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)

2026 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 2026 (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 interim condensed consolidated financial information of the Company for the first half of 2026 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 RMB3,045,481,000, representing an increase of 0.87% over the same period of the previous year. Operating loss was RMB428,106,000, representing a decrease in loss of RMB709,546,000 over the same period last year. Loss attributable to the ordinary shareholders of the Company was RMB936,495,000, representing a decrease in loss of RMB710,629,000 over the same period last year, of which, the after-tax core operating results of the Company's principal business (excluding losses arising from the changes in fair value) recorded losses of RMB770,708,000, representing a decrease in loss of RMB705,169,000 over the same period last year. During the Period, the losses (after taxation) on changes in fair value of investment properties were RMB165,787,000.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Six months ended 30 June	
	Note	**2026**	2025
		RMB'000	*RMB'000*
Revenue	2	**3,045,481**	3,019,320
Cost of sales		**(2,712,319)**	(3,327,281)
Gross profit/(loss)		**333,162**	(307,961)
Selling and marketing expenses		**(165,039)**	(180,712)
Administrative expenses		**(374,806)**	(393,439)
Net provision for impairment losses on financial assets		**(16,643)**	(60,932)
Other income and other losses – net		**(204,780)**	(194,608)
Operating loss	3	**(428,106)**	(1,137,652)
Finance income	4	**21,378**	19,974
Finance expenses	4	**(410,715)**	(493,708)
Finance expenses – net	4	**(389,337)**	(473,734)
Share of net (loss)/profit of investments accounted for using the equity method		**(3,047)**	1,541
Loss before income tax		**(820,490)**	(1,609,845)
Income tax expense	5	**(174,798)**	(155,614)
Loss for the Period		**(995,288)**	(1,765,459)
Attributable to:			
Ordinary shareholders of the Company		**(936,495)**	(1,647,124)
Non-controlling interests		**(58,793)**	(118,335)
		(995,288)	(1,765,459)
Losses per share attributable to ordinary shareholders of the Company *(expressed in RMB cents per share)* (basic and diluted)	6	**(27.81)**	(48.92)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Loss for the Period	**(995,288)**	(1,765,459)
Other comprehensive income	**–**	–
Total comprehensive loss for the Period	**(995,288)**	(1,765,459)
Attributable to:		
Ordinary shareholders of the Company	**(936,495)**	(1,647,124)
Non-controlling interests	**(58,793)**	(118,335)
	(995,288)	(1,765,459)

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**Unaudited 30 June 2026** *RMB'000*	Audited 31 December 2025 RMB'000
ASSETS			
Non-current assets			
Right-of-use assets		**363,524**	375,719
Investment properties		**15,722,359**	15,947,598
Property, plant and equipment		**2,111,796**	2,186,551
Investments accounted for using the equity method		**343,529**	347,611
Deferred income tax assets		**954,844**	1,007,605
Other receivables and prepayments	8	**141,284**	138,056
		19,637,336	20,003,140
Current assets			
Properties under development		**7,005,967**	7,606,451
Completed properties held-for-sale		**13,458,235**	14,592,099
Other inventories		**38,683**	40,097
Trade and other receivables and prepayments	8	**2,562,481**	2,570,302
Restricted bank deposits		**750,519**	679,767
Cash and cash equivalents		**7,050,242**	6,376,402
		30,866,127	31,865,118
Total assets		**50,503,463**	51,868,258

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	**Unaudited 30 June 2026** *RMB'000*	Audited 31 December 2025 RMB'000
LIABILITIES			
Non-current liabilities			
Long-term borrowings		**17,571,211**	15,636,190
Loans from other parties	9	**2,465,329**	1,361,500
Employee termination benefit obligations		**94,128**	95,401
Deferred income tax liabilities		**2,156,576**	2,175,389
Lease liabilities		**–**	2,432
Deferred income		**4,770**	235
		22,292,014	19,271,147
Current liabilities			
Trade and other payables	9	**4,858,003**	5,217,542
Loans/advances from other parties	9	**1,779,193**	4,931,639
Contract liabilities		**633,270**	1,122,953
Current income tax liabilities		**739,670**	699,391
Lease liabilities		**21,666**	21,354
Short-term borrowings		**–**	253
Current portion of long-term borrowings		**5,490,118**	4,918,531
		13,521,920	16,911,663
Total liabilities		**35,813,934**	36,182,810
Net assets		**14,689,529**	15,685,448
EQUITY			
Share capital		**3,367,020**	3,367,020
Other reserves		**4,858,661**	4,858,661
Retained earnings		**4,067,348**	5,003,843
Capital and reserves attributable to ordinary shareholders of the Company		**12,293,029**	13,229,524
Non-controlling interests		**2,396,500**	2,455,924
Total equity		**14,689,529**	15,685,448

NOTES:

1. SUMMARY OF ACCOUNTING POLICIES AND BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2026 (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 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 2025 and any public announcements made by the Company during the 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 2025, except for the adoption of amended standards as set out below.

The following amended standards were adopted by the Group effective from 1 January 2026.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards－Volume 11

The amended standards did not have a significant effect on the Group's interim financial information or accounting policies.

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 2026. So far these new or amended standards and interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions except for the Hong Kong Financial Reporting Standard ("**HKFRS**") 18 – Presentation and Disclosure in Financial Statements which will impact the presentation of profit or loss. The Group is still in the process evaluating the impact of adoption of HKFRS 18.

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 and ancillary facilities services and real estate development. Convention and exhibition and ancillary facilities services is the segment which involves in rental operation of convention and exhibition centers, apartments, office buildings, hotels and others; 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 and impairment. 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 and impairment. Other information provided, except as noted below, to the Board is measured in a manner consistent with the segment information as disclosed in this 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 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 and ancillary facilities services and revenue from sales of development properties. Revenues recognised during the six months ended 30 June 2026 and 2025 are as follows:

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue		
Convention and exhibition and ancillary facilities services segment	**1,238,210**	1,476,714
Real estate development segment	**1,729,074**	1,461,344
	2,967,284	2,938,058
Other segments	**78,197**	81,262
	3,045,481	3,019,320

For the six months ended 30 June 2026 and 2025, 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	**Over time**
	RMB'000	***RMB'000***
For the six months ended 30 June 2026 (Unaudited)		
Convention and exhibition and ancillary facilities services segment*	**141,106**	**495,682**
Real estate development segment	**1,729,074**	**–**
Other segments	**15,186**	**63,011**
	1,885,366	**558,693**

2. SEGMENT INFORMATION (CONTINUED)

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

* Rental income for the six months ended 30 June 2026 of RMB601,422,000 (six months ended 30 June 2025: RMB 719,427,000) is recognised on a straight-line basis over the terms of the leases and is not included in the above analysis.

Other segments of the Group mainly comprise the operation of other miscellaneous businesses, none of which constitutes a separate 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 2026 and 2025 is as follows:

Business segment	**Convention and exhibition and ancillary facilities services** *RMB'000*	**Real estate development** *RMB'000*	**Other segments** *RMB'000*	**Total** *RMB'000*
Six months ended 30 June 2026 (Unaudited)				
Total segment revenue	**1,243,055**	**1,729,074**	**95,829**	**3,067,958**
Inter-segment revenue	**(4,845)**	**–**	**(17,632)**	**(22,477)**
Revenue from external customers	**1,238,210**	**1,729,074**	**78,197**	**3,045,481**
Adjusted profit/(loss) before income tax	**145,307**	**(864,416)**	**(11,018)**	**(730,127)**
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)

2. SEGMENT INFORMATION (CONTINUED)

The segment information as at 30 June 2026 and 31 December 2025 is as follows:

Business segment	Convention and exhibition and ancillary facilities services	Real estate development	Other segments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 30 June 2026 (Unaudited)				
Total segment assets	**10,264,864**	**25,731,850**	**98,249**	**36,094,963**
Total segment assets include:				
Investments accounted for using the equity method	**15,399**	**328,130**	**–**	**343,529**
Additions to non-current assets*	**8,812**	**7**	**299**	**9,118**
Total segment liabilities	**1,153,324**	**21,159,150**	**274,988**	**22,587,462**
Contract liabilities	**83,193**	**547,679**	**2,398**	**633,270**
As at 31 December 2025 (Audited)				
Total segment assets	10,401,908	27,477,196	87,671	37,966,775
Total segment assets include:				
Investments accounted for using the equity method	15,391	332,220	–	347,611
Additions to non-current assets*	39,333	5,690	1,942	46,965
Total segment liabilities	1,190,397	21,953,063	276,847	23,420,307
Contract liabilities	127,296	985,218	10,439	1,122,953

* 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 the amount of revenue recognised relates to contract liabilities at the beginning of the Period.

