had secured borrowings from banks and other financial institutions of RMB13,336,081,000 with certain right-of-use assets, investment properties, hotels, properties under development and completed properties held for sale as the collaterals. The asset-liability ratio calculated by total liabilities divided by total assets for the Group was 68% as at the end of the Reporting Period (31 December 2024: 68%); and the gearing ratio calculated by total debt divided by total equity was 111.5% (31 December 2024: 107.4%).

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

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. The above mentioned financial guarantees provided in phases had no material impact on the financial position of the Group. As at 30 June 2025, the outstanding amount of financial guarantees provided in phases was RMB4,074,213,000 (31 December 2024: RMB4,175,446,000).

### SHARE CAPITAL AND SHAREHOLDERS

#### Share Capital

The Company's registered capital as at 30 June 2025 totalled 3,367,020,000 shares in issue, comprising:

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

### SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025 and up to the date of this interim report, the following person, other than a director, supervisor or chief executive of the Company, had 5% or more interests or short positions in the shares and underlying shares of the relevant class of issued share capital of the Company as recorded in the register of interests in the shares and short positions required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance ("SFO"):



## Management Discussion and Analysis (Continued)

### Interests and Short Positions in Shares of the Company

Name of shareholder	Nature of interest	Capacity	Class of shares	Number of shares held	Percentage of the relevant class of share capital	Percentage of total share capital
Beijing North Star Industrial Group Limited Liabilities Company	Corporate interest	Beneficial owner	A shares	1,179,122,931	44.33%	35.02%

Save as disclosed above, based on the register required to be kept under Section 336 of Part XV of the SFO, the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 30 June 2025.

### INTERESTS OF DIRECTORS OF THE COMPANY

As at 30 June 2025, none of the directors, chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the “**Model Code**”).

### CORPORATE GOVERNANCE

The Company has strived to maintain and establish a high level of corporate governance, and the Company has fully complied with all code provisions set out in the “Corporate Governance Code” contained in Appendix C1 Part 2 of the Listing Rules during the Period.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code. All supervisors of the Company have retired from their positions as supervisors on 15 May 2025. Having made specific enquiries with all directors and former supervisors of the Company, the Company confirms that its directors and former supervisors have complied with the required standards as set out in the Model Code during the six months ended 30 June 2025 and during the period from 1 January 2025 to 15 May 2025 respectively.

### AUDIT COMMITTEE

The Audit Committee has been established by the Company to review and supervise the financial reporting process and internal control measures of the Company. The Group’s unaudited interim results for the six months ended 30 June 2025 have been reviewed by the Audit Committee and the Board. The Audit Committee comprises three independent non-executive directors of the Company, namely, Dr. CHOW Wing-Kin, Anthony, Mr. GAN Pei-Zhong and Ms. QIAN Ai-min.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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



## Management Discussion and Analysis (Continued)

### DESIGNATED DEPOSITS AND DUE FIXED DEPOSITS

As at 30 June 2025, the Group had no designated deposits that were placed with financial institutions in the PRC. All of the Group's cash deposits have been placed with commercial banks in the PRC in compliance with relevant laws and regulations. The Group has not experienced any incidents of not being able to withdraw bank deposits when due.

### EMPLOYEES

As at 30 June 2025, the Company had 5,039 employees. Adjustments of employees' remuneration will be made according to the Company's results and profitability and are determined by assessing the correlation between the total salary paid to employees and the economic efficiency of the Company. The policy contributes to the management of the Company's remuneration expenses while employees will be motivated to work hard for good results and development of the Company. Save for the remuneration policies disclosed above, the Company did not maintain any share option scheme for its employees and the employees did not enjoy bonus. The Company regularly provided administrative personnel with trainings on various subjects, including operations management, foreign languages, computer skills, industry know-how and policies and laws, in different forms, such as seminars, site visits and study tours.

### STAFF QUARTERS

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

### IMPORTANT EVENTS AFTER THE REPORTING DATE

There were no important events affecting the Company which occurred after 30 June 2025 and up to the date of this interim report.

### PUBLICATION OF INTERIM REPORT

The Company's 2025 interim report which sets out all the information required by the Listing Rules will be published on the designated website of the Stock Exchange at <http://www.hkexnews.hk> and on the website of the Company at <http://www.beijingns.com.cn> in due course.

### DOCUMENT FOR INSPECTION

The original copy of the 2025 interim report, signed by the Chairman, will be available for inspection at the office of the Board, the address of which is:

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

By order of the Board  
**Beijing North Star Company Limited**  
**ZHANG Jie**  
*Chairman*

Beijing, the PRC  
22 August 2025





## 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
Company secretary:	LEE Ka Sze, Carmelo
Person-in-charge on information disclosure:	Mo Fei (acting on behalf of the secretary to the Board)
Enquiry unit for Company information disclosure:	Work department of the Board

## COMPANY INFORMATION ENQUIRY

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



## Corporate Information (Continued)

### REGISTRATION

Date and place of first registration:

2 April 1997,  
Beijing, the PRC

Unified social credit code:

91110000633791930G

### AUDITORS

*PRC auditor:*

Zhongxinghua Certified Public Accountants LLP

Address:

20/F, South Tower, Block 1  
20 Lize Road, Fengtai District, Beijing

Postal code:

100073

Telephone:

(86) 010-51423818

Fax:

(86) 010-51423816

*International auditor:*

Cheng & Cheng Limited  
Certified Public Accountants  
Registered Public Interest Entity Auditor

Address:

Level 35, Tower 1,  
Enterprise Square Five, 38 Wang Chiu Road,  
Kowloon Bay, Kowloon, Hong Kong

Telephone:

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Fax:

(852) 2598 8178



## Corporate Information (Continued)

### LEGAL ADVISERS

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