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

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

(Stock Code: 588)

ANNOUNCEMENT ON ESTIMATED LOSS FOR THE HALF YEAR OF 2024

This announcement is made pursuant to Rule 13.09 and Rule 13.10B of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board hereby announces that the profit attributable to owners of the Company (excluding gains or losses from changes in fair value of investment properties) for the half year ended 30 June 2024 is estimated to record a loss. The estimated results have not been reviewed or audited by auditors, are not based on financial information audited or formally reviewed by auditors, and are subject to finalisation. Shareholders and potential investors of the Company should pay attention to details of the financial information to be set out in the 2024 interim results report of the Company.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Beijing North Star Company Limited (the "**Company**") pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**").

The board of directors of the Company (the "**Board**") hereby announces that the profit attributable to owners of the Company (excluding gains or losses from changes in fair value of investment properties) for the half year ended 30 June 2024 (the "**Relevant Period**") is estimated to record a loss, details of which are set out as follows:

I. ESTIMATED RESULTS FOR THE RELEVANT PERIOD (IN ACCORDANCE WITH THE HONG KONG FINANCIAL REPORTING STANDARDS)

1. Relevant Period for the results estimation: from 1 January 2024 to 30 June 2024

2. Estimated losses:

   Based on the preliminary assessment by the Company's finance department:

   (i) The net loss attributable to owners of the Company (excluding gains or losses from changes in fair value of investment properties) for the first half year of 2024 is estimated to range from RMB539,300,000 to RMB642,400,000, representing a loss as compared with the corresponding period of the preceding year.

   (ii) The net loss (excluding gains or losses from changes in fair value of investment properties and after deduction of non-recurring profit and loss) attributable to owners of the Company for the first half year of 2024 is estimated to range from RMB586,900,000 to RMB697,500,000, representing a loss as compared with the corresponding period of the preceding year.

   (iii) The estimated cash balance at the end of the period is approximately RMB8.1 billion. The Company has sufficient capital reserves with clear financing channels for secure operation.

3. The estimated results have not been reviewed or audited by auditors, are not based on financial information audited or formally reviewed by auditors, and are subject to finalisation. Shareholders and potential investors of the Company should pay attention to details of the financial information to be set out in the 2024 interim results report of the Company.

II. RESULTS FOR THE CORRESPONDING PERIOD IN THE PRECEDING YEAR (IN ACCORDANCE WITH THE HONG KONG FINANCIAL REPORTING STANDARDS)

1. The profit attributable to owners of the Company was RMB132,966,000 (or RMB109,700,000 if excluding gains or losses from changes in fair value of investment properties, or RMB50,618,000 if excluding gains or losses from changes in fair value of investment properties and after deduction of non-recurring profit and loss).

2. Earnings per share attributable to the ordinary shareholders of the Company was RMB0.0395 (or RMB0.0326 if excluding gains or losses from changes in fair value of investment properties, or RMB0.0150 if excluding gains or losses from changes in fair value of investment properties and after deduction of non-recurring profit and loss).

III. MAIN REASONS FOR THE ESTIMATED LOSSES FOR THE RELEVANT PERIOD

During the reporting period, the operation of the convention and exhibition (including hotels) and commercial properties segment was stable, but the Company recorded an overall loss as affected by the real estate development business. The settlement area of real estate development business was reduced and the revenue decreased year-on-year. Due to changes in the structure of the project that can be settled and for the purpose of accelerating inventory reduction and increasing operation cash, the Company dynamically adjusted its marketing strategies according to market conditions, which led to a drop in gross profit. At the same time, as affected by the market environment, certain real estate projects of the Company showed signs of impairment. The Company conducted a preliminary impairment test on its inventories in accordance with accounting standards and is expected to make provisions for the impairment of inventories on certain real estate projects based on the prudence principle.

IV. OTHER EXPLANATORY MATTERS

The estimated data above is only prepared based on the preliminary calculations. Concrete and accurate financial information shall be subject to the 2024 interim results report of the Company to be formally disclosed.

Based on the confidence in the future development of the Company and the recognition of its long-term investment value, Beijing North Star Industrial Group Limited Liabilities Company, the controlling shareholder of the Company, will increase its holdings of A shares of the Company. For details, please refer to the "Announcement on the Controlling Shareholder's Plan to Increase Its Shareholding in the Company" disclosed on the same date by the Company as required by the Shanghai Stock Exchange.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
BEIJING NORTH STAR COMPANY LIMITED
LI Wei-Dong
Chairman

Beijing, PRC, 9 July 2024

As at the date of this announcement, the Board comprises nine directors, of which Mr. LI Wei-Dong, Ms. LIANG Jie, Mr. YANG Hua-Sen, Ms. ZHANG Wen-Lei, Mr. HU Hao and Mr. WEI Ming-Qian are executive directors and Dr. CHOW Wing-Kin, Anthony, Mr. GAN Pei-Zhong and Mr. CHEN De-Qiu are independent non-executive directors.

In case of inconsistency between the Chinese and English versions of this announcement, the Chinese version shall prevail.