	Unaudited	
	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue recognised that was included in the contract liabilities at the beginning of the Period		
Convention and exhibition and ancillary facilities services segment	**125,657**	272,251
Real estate development segment	**855,594**	248,997
Other segments	**5,400**	5,705
	986,651	526,953

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

	Unaudited	
	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Loss before income tax for reportable segments	**(730,127)**	(1,431,828)
Corporate overheads	**(53,689)**	(61,559)
Corporate finance expenses	**(55,256)**	(22,935)
Corporate finance income	**19,308**	14,738
Other income and other losses – net	**187**	141
Net provision for impairment losses on financial assets	**(1,246)**	(952)
Fair value losses on investment properties	**(222,128)**	(228,821)
Reversal of depreciation of investment properties	**146,877**	146,930
Land appreciation tax	**75,584**	(25,559)
Loss before income tax	**(820,490)**	(1,609,845)

2. SEGMENT INFORMATION (CONTINUED)

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

	Unaudited As at 30 June 2026 *RMB'000*	Audited As at 31 December 2025 *RMB'000*
Total segment assets	**36,094,963**	37,966,775
Deferred income tax assets at corporate level	**254,759**	204,191
Corporate cash	**5,439,965**	4,938,284
Accumulated fair value gains on investment properties	**4,266,659**	4,488,787
Reversal of accumulated depreciation and impairment of investment properties	**4,359,642**	4,212,765
Other corporate assets	**87,475**	57,456
Total assets	**50,503,463**	51,868,258

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

	Unaudited As at 30 June 2026 *RMB'000*	Audited As at 31 December 2025 *RMB'000*
Total segment liabilities	**22,587,462**	23,420,307
Deferred income tax liabilities	**2,156,576**	2,175,389
Corporate borrowings	**9,279,408**	6,834,404
Other corporate liabilities	**1,790,488**	3,752,710
Total liabilities	**35,813,934**	36,182,810

The Company and its subsidiaries are incorporated 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 2026 and 2025 was 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.

As at 30 June 2026 and 31 December 2025, 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 2026 and 2025.

3. OPERATING LOSS

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

	Unaudited Six months ended 30 June **2026** ***RMB'000***	 2025 *RMB'000*
Fair value losses on investment properties charged to profit or loss*	**(222,128)**	(228,821)
Provision of impairment losses for properties under development and completed properties held-for-sale#	**(462,456)**	(1,077,353)
Net provision for impairment losses on financial assets	**(16,643)**	(60,932)
Gain on disposal of a subsidiary*	**–**	139
Losses on disposal of property, plant and equipment*	**(255)**	(1,060)
Government grants*	**3,569**	3,763
Investment income*	**8,161**	8,350
Penalty, compensation and others*	**5,873**	23,021

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 **2026** ***RMB'000***	 2025 *RMB'000*
Interest expenses	**(452,641)**	(532,611)
Less: amounts capitalised in properties under development	**44,589**	43,320
	(408,052)	(489,291)
Bank charges and others	**(2,663)**	(4,417)
Finance expenses	**(410,715)**	(493,708)
Finance income – interest income	**21,378**	19,974
Finance expenses – net	**(389,337)**	(473,734)

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% (2025: 25%).

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 expenditures including costs of land use rights and development and construction expenditures.

	Unaudited	
	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current income tax		
– PRC enterprise income tax	**65,266**	92,946
– PRC land appreciation tax	**75,584**	(25,559)
Deferred income tax	**33,948**	88,227
	174,798	155,614

6. LOSSES PER SHARE

Basic losses per share are 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 2026 and 2025.

Diluted losses per share are equal to the basic losses per share since the Company has no potential dilutive ordinary shares during the six months ended 30 June 2026 and 2025.

	Unaudited Six months ended 30 June	
	2026	2025
Loss attributable to ordinary shareholders of the Company *(RMB'000)*	**(936,495)**	(1,647,124)
Number of ordinary shares in issue *(thousands)*	**3,367,020**	3,367,020
Losses per share *(RMB cents per share)* (basic and diluted)	**(27.81)**	(48.92)

7. DIVIDENDS

It was resolved not to distribute final dividend in relation to the year ended 31 December 2025 at the annual general meeting in May 2026.

The Board resolved that no interim dividend will be declared in respect of the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

8. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

As at 30 June 2026 and 31 December 2025, the Group's trade and other receivables and prepayments included trade receivables, receivables due from other related parties and non-controlling interests, other receivables, and prepayments for tax, construction costs and others.

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

8. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

As at 30 June 2026 and 31 December 2025, the ageing analysis of the trade receivables based on the date of provision of services/goods was as follows:

	Unaudited As at 30 June 2026 *RMB'000*	Audited As at 31 December 2025 *RMB'000*
Trade receivables		
0 – 30 days	**108,476**	125,667
31 – 90 days	**48,783**	15,528
Over 90 days	**234,401**	185,512
	391,660	326,707

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

As at 30 June 2026 and 31 December 2025, 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, amounts due to related parties and non-controlling interests, loans/advances from other parties, other taxes payable and other payables.

As at 30 June 2026 and 31 December 2025, 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 2026 *RMB'000*	Audited As at 31 December 2025 *RMB'000*
Trade payables		
0 – 180 days	**269,270**	1,270,577
181 – 365 days	**996,890**	243,968
Over 365 days	**2,378,994**	2,405,879
	3,645,154	3,920,424

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 2026 in accordance with the Accounting Standards for Business Enterprises - Basic Standards, the Application Guidance for Accounting Standards for Business Enterprises, the Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance of the PRC ("**CAS**"). The differences between the financial information prepared under the CAS and the HKFRS Accounting Standards issued by the HKICPA are summarised as follows:

	Loss attributable to owners of the Company For the six months ended 30 June		**Capital and reserves attributable to the owners of the Company**	
			As at 30 June	As at 31 December
	2026	2025	**2026**	2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
As stated in accordance with CAS	**(880,204)**	(1,585,414)	**5,822,288**	6,702,492
Impact of HKFRS Accounting Standards adjustments:				
1. Reversal of depreciation and impairment of investment properties under CAS	**109,496**	109,537	**3,215,445**	3,105,949
2. Fair value adjustment of investment properties under HKFRS Accounting Standards	**(165,787)**	(171,247)	**3,255,296**	3,421,083
As stated in accordance with HKFRS Accounting Standards	**(936,495)**	(1,647,124)	**12,293,029**	13,229,524

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 and ancillary facilities services, and real estate development.

1. Convention and Exhibition and Ancillary Facilities Services

The Company leverages Capital Convention as a platform 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 (herein after referred to as "**CIFTIS**"), a service provider for high-end state affairs and governmental activities, an important carrier for the development of the capital's international convention and exhibition industry, which undertakes the mission of focusing on the functional positioning of the capital city and cultivating the core competitiveness of the capital's convention and exhibition industry, and contributes to the development of Beijing's "Four Centers" (四個中心) functions and the construction of an international consumption center city, and is committed to building a "domestically leading and internationally advanced chain leader enterprise in the convention and exhibition industry chain" (國內領軍、國際領先的會展產業鏈鏈主企業).

The Company leverages Beijing North Star Commercial Management Co., Ltd. (北京北辰商業管理有限公司) as a platform to coordinate the provision of ancillary facilities services for conventions and exhibitions, carry out asset operations with an industry-oriented approach, 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 support the development of Beijing as an international science and technology innovation center and a global benchmark city for the 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 for asset management in the Beijing Asia Olympic business district.

