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

(A sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 588)

2025 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the “**Board**”) of Beijing North Star Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Period**” or “**Reporting Period**”), based on the interim condensed consolidated financial information which 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 (“**HKICPA**”) and relevant requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The 2025 interim condensed consolidated financial information of the Company has not been audited, but has been reviewed by the Board and the audit committee of the Company (the “**Audit Committee**”).

For the Period, the Group achieved revenue of 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.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Unaudited	
		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
Revenue	2	3,019,320	3,429,871
Cost of sales		<u>(3,327,281)</u>	<u>(2,941,989)</u>
Gross (loss)/profit		(307,961)	487,882
Selling and marketing expenses		(180,712)	(150,712)
Administrative expenses		(393,439)	(380,218)
Net provision for impairment losses on financial assets		(60,932)	(133,539)
Other income and other losses – net		<u>(194,608)</u>	<u>(179,112)</u>
Operating loss	3	(1,137,652)	(355,699)
Finance income	4	19,974	72,307
Finance expenses	4	<u>(493,708)</u>	<u>(423,279)</u>
Finance expenses – net	4	(473,734)	(350,972)
Share of net profit/(loss) of investments accounted for using the equity method		<u>1,541</u>	<u>(201)</u>
Loss before income tax		(1,609,845)	(706,872)
Income tax expense	5	<u>(155,614)</u>	<u>(173,560)</u>
Loss for the Period		<u>(1,765,459)</u>	<u>(880,432)</u>
Attributable to:			
Ordinary shareholders of the Company		(1,647,124)	(769,580)
Non-controlling interests		<u>(118,335)</u>	<u>(110,852)</u>
		<u>(1,765,459)</u>	<u>(880,432)</u>
Losses per share attributable to ordinary shareholders of the Company (expressed in RMB cents per share)			
(basic and diluted)	6	<u>(48.92)</u>	<u>(22.86)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
	Note		
ASSETS			
Non-current assets			
Right-of-use assets		374,222	386,821
Investment properties		16,063,579	16,297,009
Property, plant and equipment		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	8	27,768	154,156
		<u>20,120,058</u>	<u>20,580,436</u>
Current assets			
Properties under development		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	8	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
		<u>34,195,564</u>	<u>37,039,013</u>
Total assets		<u><u>54,315,622</u></u>	<u><u>57,619,449</u></u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

		Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
	Note		
LIABILITIES			
Non-current liabilities			
Long-term borrowings		16,818,846	15,645,024
Loans from other parties	9	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
		<u>20,499,763</u>	<u>23,017,509</u>
Current liabilities			
Trade and other payables	9	5,361,130	5,992,601
Loans/advances from other parties	9	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		4,138,785	5,517,749
		<u>16,580,383</u>	<u>16,251,328</u>
Total liabilities		<u>37,080,146</u>	<u>39,268,837</u>
Net assets		<u>17,235,476</u>	<u>18,350,612</u>
EQUITY			
Share capital		3,367,020	3,367,020
Other reserves		4,830,304	4,830,304
Retained earnings		6,438,957	8,086,081
Capital and reserves attributable to ordinary shareholders of the Company		<u>14,636,281</u>	<u>16,283,405</u>
Non-controlling interests		<u>2,599,195</u>	<u>2,067,207</u>
Total equity		<u>17,235,476</u>	<u>18,350,612</u>

1. SUMMARY OF ACCOUNTING POLICIES AND 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 HKAS 34 “Interim Financial Reporting”. The interim financial information does not include all the notes of the type normally included in an annual financial statements. Accordingly, this interim financial information should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024 and any public announcements made by the Company during the interim reporting period.

This interim financial information has been reviewed, not audited.

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 financial period beginning on 1 January 2025.

The adoption of these 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 the financial period commencing on 1 January 2025. These new or amended standards and interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2. 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.

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.

2. SEGMENT INFORMATION (CONTINUED)

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 development properties. Revenues recognised during the six months ended 30 June 2025 and 2024 are as follows:

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

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

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

2. SEGMENT INFORMATION (CONTINUED)

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

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.

2. SEGMENT INFORMATION (CONTINUED)

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 <i>RMB'000</i>	Real estate development <i>RMB'000</i>	Other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2025 (Unaudited)				
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)
Six months ended 30 June 2024 (Unaudited)				
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)

2. 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>
As at 30 June 2025 (Unaudited)				
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	<u>161,033</u>	<u>1,649,891</u>	<u>7,165</u>	<u>1,818,089</u>
As at 31 December 2024 (Audited)				
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	<u>272,395</u>	<u>1,197,755</u>	<u>5,705</u>	<u>1,475,855</u>

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

2. SEGMENT INFORMATION (CONTINUED)

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.