2. Real Estate Development

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 the Beijing-Tianjin-Hebei region, the Yangtze River Economic Belt, the Sichuan-Chongqing City Cluster, Hainan Free Trade Port and the Greater Bay Area of Guangdong, Hong Kong and Macau.

(II) Development of the Industry of the Company

In the first half of 2026, facing a more complex and volatile external environment combined with intertwining domestic cyclical and structural issues, the domestic economy withstood pressures and continued its generally stable development trend of progressing towards the new and the excellent, demonstrating strong resilience and vitality. New progress was made in high-quality development, with the growth rate of GDP reaching 4.7% in the first half of the year, of which the value-added of the service sector grew by 5.2% year-on-year, further enhancing its supporting role in economic growth.

1. Convention and Exhibition and Ancillary Facilities Services

In the first half of 2026, driven by national policies of "expanding domestic demand, promoting consumption, and stabilizing foreign trade", the convention and exhibition industry continued its recovery momentum. The policy environment for industry development continued to improve, promoting the industry's transformation and upgrading towards digitalization, greening, and intelligentization, deepening the integrated development model of "convention and exhibition +" (會展+), amplifying the comprehensive driving effect of the convention and exhibition industry, and steadily enhancing its level of internationalization and specialization. However, the industry as a whole still faced challenges such as insufficient effective demand and structural market adjustments. The hotel industry generally remained in a weak recovery phase, with holidays and large-scale convention, exhibition and sporting events serving as the key drivers of performance. However, the pace of business guest recovery lagged behind the growth in supply, regional polarization intensified, and industry competition was relatively intense. The office market in Beijing remained in a bottoming adjustment phase. No large-scale new supply entered the market, and the vacancy rate showed a slight decline. Meanwhile, tenants maintained relatively strong bargaining power, and landlords generally adopted preferential measures to stabilize occupancy rates, with rental levels remaining on a downward trend.

2. Real Estate Development

China's real estate market saw a gradual improvement in supply and demand, and market expectations recovered to some extent. The central government persisted in adopting city-specific policies, proposed to control increments, destock and optimize supply, explored multiple channels to revitalize existing commodity housing, encouraged the acquisition of existing commodity housing for use as subsidized housing, etc., and promoted the accelerated transformation of the real estate development model. Local governments continued to optimize housing policies based on actual market conditions, and effectively stabilized market expectations by adjusting restrictive measures, lowering home-buying costs, supporting rigid and improvement housing demands, and advancing the reconstruction of urban villages and dilapidated housing. Driven by combined policy efforts, positive changes have emerged in the market.

Overall, policies to stabilize the property market continued to take effect in the first half of the year, and positive market signals further strengthened. In the first quarter, due to the release of a phased policy window after the Spring Festival, the market experienced a brief recovery. The second quarter was at a critical stage of transition from "halting the decline" to "stabilization". Real estate development investment, new starts and funds available to enterprises continued to face pressure, and market differentiation features deepened further. According to the data from the National Bureau of Statistics, in the first half of the year, the national sales area of newly built commodity housing was 401.40 million square meters, representing a year-on-year decrease of 11.6%; among which, the sales area of commodity residential housing was 333.18 million square meters, representing a year-on-year decrease of 12.4%. In the first half of the year, the land auction market continued its differentiated pattern, with hotspots highly concentrated on high-quality land parcels in core tier-1 and tier-2 cities, and industry concentration further increased.

II. ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

The Company's strengths and core competitiveness primarily manifest in the comprehensive influence of its convention and exhibition brands and its integrated real estate development and operational capabilities. Leading domestic convention and exhibition services, coupled with specialized, branded hotels, office buildings, apartments, and mixed-use commercial properties, provide the Company with a stable revenue foundation. In recent years, the Company has centered its operations around convention and exhibition services and supporting facilities. Through its convention-driven strategy, it has fostered synergistic development across its real estate segment. These two business pillars are interconnected and mutually supportive, ensuring the Company's steady and healthy growth.

In the convention and exhibition and ancillary facilities services segment, leveraging over 30 years of professional convention and exhibition operations and international service experience, the Company actively develops the convention and exhibition ecosystem industry. Aiming to become a comprehensive solutions provider for the convention and exhibition sector, it is building a full-industry-chain development model. Regarding its primary organizing and hosting operations, the Company serves as the official professional operator for the CIFTIS, responsible for the market-oriented and internationalized operations of the event. As one of the principal organizers of China Refrigeration Expo – one of the most influential professional exhibitions in the heating, ventilation, air conditioning, and refrigeration industry in China and globally – the Company leverages its professional operational capabilities and resource advantages to provide robust support for the event's expansion, specialization, and internationalization. In convention and exhibition venue management, the Company maintains its position of ranking the first in China in terms of management scale through both self-owned venues and light asset management services. Key self-owned venues include the China National Convention Center, Beijing International Convention Center, and Changsha North Star International Convention Center, while its light asset management services span more than 30 cities and regions nationwide. Leveraging high-profile exhibitions such as international auto shows as a medium, the Company has deeply integrated into the modern service system, and its role as a platform in serving the development of new quality productive forces is becoming increasingly prominent. Within convention and exhibition services, the Company leverages its managed venues to provide exhibitors with services including booth construction, logistics, and information technology solutions. At the same time, the Company conducts in-depth research on convention and exhibition policies, strengthens the service support of research and consulting across the entire process of organized and hosted projects, steadily expands its convention and exhibition education and training business, steadily advances all work under the CIBEP project, and continuously builds a comprehensive convention and exhibition service platform integrating intellectual support, strategic guidance, and talent cultivation.

In the real estate sector, the Company possesses comprehensive property development and operational capabilities, encompassing diverse projects such as high-end residences, villas, apartments, affordable housing, office buildings, and commercial properties. It demonstrates strong professional expertise and competitiveness in developing large-scale, integrated real estate projects. Aligning with current industry trends, the Company actively innovates its development model by advancing synergistic "convention and exhibition + real estate" projects.

Additionally, the Company leverages the advantages of the "headquarters financing" model and has consistently maintained its annual corporate credit rating at the AAA level. With its strong credit standing and risk management capabilities, it has established long-term, stable strategic partnerships with multiple banks and financial institutions, securing significant advantages in loan interest rates. Simultaneously, the Company actively explores diversified financing channels such as medium-term notes and corporate bonds. It continuously optimizes its overall debt structure, maintains the advantage of low financing costs, and effectively enhances its risk-bearing capacity.

III. DISCUSSION AND ANALYSIS ON THE OPERATIONS

(I) Review of the Company's Operation

In the first half of 2026, the Company focused on "coordinated development and reform-driven innovation", actively planned its business development, deepened the integration and coordinated linkage of multi-format resources, and continuously enhanced management efficiency. The Company continued to strengthen its core segments of convention and exhibition and ancillary facilities services, as well as real estate development, making every effort to address industry challenges while seeking new growth opportunities.

During the Reporting Period, the Company recorded operating income of RMB3,045,481,000, representing a year-on-year increase of 0.87%. The Company's loss before tax and loss attributable to ordinary shareholders amounted to RMB820,490,000 and RMB936,495,000, respectively, representing a decrease in loss of RMB789,355,000 and RMB710,629,000, respectively, as compared to the same period of last year. In particular, the after-tax core operating loss of the Company's main business (excluding losses arising from the changes in fair value) was RMB770,708,000. During the Period, the losses (after taxation) on changes in fair value of investment properties were RMB165,787,000. Losses per share were RMB0.2781.

1. Convention and Exhibition and Ancillary Facilities Services

In the first half of 2026, the Company's convention and exhibition and ancillary facilities services segment closely aligned with national strategies and industry development needs, leveraging synergies across the entire business chain to elevate both operational efficiency and market presence to new heights. During the Reporting Period, the operating income from the convention and exhibition and ancillary facilities services segment reached RMB1,238,210,000, representing a year-on-year decrease of 16.15%, due to the impact of hosting and organizing an international flagship conference domestically for the first time in the corresponding period of last year, while profit before tax amounted to RMB145,307,000, representing a year-on-year decrease of 27.90%.

(1) Enhanced exhibition service capacity and operational efficiency

Relying on five key business pillars, namely service support for high-end state affairs and governmental activities, organization and hosting of convention and exhibition events, operation and management of venues and hotels, convention and exhibition industry research and consulting, and a digital integrated service platform, the Company has built a "domestically leading and internationally advanced chain leader enterprise in the convention and exhibition industry chain" (國內領軍、國際領先的會展產業鏈鏈主企業) by actively expanding government-related and international exhibitions, vigorously cultivating self-owned brand exhibitions, and providing one-stop convention and exhibition services to leading enterprises in strategic emerging industries.

Comprehensive service capabilities for state affairs and governmental activities continued to strengthen. The Company has deeply integrated into the strategic plan of establishing Beijing, the capital, as an international exchange center. During the Reporting Period, the Company successfully completed service support tasks for a series of major events, including the 2026 Zhongguancun Forum (2026中關村論壇), the Reception for Chinese and Foreign Women Marking International Women's Day (紀念"三八"國際婦女節中外婦女招待會), and the "Beijing Night" of the China Development Forum Annual Conference ("北京之夜"中國發展高層論壇年會). "North Star Service" received high recognition from all parties, which further enhanced its brand influence.

The market-oriented level of organizing and hosting convention and exhibition activities continued to improve. The Company's exhibition and convention organization business closely aligns with the development of new quality productive forces and the construction of an international consumption center city, focusing on several key sectors such as biopharmaceuticals, artificial intelligence, embodied robotics, and the silver economy. During the Reporting Period, the Company successfully organized and hosted several exhibition projects, such as the 28th China Beijing International High-Tech Expo (CHITEC) (第二十八屆中國北京國際科技產業博覽會(科博會)), the 2026 China Refrigeration Expo (2026中國製冷展), the Beijing International Illustration Art Exhibition (北京國際插畫藝術展), and the Beijing Healthy Lifestyle Expo (北京健康生活博覽會). Among them, CHITEC covered a total area of approximately 50,000 square meters, attracting over 800 domestic and foreign enterprises and institutions. An upgraded digital platform was utilized to realize intelligent matchmaking. A total of 148 achievements were released, with a total contract value of RMB590 million, reaching a record high in the transformation of achievements.

In addition, the Company innovatively integrated diverse business formats of "culture, commerce, tourism, sports and exhibitions", actively expanded new consumption scenarios for conventions and exhibitions, and hosted "Dadu (大都)" and "Guohui Guoyun (國會國韻)" series brand activities, including the First Dadu New Year Temple Fair (首屆大都新春廟會), the Dadu Trendy Drink Festival (大都潮飲節), the Dadu LOHAS Exhibition (大都樂活展), and the Guohui Concert (國會音樂會), creating an immersive festive consumption experience that integrates "technology, international style and Chinese characteristics" (科技感、國際範、中國味). Meanwhile, the Company actively promoted the preparation for the 2026 CIFTIS and held regular activities such as the exchange meeting for diplomatic envoys and representatives in China CIFTIS.

The Company steadily expanded the scale of operation and management of convention and exhibition venues and hotels. During the Reporting Period, the Company continued to enhance the comprehensive operational capabilities of its convention and exhibition venues and hotels, and actively expanded diversified operational scenarios such as exhibitions, conferences, sporting events, performances, and ancillary services, resulting in a steady improvement in the resource utilization efficiency and overall operational effectiveness of the convention and exhibition venues. The convention and exhibition venues cumulatively hosted 644 convention and exhibition events of various types, attracting 2.65 million visitor attendances.

The brand output management business continued to lead the Chinese market. To date, the Company has expanded its convention and exhibition venue and hotel management output business into 34 cities across China, covering Beijing-Tianjin-Hebei, Guangdong-Hong Kong-Macao, Chengdu-Chongqing and other important strategic development areas in China, with a total of 71 entrusted venue and hotel management projects, and a total area of over 7 million square meters under entrusted management.

During the Reporting Period, the Capital International Exhibition & Convention Center (首都國際會展中心), which was under the Company's entrusted management, hosted a number of major exhibition, convention and sporting events. These included, for the first time, the 2026 Beijing International Automotive Exhibition (2026北京國際汽車展覽會), which covered a total area of over 380,000 square meters and received 1.28 million visitor attendances, setting a new record in the history of the Beijing Automotive Exhibition and breaking the global record for the scale of automotive exhibitions. The venue also hosted, for the first time, the 2026 China Robot Competition (2026中國機器人大賽), which brought together leading robotics teams from more than 300 higher education institutions across the country, including Tsinghua University, Zhejiang University and the National University of Defense Technology, with more than 5,000 participating students and teachers.

Table 1: Convention and exhibition venue and hotel projects under entrusted management of the Company as of the date of this announcement

No.	Location	Name
1	Beijing City	China National Convention Center Phase II Project
2		Capital International Exhibition & Convention Center
3		Capital International Exhibition & Convention Center Hotel
4		Beijing Jinhai Lake International Convention & Exhibition Center
5		Shougang Convention & Exhibition Center
6		ZGC International Innovation Center
7		Beijing V-Continent Tongzhou Crown Zhenpin Hotel
8	Chongqing City	Chongqing BBMG V-Continent Crown Hotel
9		Chongqing BBMG V-Continent Crown Executive Apartment
10		Chongqing V-Continent China Communications City Crown Hotel

No.	Location	Name
11	Shijiazhuang City, Hebei Province	Shijiazhuang International Convention & Exhibition Center
12	Zhangjiakou City, Hebei Province	North Star V-Continent Zhangjiakou Crown Hotel
13		North Star V-Continent Huai'an Garden-style Hotel
14		North Star V-Continent Wanquan Crown Hotel
15	Xiong'an New District, Hebei	Xiong'an Convention & Exhibition Center
16		Ancillary hotels for Xiong'an Convention & Exhibition Center
17		Xiong'an International Academic Exchange Centre
18	Langfang City, Hebei Province	North Star V-Continent Yinfeng Crown Hotel
19		V-Continent Yongqing Crown Hotel
20	Xingtai City, Hebei Province	Xingtai World Exhibition & Convention Center
21		Ancillary hotels for Xingtai World Exhibition & Convention Center
22	Guangzhou City, Guangdong Province	Nansha International Convention & Exhibition Center
23		Guangzhou Xiangxue V-Continent Crown Hotel (tentative name)
24	Zhuhai City, Guangdong Province	North Star Zhuhai Jinye V-Continent Crown Hotel
25		Zhuhai V-Continent Athletes Integrated Center
26		Zhuhai V-Continent Athletes Apartment
27	Fuzhou City, Fujian Province	Fuzhou Digital China Convention & Exhibition Center
28	Nanjing City, Jiangsu Province	Nanjing Yangtze International Convention Center
29		Ancillary hotels for Nanjing Yangtze International Convention Center
30		Nanjing Longshan Lake Project
31		V-Continent Nanjing Executive Apartment
32		Nanjing V-Continent Crown Hotel
33		North Star V-Continent Nanjing Wangyudao Crown Garden Hotel

No.	Location	Name
34	Nantong City, Jiangsu Province	Nantong International Convention & Exhibition Center
35		Ancillary hotels for Nantong International Convention & Exhibition Center
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		Ancillary hotels for Hangzhou International Expo Center
41		Liangzhu Living Room Project
42	Lishui City, Zhejiang Province	Lishui International Convention & Exhibition Center
43		Ancillary hotels for Lishui International Convention & Exhibition Center
44	Huzhou City, Zhejiang Province	Anji International Convention & Exhibition Center
45		Ancillary hotels for Anji International Convention & Exhibition Center
46	Qingdao City, Shandong Province	Qingdao Shanghe Building
47		Qingdao SCODA Pearl International Expo Center (Hall A)
48	Dezhou City, Shandong Province	Dezhou Tianqu International Convention & Exhibition Center
49	Yuncheng City, Shanxi Province	Yuncheng Convention and Exhibition Center
50	Datong City, Shanxi Province	North Star V-Continent Datong Executive Apartment
51	Chengdu City, Sichuan Province	Chengdu Airport International Convention Center
52		Ancillary hotels for Chengdu Airport International Convention Center