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
<i>Revenue recognised that was included in the contract liability balance at the beginning of the Period</i>		
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
	<u>526,953</u>	<u>1,459,686</u>

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
Loss before income tax for reportable segments	(1,431,828)	(637,535)
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 for impairment losses on financial assets	(952)	(97,813)
Fair value losses on investment properties	(228,821)	(245,672)
Reversal of depreciation and impairment losses of investment properties	146,930	203,401
Land appreciation tax	(25,559)	78,128
Loss before income tax	<u>(1,609,845)</u>	<u>(706,872)</u>

2. 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
Total segment assets	40,283,161	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
Total assets	54,315,622	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
Total segment liabilities	21,535,488	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
Total liabilities	37,080,146	39,268,837

The Company and its subsidiaries were domiciled in the People's Republic of China ("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.

3. 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*	(228,821)	(245,672)
Provision of impairment losses for properties under development and completed properties held-for-sale [#]	(1,077,353)	(478,572)
Net provision for impairment losses 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.

4. 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	43,320	206,150
Finance expenses	(489,291)	(420,286)
Bank charges and others	(4,417)	(2,993)
	(493,708)	(423,279)
Finance income – interest income	19,974	72,307
Finance expenses – net	(473,734)	(350,972)

5. 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.

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

6. 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.

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

7. 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).

8. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

As at 30 June 2025 and 31 December 2024, the Group's trade and other receivables and prepayments included trade receivables, receivables due from other related parties and non-controlling interests of subsidiaries, other receivables, and prepayments for tax, construction cost and others.

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

8. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

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
Trade receivables		
0 – 30 days	65,143	125,889
31 – 90 days	39,516	29,836
Over 90 days	237,854	125,985
	342,513	281,710

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

As at 30 June 2025 and 31 December 2024, the Group's trade and other payables and loans/advances from other parties mainly included trade payables, prepaid rental income from tenants, dividends payable to non-controlling interests of subsidiaries, amounts due to related parties and non-controlling interests, loans/advances from other parties, other taxes payable and other payables.

As at 30 June 2025 and 31 December 2024, the ageing analysis of the trade payables to third parties and related parties based on the date of services/goods received was as follows:

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

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 HKICPA are summarised as follows:

	Loss attributable to owners of the Company For the six months ended		Capital and reserves attributable to the owners of the Company	
	30 June 2025 RMB'000	2024 RMB'000	As at 30 June 2025 RMB'000	As at 31 December 2024 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	<u>(1,647,124)</u>	<u>(769,580)</u>	<u>14,636,281</u>	<u>16,283,405</u>

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”.

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.

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.

(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.

II. ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

As for the convention and exhibition business segment, with its nearly 30 years of experience in professional exhibition operation and international services, the Company has actively invested in the convention and exhibition ecological industry, aiming to become a comprehensive solution service provider for the convention and exhibition industry, thereby creating a development model of the whole industry chain. In respect of activities hosting business, the Company is the 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.

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.

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.

- **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.
- **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 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.

The China National Convention Center Phase II and Beijing 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, Beijing 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 19th 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".

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

No.	Location	Name
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

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

No.	Location	Name
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 Cancuang 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
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.

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.
- **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, North Star Plaza 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.

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
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 Xinchenli Shopping Centre commercial project;
5. The above-mentioned properties items 2, 3, 7, 8, 10, 13 and 19 are erected on land leased from Beijing North Star Industrial Group Limited.

2. Real Estate Development

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.
- **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.

- **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.

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.

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 plot 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	4,783,300	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 Guangguli	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 Hangtian Mansion	Residence	Completed	75,200	172,800	220,400	–	220,400	9.88	0.20
15	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (Lot 067)	Residence and commercial	Completed	50,500	126,200	180,900	–	180,900	12.42	0.26
16	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (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 Shushan 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

No.	Location	Project	Mode of operation	Projects under construction/ Newly commenced projects/ Completed projects	Project area (square meter)	Planned plot 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
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
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	9.83	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 Guosongfu	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	296,800	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.

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	–

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)
21	Hangzhou, Zhejiang	Hangzhou Guosongfu	Residence	–	–	–	298	–
22	Hangzhou, Zhejiang	Hangzhou Lingchao Mansion	Residence	–	–	–	–	–
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.

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

(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.

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.

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.

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.

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%).

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

Interests and Short Positions in Shares of the Company

Name of shareholder	Nature of interest	Capacity	Class of shares	Number of shares held	Percentage of the relevant class of share capital	Percentage of total share capital
Beijing North Star Industrial Group Limited Liabilities Company	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 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.

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 announcement.

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

As at the date of this announcement, the Board comprises eight directors, of which Mr. ZHANG Jie, Ms. LIANG Jie, Mr. YANG Hua-Sen, Ms. ZHANG Wen-Lei and Mr. WEI Ming-Qian are executive directors and Dr. CHOW Wing-Kin, Anthony, Mr. GAN Pei-Zhong and Ms. QIAN Ai-min are independent non-executive directors.

Should there be any differences between the Chinese and English versions of this announcement, the Chinese version shall prevail.