No.	Location	Name
53	Wuhan City, Hubei Province	Wuhan Automotive Supply Chain Industrial Park Project
54		Ancillary hotels for Wuhan Automotive Supply Chain Industrial Park Project
55		North Star V-Continent Wuhan China Communications City Crown Hotel
56	Changsha City, Hunan Province	North Star V-Continent Changsha China Communications International Center Crown Hotel
57	Zhengzhou City, Henan Province	Zhengzhou Central Culture District Culture Exchange Center
58		Ancillary hotels for Zhengzhou Central Culture District Culture Exchange Center
59		Zhengzhou International Culture Exchange Center
60	Tonghua City, Jilin Province	North Star V-Continent Tonghua Wanfeng Crown Hotel
61		Tonghua V-Continent Canchuang Crown 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	Nyingchi City, Tibet Autonomous Region	V-Continent Linzhi Hotel
65	Shihezi City, Xinjiang Uygur Autonomous Region	Shihezi International Convention and Exhibition Center
66	Tacheng Prefecture, Xinjiang Uygur Autonomous Region	Tacheng Central Asia Cultural Exchange Center
67		Ancillary hotels for Tacheng Central Asia Cultural Exchange Center
68	Gao'an City, Jiangxi Province	North Star V-Continent Jiangxi Hongwei Crown Hotel
69	Hohhot City, Inner Mongolia Autonomous Region	V-Continent Commerce Hohhot Jinqiao Development Zone Hotel
70	Chifeng City, Inner Mongolia Autonomous Region	North Star V-Continent Chifeng Crown Hotel
71	Huangshan City, Anhui Province	Huizhoufang V-Continent Garden-style Hotel

(2) *Steady improvement in the quality and efficiency of convention and exhibition and ancillary facilities services*

Implementing asset operations with an industrial mindset. By integrating internal resources, the Company has established a comprehensive portfolio of office products exceeding 500,000 square meters in total scale. This portfolio encompasses diverse commercial spaces including premium-grade, grade-A, and grade-5A facilities. We executed targeted marketing strategies for the Asian Games and Olympic Games regional markets while innovating a digital marketing matrix and creating distinctive community events. This approach formed a comprehensive marketing ecosystem to enhance customer loyalty. During the Reporting Period, the office building segment achieved "stabilizing existing stock and expanding incremental volume", with significant improvements in both contract signing rate and occupancy rate, while lease renewals maintained a good momentum, steadily advancing the improvement of property service quality and market expansion.

Dual-brand matrix established, fully unleashing commercial vitality. The quality of commercial operation and market attractiveness of the "North Star Centre" (北辰薈) and "Polpark" (北辰萃) projects operated by the Company steadily improved. In July 2026, Polpark in Beijing (北京北辰萃) commenced trial operation. It introduced 14 regional first-entry and distinctive brands, with first stores accounting for as much as 72%. Featuring a courtyard-style sunken space of over 8,000 square metres and focusing on "art + technology + gastronomy" as its core, it built an immersive experience space integrating culture, commerce, and tourism, and established differentiated commercial competitiveness by leveraging its excellent location, transport advantages and major art exhibition resources. Beijing North Star Centre (北京北辰) continued to innovate its operation model and optimize consumer experience. By introducing trendy activities such as the Jay Chou IP thematic exhibition (周同學IP主題展) and the Zhang Xue Motorcycle pop-up exhibition (張雪機車快閃展), it continued to reshape the commercial landscape of the Asia Olympic business district (亞奧商圈), receiving visitor attendances of 3.47 million during the Reporting Period. "Changsha North Star Centre" (長沙北辰薈) fully integrated local consumption habits and cultural characteristics to create a commercial ecosystem featuring both a national perspective and regional characteristics and achieved North-South resource synergy and collaborative brand upgrading with "Beijing North Star Centre" (北京北辰薈). Its international themed market received extensive coverage by the central media, and its historical record for single-day footfall was raised to 81,000 visits.

Active synergy among industrial parks, with industrial agglomeration effect beginning to emerge. During the Reporting Period, the Company coordinated the integrated operations of the Chaoyang Data Factor Industrial Park (朝陽數據要素產業園), the Artificial Intelligence Convention and Exhibition Industrial Park (人工智能會展產業園) and the Smart Robot Innovation and Application Base (智能機器人創新應用基地), concurrently establishing supporting platforms such as industry associations, incubators and financial service groups. In particular, leveraging the advantages of Times Tower (時代大廈) as its operating platform, the Chaoyang Data Factor Industrial Park was positioned by the "15th Five-Year" Plan of Chaoyang District as the core carrier area of the first Data Business District (DBD) in the PRC, attracting the official settlement of the World Data Organization (WDO); the Smart Robot Innovation and Application Base introduced enterprises such as Simple AI (深樸智能) and DAX Robotics (大咖機器人), completed the applications for multiple district-level industrial policies, and promoted the implementation of various real-scene applications by leveraging the diversified business format resources of the Company; the Artificial Intelligence Convention and Exhibition Industrial Park (人工智能會展產業園) coordinated and promoted resource synergy, structural renovation and customer expansion to explore a compound operation model.

2. *Real Estate Development*

Amid the complex environment of ongoing adjustments in the real estate market, the Company has been coordinating efforts to reduce inventory, ensure project delivery, mitigate risks and pursue transformation, thereby maintaining stable operations in its real estate business. Affected by the increase in settlement income of the real estate development segment, the real estate development segment achieved operating income of RMB1,729,074,000 (including parking spaces) during the Reporting Period, representing a year-on-year increase of 18.32%. Due to changes in products settled for the current period, the gross profit margin level increased. However, affected by the real estate industry, an overall loss was still recorded, and the loss before tax amounted to RMB864,416,000, representing a decrease in loss of RMB742,307,000 as compared to the same period of last year.

Precision marketing to accelerate project disposals. The Company closely tracked market dynamics and efficiently implemented the differentiated marketing scheme of "tailored strategies for each project" and strengthened the high-frequency coordination of key projects and the flexible adaptation of promotional strategies. Meanwhile, it increased its investment in digital marketing and continuously expanded online customer acquisition channels relying on the "North Star Cheng Xiangjia" (北辰橙享家) platform, with the proportion of the transaction amount generated by digital marketing reaching a new high in recent years. During the Reporting Period, the Company recorded contract sales (including parking spaces) of RMB1.559 billion, with a sales area of 150,900 square meters. Notably, the North Star Red Oak Villa project continued to take the lead in the Aobei villa market (奥北別墅市場), while the sales performances of various projects outside Beijing, including those in Changsha, Chongqing, and Suzhou, consistently ranked at the forefront of their respective local markets.

Strictly control risks to safeguard project construction. Enhancing meticulous control throughout the project lifecycle, rigorously managing costs and ensuring engineering quality while advancing development and construction. Continuously implement dynamic control of cash flow and regularly review income and expenditure data. Adhering to the principle of "spending based on revenue", strengthen budgetary and process controls to ensure secure and stable cash flow.

Steadily advancing transformation and development. Adhering to the working approach of "one project, one plan, differentiated policies, and precise breakthroughs", we tailored project revitalization pathways, and implemented differentiated and refined operational measures. By adopting a progressive verification advancement model, operations are conducted through market research, target customer positioning, and pilot operation of small-scale products.

Table 2: Operation and 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 and property fee income of the leased real estate	Equity proportion *(%)*
1	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Bin Plaza	Office building	37,800	2,614	100
2	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Xin Plaza	Office building	40,900	2,210	100
3	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	North Star Times Tower	Office building	131,300	6,832	100
4	No. 8 Bei Chen Xi Road, Chao Yang District, Beijing	North Star Century Center	Office building	149,800	10,068	100
5	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	Hui Zhen Building	Office building	8,400	1,002	100
6	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	North Star Hui Yuan Apartment	Apartment	184,300	11,275	100
7	A13 Beiyuan Road, Chao Yang District, Beijing	B5 Commercial Area of North Star Green Garden	Commercial	49,700	1,538	100
8	No. 1500, Xiang Jiang Bei Road, Kaifu District, Changsha, Hunan Province	Changsha POLPAS	Commercial	100,000	6,120	100
9	No. 9, Gaoxin 2nd Road, Hongshan District, Wuhan City, Hubei Province	Wuhan Guangguli	Commercial	29,600	1,253	100
10	No. 8 Bei Chen Dong Road, Chao Yang District, Beijing	North Star New Space	Office building	31,000	2,277	100

Notes:

1. The B5 Commercial Area of North Star Green Garden has been leased as a whole 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.

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	99,300	337,000	No	–	100
2	Langfang North Star Xianglu	42,200	296,800	No	–	100
3	Chongqing • Yuelai Mansion One	110,200	918,000	No	–	100

Notes:

1. Land area held for development represents the plot ratio-based gross floor 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 1,826,000 square meters; equity land reserve was 1,611,500 square meters, with no newly added real estate reserve.

5. The statistical basis of the land reserve is the saleable plot ratio-based gross floor area.

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	13,800	212,100	34.00	0.66
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	Changping, Beijing	Beijing Jinchen Mansion	Residence	Completed	86,600	170,400	280,100	–	280,100	53.17	0.01
5	Mentougou, Beijing	Beijing Longfor North Star Lanjing	Residence	Completed	26,000	66,200	104,100	–	104,100	24.78	0.02
6	Changsha, Hunan	Changsha North Star Delta	Residence, commercial and office building etc.	Under construction	780,000	3,820,000	5,200,000	125,000	4,931,900	377.93	1.63
7	Changsha, Hunan	Changsha North Star Central Park	Residence	Completed	336,300	720,000	927,100	–	927,100	26.03	0.01
8	Changsha, Hunan	Changsha North Star Shiguangli	Residence and commercial	Completed	27,700	107,900	145,400	–	145,400	12.28	–
9	Wuhan, Hubei	Wuhan North Star Guangguli	Commercial service	Under construction	84,200	337,000	492,000	–	357,200	43.86	0.14
10	Wuhan, Hubei	Wuhan North Star Blue City	Residence and commercial	Under construction	358,000	716,000	980,100	17,000	745,400	114.11	0.12
11	Wuhan, Hubei	Wuhan North Star Peacock City Hangtian Mansion	Residence	Completed	75,200	172,800	220,400	–	220,400	10.44	0.02
12	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (Lot 067)	Residence and commercial	Completed	50,500	126,200	180,900	–	180,900	13.16	0.03
13	Wuhan, Hubei	Wuhan North Star Jingkaiyou+ (Lot 068)	Residence and commercial	Under construction	63,200	158,100	227,700	227,700	–	23.97	0.01
14	Wuhan, Hubei	Wuhan North Star Jindiyang Time	Residence and commercial	Completed	50,500	151,400	212,100	–	212,100	18.72	–
15	Hangzhou, Zhejiang	Hangzhou North Star Chenchun Lancheng	Residence	Completed	69,000	179,500	276,600	–	276,600	52.41	0.54
16	Ningbo, Zhejiang	Ningbo Beichenfu	Residence	Completed	47,300	137,400	189,700	–	189,700	45.20	–
17	Yuyao, Zhejiang	Ningbo Xianglu Bay	Residence	Completed	68,700	116,800	166,400	–	166,400	22.22	0.14
18	Suzhou, Jiangsu	Suzhou Guanlan Mansion	Residence and commercial	Completed	170,000	268,800	392,900	–	392,900	71.42	0.92
19	Wuxi, Jiangsu	Wuxi Tianyi Jiuzhu	Residence	Completed	88,000	196,000	255,400	–	255,400	28.60	0.03
20	Chengdu, Sichuan	Chengdu North Star Langshi Nanmen Lvjun	Residence and commercial	Completed	63,600	158,600	237,000	–	237,000	10.14	–

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
21	Chengdu, Sichuan	Chengdu North Star • Xianglu	Residence and commercial	Completed	40,400	96,900	148,300	–	148,300	16.16	–
22	Chengdu, Sichuan	Chengdu North Star • South Lake Xianglu	Residence	Completed	88,000	210,000	297,100	–	297,100	26.44	0.03
23	Chengdu, Sichuan	Chengdu North Star Royal Palace	Residence and commercial	Completed	26,600	79,800	120,000	–	120,000	18.03	–
24	Chengdu, Sichuan	Chengdu North Star Luming Mansion	Residence and commercial	Completed	80,100	160,300	227,300	–	227,300	23.10	0.07
25	Meishan, Sichuan	Sichuan North Star Guosongfu	Residence and commercial	Completed	59,900	149,800	197,400	–	197,400	34.49	0.32
26	Meishan, Sichuan	Sichuan North Star Longxitai	Residence and commercial	Completed	69,900	84,000	126,600	–	126,600		
27	Langfang, Hebei	Langfang North Star Xianglu	Residence and commercial	Under construction	140,700	296,800	414,500	–	357,700	31.28	0.34
28	Langfang, Hebei	Langfang North Star Blue City (Lot 2018-4)	Residence	Under construction	82,500	164,800	245,600	245,600	–	30.16	1.55
29	Langfang, Hebei	Langfang Xingchenli (Lot 2019-3)	Commercial	Under construction	21,100	52,800	75,400	75,400	–		
30	Langfang, Hebei	Langfang North Star Chenrui (Lot 2020-5)	Residence	Under construction	46,200	92,000	135,400	135,400	–	13.43	0.19
31	Yubei, Chongqing	Chongqing • Yuelai Mansion One	Residence and commercial	Under construction	429,100	918,000	1,321,100	–	1,153,600	115.93	1.30
32	Yubei, Chongqing	Chongqing North Star Xianglu	Residence	Completed	68,200	102,200	150,400	–	150,400	24.76	0.25
33	Haikou, Hainan	North Star Mansion in Haikou	Residence and commercial	Completed	106,800	206,000	281,100	–	281,100	40.02	0.14
34	Guangzhou, Guangdong	Guangzhou Lanting Xianglu (Lot 116)	Residence and commercial	Under construction	25,900	77,800	113,700	113,700	–	12.00	0.01
35	Guangzhou, Guangdong	Guangzhou Lanting Xianglu (Lot 114)	Residence and commercial	Completed	25,100	76,600	110,600	–	110,600	9.66	0.02

Notes:

1. Total investment amount represents the estimated total investment amounts for each project, including interest and related expenses;

2. During the Reporting Period, the Company's newly commenced area was zero square meter; the area for new and resumed construction was 955,000 square meters; and the completed area was 49,400 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	Haidian, Beijing	Beijing North Star Xianglu	Residence	–	–	–	–	492
2	Chaoyang, Beijing	Beijing North Star Fudi	Residence and commercial	3,047	–	–	–	–
3	Shunyi, Beijing	Beijing North Star • Villa 1900	Residence	–	–	280	611	–
4	Chaoyang, Beijing	Beijing Bihai Fangzhou	Residence	830	–	–	–	1,499
5	Changping, Beijing	Beijing North Star Red Oak Villa	Villa	20,040	6,276	3,514	13,346	6,279
6	Changping, Beijing	Beijing Jinchen Mansion	Residence	76,578	814	903	2,730	90
7	Mentougou, Beijing	Beijing Longfor North Star Lanjing	Residence	9,025	–	–	–	–
8	Changsha, Hunan	Changsha North Star Delta	Residence, commercial and office building etc.	57,961	12,879	33,632	71,825	5,488
9	Changsha, Hunan	Changsha North Star Central Park	Residence	8,010	2,940	3,886	2,750	47
10	Changsha, Hunan	Changsha North Star Shiguangli	Residence and commercial	6,913	579	–	–	739
11	Wuhan, Hubei	Wuhan North Star Guangguli	Commercial service	60,903	101	221	151	–
12	Wuhan, Hubei	Wuhan North Star Blue City	Residence and commercial	35,576	15,903	13,026	5,771	3,010
13	Wuhan, Hubei	Wuhan North Star Peacock City Hangtian Mansion	Residence	5,748	639	3,248	83	13,186
14	Wuhan, Hubei	Wuhan North Star Jingkaiyou + (Lot 067)	Residence and commercial	15,012	1,013	900	328	216
15	Wuhan, Hubei	Wuhan North Star Jindiyang Time	Residence and commercial	27,369	235	–	–	–
16	Hangzhou, Zhejiang	Hangzhou North Star Shushan Project	Residence and commercial	37	37	37	63	–
17	Hangzhou, Zhejiang	Hangzhou North Star Chenchun Lancheng	Residence	33,216	90	90	161	2,154
18	Ningbo, Zhejiang	Ningbo Beichenfu	Residence	7,510	–	–	–	–
19	Yuyao, Zhejiang	Ningbo Xianglu Bay	Residence	486	494	494	372	124
20	Suzhou, Jiangsu	Suzhou Guanlan Mansion	Residence and commercial	97,181	32,525	26,431	21,767	6,599

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	Chengdu, Sichuan	Chengdu North Star • Xianglu	Residence and commercial	406	255	255	357	–
22	Chengdu, Sichuan	Chengdu North Star • South Lake Xianglu	Residence	7,056	–	–	–	–
23	Chengdu, Sichuan	Chengdu North Star Royal Palace	Residence and commercial	4,476	–	–	–	–
24	Chengdu, Sichuan	Chengdu North Star Luming Mansion	Residence and commercial	9,776	102	102	269	111
25	Meishan, Sichuan	Sichuan North Star Guosongfu	Residence and commercial	5,641	–	–	3	246
26	Meishan, Sichuan	Sichuan North Star Longxitai	Residence and commercial	14,180	6,400	5,731	3,746	1,076
27	Langfang, Hebei	Langfang North Star Xianglu	Residence and commercial	1,094	319	167	848	290
28	Langfang, Hebei	Langfang North Star Blue City	Residence	120,237	–	–	–	18,918
29	Yubei, Chongqing	Chongqing • Yuelai Mansion One	Residence and commercial	82,656	58,804	50,205	38,831	10,139
30	Yubei, Chongqing	Chongqing North Star Xianglu	Residence	–	–	–	24	–
31	Haikou, Hainan	North Star Mansion in Haikou	Residence and commercial	30,513	9,629	7,931	7,857	2,184
32	Haikou, Hainan	Haikou North Star Changxiu Shijia	Residence	2,273	–	–	–	–
33	Guangzhou, Guangdong	Guangzhou Lanting Xianglu (Lot 114)	Residence and commercial	2,189	863	–	–	–

Note:

During the Reporting Period, the sales area of the Company was 150,896 square meters; the sales amount was RMB1.559 billion; the booked area was 151,775 square meters; the booked revenue was RMB1.729 billion; and the area to be booked as at the end of the Reporting Period was 73,223 square meters.

3. *Digitalization Initiatives*

Establishing a sound digitalized management and control system. The Company has developed 14 core management and control systems, covering areas including finance, human resources, procurement, assets, investment, audit, legal affairs, Party building and archives. A full-chain management and control system featuring the "integration of assets, business and finance" has thereby been formed, achieving a 90% online rate for management and control business processes and increasing the average approval efficiency of such processes by over 40%.

Enhancing the digitalization of exhibition and conference operations. During the Reporting Period, the Company continued its efforts in the digitalization of management and control, the digitalization of the convention and exhibition industry, and the industrialization of convention and exhibition consumption data. The Company iterated its Smart Venue Management Platform 4.0, realizing synergy between its self-owned venues and the exhibition business, and integrating standardized exhibition processes into venue digital services, thereby enhancing operational efficiency and optimizing energy consumption of the venues. The Company took the lead in compiling the group standard of the "Specifications for the System Construction and Operation and Maintenance of Smart Exhibition Venues" (《智慧會展場館系統建設及運維規範》), formulating an external service capability of "digital operations + industry standard". During the Science and Technology Expo (科博會), the Metropolis Exhibition Digital Intelligence Platform (大都會展數智平台) was officially launched and put into trial operation, promoting the enhancement of the one-stop service level for exhibitions, sorting out cooperation pathways for convention and exhibition technology products and exploring market-oriented models such as the customization and leasing of smart equipment. The Company carried out the "Spring Seedling Initiative" (春苗行動) for data in an orderly manner, consolidating business data from a number of large-scale exhibitions, establishing convention and exhibition datasets and a monitoring and analysis platform, and initiating the compilation of a catalogue of convention and exhibition data resources, with a view to unlocking the value of data assets and promoting the scaled development of digital businesses.

Facilitating the digital and smart transformation of the convention and exhibition industry and ancillary facilities. During the Reporting Period, the Company continuously enhanced the governance level of conventions and exhibitions and supporting facilities, as well as overall labor productivity, achieved dynamic management and control of operating assets, and improved leasing management efficiency. In terms of digital marketing, the Company completed the upgrade of the "Asia Olympic Circle" (亞奧圈) digital platform, launched the Asia Olympic Consumption Map (亞奧消費地圖), and established the Asia Olympic consumption analysis index model; steadily advanced the digital development of the "Bei Ji Xing" (北極星) comprehensive membership system; and integrated the digital marketing resources of the two major business segments, namely convention and exhibition and ancillary facilities services and real estate development, to construct a unified external digital marketing platform. In terms of data governance, the Company has obtained the three-star certification of the Data Management Capability Maturity Model (DCMM), and is currently, in collaboration with industry organizations, carrying out the planning for large models, intelligent agents and trusted convention and exhibition data, driving the digital and intelligent transformation and upgrade of upstream and downstream ancillary businesses, and was once again recognized as a DLMM Three-Star Outstanding Enterprise (DLMM三星級優秀企業) in the digital transformation maturity assessment and certification.

4. *Financing Activities*

The Company strengthened its overall fund management, enhanced debt management and control, and reasonably reduced the scale of interest-bearing liabilities to provide stable funding support for the business development of the Company. As at the end of the Reporting Period, the total financing amounted to RMB22.94 billion. At the same time, the Group continued to optimize its debt structure, rationally plan financing channels and strive to reduce capital costs, such that the overall average financing cost was further reduced to 3.24%.

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**
2,294,395	3.24	4,459

IV. DEVELOPMENT STRATEGY OF THE COMPANY

The Company adheres to the principle of "synergistic development and reform-driven innovation," focusing on strengthening the "mega convention and exhibition" industry as its core. Leveraging digital and intelligent empowerment as its driving force, it promotes deep synergy across all business segments. The Company is fully committed to becoming a domestically leading and internationally advanced chain leader enterprise in the convention and exhibition industry chain, as well as a comprehensive operator empowered by the "convention and exhibition +" model.

1. Convention and Exhibition and Ancillary Facilities Services

The Company will focus on serving the national agenda and advancing the development of Beijing's "four centers" functions, firmly seize the development opportunities presented by new-quality productive forces, promote the high-quality development of the convention and exhibition industry. We will fully leverage the industry's role and functions within strategic emerging industries and drive the integrated development of ancillary facilities such as hotels, office buildings, apartments and integrated commercial complexes.

The Company builds a new business framework centred on four pillars and eight supporting elements. The four pillars are our core business of government-sponsored exhibitions, international events, proprietary brand shows, and one-stop exhibition services for leading enterprises. The supporting elements encompass lean venue operations, enhanced entrusted management, standardized service systems, diversified business formats, deep vertical industry integration, a proprietary brand matrix, centralized procurement, and digital platform development. Simultaneously, we deepen our model transformation by building a new business model through "expanding, extending, and complementing the industrial chain." Positioned as an "industrial development partner," we focus on advantageous industrial sectors, providing full-chain, high-value-added services to create high-end business platforms with North Star characteristics, featuring multi-dimensional integration and composite value across "government, industry, academia, research, finance, services, and application" and to establish a "convention and exhibition +" industrial ecosystem. We accelerate product innovation to create a product portfolio characterized by standardized offerings, commercialized exhibits, and specialized content, thereby achieving comprehensive upgrades in venue management and other services, and leveraging core data to streamline product sales channels. We expand our client base by incorporating all entities across the convention and exhibition industry value chain into our customer roster, utilizing data platforms to enable precise insights and marketing.

The Company prioritizes asset value enhancement as its core, leveraging the integrated ecosystem of "culture, commerce, tourism, sports, and exhibitions" to unleash the aggregation momentum of its three major industrial parks and establish a benchmark for asset operation of leading public construction parks in China. We will strengthen the integration of the Asia Olympic Business District and the Changsha Riverside Business District through north-south synergy, innovate models such as the event economy and ticket-stub economy, establish standardized mechanisms for reciprocal customer traffic diversion and the joint organization of events, and build a replicable paradigm for cross-regional commercial district cooperation; optimize the deep cultivation of full-cycle industrial services within industrial parks, refine differentiated product and pricing systems, optimize the dynamic pricing system for tenants as well as the tenant mix, implement special policies for leading enterprises of industrial chains, establish a one-stop industrial supporting system, and promote the transformation of services towards the cultivation of a full-chain industrial ecosystem; leverage high-quality apartment properties to develop the Asia Olympic OPC vibrant hub for youth entrepreneurs, introduce exclusive long-term rental packages for technology and innovation enterprises, concurrently implement facility upgrades and multi-channel customer acquisition, and steadily enhance rental revenue; strengthen the "North Star Yue" property brand, enhance refined property management, and continuously expand operational scale.

2. Real Estate Development

The Company prioritizes "risk prevention, transformation promotion, and cash flow stabilization" as core tasks, driving the real estate business toward transformation into a specialized urban renewal service provider anchored by "convention and exhibition+" (會展+) initiatives. Full efforts are dedicated to implementing "one project, one strategy" to accelerate sales of flagship projects, ensuring delivery of key projects. We are reshaping our business core by exploring "convention and exhibition+" urban renewal projects and business model. We are revitalizing existing assets through intensive management, accelerating the integration of remaining inventory projects, and enhancing the operational efficiency of existing assets by combining leasing and sales, and leveraging leasing to drive sales.

3. Digitalization Initiatives

The Company will actively cultivate new digital businesses, systematically advance digital and intelligent transformation centered on the service ecosystem spanning the upstream and downstream of the convention and exhibition industry, the commercial district ecosystem of the Asia-Olympic City, and the Company's various business formats. Through measures such as control digitalization, industrial digitalization and data industrialization, it will enhance industrial operational efficiency and strengthen the Company's core competitiveness.

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 debt 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 2026, the Company's estimated fixed asset investment is RMB65 million, the payment of which will be made according to the construction progress. The investment will be funded by the Company's own funds.

V. POTENTIAL RISKS

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, and may pose certain risks to the stability of business operations.

In response to the aforesaid risks, the Company will pay close attention to the development trend of the market, and continuously optimize development strategies. Leveraging our competitive industries, we focused on synergistic development in areas such as urban renewal and "convention and exhibition +" (會展+), while maintaining 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 ancillary facilities services segment 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 implement a "six-step" strategy for talent selection and recruitment, with a focus on building a team of high-quality, professional cadres and outstanding young cadres and talents. Through various channels and means, including the launch of the "Excellent Training Programme", university enterprise cooperation, and the "internal training and external recruitment" of multiskilled talents, the Company continuously attracts and retains talents. The Company will continue to improve systems and mechanisms conducive to the development of young cadres and talent, step up efforts to build and cultivate a talent pipeline of young cadres and talent, and, in response to the development needs of the convention and exhibition and ancillary facilities services and the real estate development business, carry out specialized services, specialized secondments at entrusted venues and cross-segment secondment training, with a view to cultivating more versatile cadres and talent with professional expertise.

DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE

Financial Resources and Liquidity

As at 30 June 2026, the equity attributable to ordinary shareholders of the Company decreased by 7.08% compared with 31 December 2025. The decrease was mainly due to the loss attributable to the ordinary shareholders of the Company of RMB936,495,000 during the Period.

The Group's bank and other borrowings (excluding bonds) as at 30 June 2026 amounted to RMB15,104,428,000. At the end of the Period, net values of the Group's 5-year corporate bonds, 3-year corporate bonds, 2-year corporate bonds, 5-year medium term notes and 3-year medium term notes were RMB2,257,188,000, RMB324,645,000, RMB1,191,470,000, RMB3,133,251,000 and RMB932,966,000, respectively. As at 30 June 2026, the asset-backed securities had been repaid by the Group and terminated.

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 RMB30,866,127,000, whereas current liabilities amounted to RMB13,521,920,000. As at 30 June 2026, the balance of cash at bank and on hand amounted to RMB7,050,242,000 (excluding restricted bank deposits) and none of the bonds in issue were exposed to redemption and interest payment risks. During the Period, the Company did not engage in any transaction in financial products or derivative instruments.

As at 30 June 2026, the Group had secured borrowings from banks and other financial institutions of RMB15,090,125,000 with certain right-of-use assets, investment properties, hotels, properties under development and completed properties held for sale as collaterals. The asset-liability ratio calculated by total liabilities divided by total assets for the Group was 71% as at the end of the Reporting Period (31 December 2025: 70%).

The Group's operations took place within Chinese mainland and all transactions were settled in Renminbi. Accordingly, there was no material 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 2026, the outstanding amount of financial guarantees provided in phases was RMB2,423,451,000 (31 December 2025: RMB3,461,022,000).

SHARE CAPITAL AND SHAREHOLDERS

Share Capital

The Company's registered capital as at 30 June 2026 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 2026 and up to the date of this announcement, the following person, other than a director or chief executive of the Company, had 5% or more interests or short positions in the shares and underlying shares of the relevant class of issued share capital of the Company as recorded in the register of interests in the shares and short positions required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance ("**SFO**"):

Interests and Short Positions in Shares of the Company

Name of shareholder	Nature of interest	Capacity	Class of shares	Number of shares held	Percentage of the relevant class of share capital	Percentage of total share capital
Beijing North Star Industrial Group Limited Liabilities Company ("**BNSIGC**")	Corporate interest	Beneficial owner	A shares	1,175,469,731[Note]	44.19%	34.91%

Note: The number of shares reflects the number of shares of the Company held by BNSIGC as at 30 June 2026 as recorded in the register. On 30 June 2026, BNSIGC increased its holdings of the A shares of the Company to a total of 1,206,210,803 shares, representing 45.35% of A shares capital of the Company and approximately 35.82% of the total share capital of the Company.

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 2026.

INTERESTS OF DIRECTORS OF THE COMPANY

As at 30 June 2026, 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 to the Listing Rules during the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code. Having made specific enquiries with all directors of the Company, the Company confirms that its directors have complied with the required standards as set out in the Model Code during the six months ended 30 June 2026.

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 2026 have been reviewed by the Audit Committee and the Board. The Audit Committee comprises three independent non-executive directors of the Company, namely, Ms. QIAN Ai-min (as chairman), Dr. CHOW Wing-Kin, Anthony and Mr. GAN Pei-Zhong.

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 2026, 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 2026, the Company had 4,513 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 were not entitled to any 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 or the Group which occurred from 30 June 2026 to the date of this announcement.

PUBLICATION OF INTERIM REPORT

The Company's 2026 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 2026 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
20 August 2026

As at the date of this announcement, the Board comprises eight directors, of which Mr. ZHANG Jie, Ms. LIANG Jie, Mr. YANG Hua-Sen, Mr. WEI Ming-Qian and Mr. ZHU Yan 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.