



Beijing North Star Announced 2016 Annual Results

**Made Breakthroughs in Low-cost Expansion and Successfully Entered the top
100 real estate enterprises in China**
**Achieved Positive Results of Brand Expansion and Unremittingly Expanded
Presence of North Star Exhibition and Convention Brand**
Strengthened Capital Expansion with Financing Cost recorded a New Low

Financial and Business Highlights

- ✓ Revenue reached RMB9,829.78 million, representing a year-on-year increase of 36.79%
- ✓ Profits before income tax and profits attributable to the equity holders were RMB1,430.2 million and RMB806.8 million respectively, up 6.33% and 6.06% year-on-year respectively .
- ✓ Basic and Diluted Earnings per share were RMB0.2396, representing a year-on-year increase of 6.06%
- ✓ The contracted sales amount and the sales area of the Development properties were RMB22.6 billion (including parking space) and 1,550,000 square meters respectively, up 208% and 154% year-on-year respectively, making the Company successfully enter the top 100 real estate enterprises in China.
- ✓ Changsha North Star Delta project, the key project in southern area and the most influential urban complex in Changsha, recorded the best performance in residential housing sales in Changsha for 6 consecutive years, ranked first in sales in 2016 in Hunan Province, and was also among the top player in terms of the sales results for single real estate project in China. In 2016, the sales area of Changsha North Star Delta project was 640,000 square meters and the sales amount was around RMB6.2 billion.
- ✓ The Company obtained an aggregate of 14 land parcels, with a newly added land reserve of 3,700,000 square meters.

Financial and Business Highlights

- ✓ The Company have possessed 30 projects in the pipeline and under construction and established presence in 11 cities, establishing a trans-regional layout covering North China, Central China, East China and the Southwest.
- ✓ North Star Events Group managed to enter into contracts on preliminary consulting services for eight projects, including those located in Jiangxi, Guangdong, Shandong and Hainan. The cumulative contracted convention and hotel projects on consulting service and entrusted management totaled 18, with an accumulated floor area of 3,471,500 square meters under entrusted operation and management.
- ✓ North Star Events Group managed to receive the G20 Hangzhou Summit with high-quality services at a high standard, which initiated the reception of state-level foreign affairs activities in respect of the Company's management output of convention venues, demonstrated the professionalism of the "North Star Exhibition and Convention" brand. The presence of the "North Star Exhibition and Convention" brand expanded unremittingly.

(23rd March, 2017- Hong Kong) Beijing North Star Company Limited ("Beijing North Star" or the "Company") (HKEx Stock Code 0588, SSE Stock Code: 601588) is pleased to announce the consolidated results of the Company for the year ended 31 December 2016.

In 2016, revenue of the Company increased year on year by 36.79% to RMB9,829.78 million. Due to an increase in gains arising from the changes in fair value of investment properties as compared with last year, profits before income tax and profits attributable to the equity holders of the Company were RMB1,430.2 million and RMB806.8 million respectively, up 6.33% and 6.06% respectively over the previous year. Affected by the increase in preliminary expenses and change in structure of settlement of projects in the period as a result of rapid increase in the number of development project and remarkable growth in sales amounts, the after-tax core operating results of the principal businesses of the Company (excluding gains arising from the changes in fair value) was RMB743.4 million, down 0.06% year-on-year. Gains (after tax) arising from the changes in fair value of investment properties was RMB63.38 million in the period. Earnings per share was RMB0.2396, up 6.06% over the same period last year.

Reviewing the 2016 annual results, Mr. He Jiangchuan, Chairman of Beijing North Star stated, " by adhering to the strategy of parallel development of asset-heavy investment business and asset-light service business, the Company further implemented three major strategies including low-cost expansion, brand expansion and capital expansion, and constantly explored innovative development. As a result, we recorded remarkable increase in sales results and achieved a historical breakthrough, making the Company successfully enter the top 100 real estate enterprises in China. The Company made positive results in brand expansion and managed to enter into contracts on preliminary consulting services for eight projects, including those located in Jiangxi, Guangdong, Shandong and Hainan during the Reporting Period. Meanwhile, "North Star Exhibition and Convention" brand continually increased its influence. North Star Events Group managed to receive the G20 Hangzhou Summit with high-quality services at a high standard, which initiated the reception of state-level foreign affairs activities in respect of the Company's management output of convention venues, demonstrated the professionalism of the 'North Star Exhibition and Convention' brand. The Company vigorously reinforced capital expansion, continued to expand the financing channel, and intensify innovations in financing modes, thus the financing cost hit a new low level in recent years."

As for development properties, the Company capitalized on the market opportunities, employed flexible marketing strategy, sped up de-stocking, and recorded remarkable

increase in sales results. In 2016, the contracted sales amount and the sales area were RMB22.6 billion (including parking space) and 1,550,000 square meters respectively. Beijing North Star Royal Oak Villa project, the key project in Beijing region, recorded a contracted sales amount of around RMB1.3 billion, consecutively ranking front in the regional market. Changsha North Star Delta project, the key project in southern area and the most influential urban complex in Changsha, recorded the best performance in residential housing sales in Changsha for 6 consecutive years, ranked first in sales in 2016 in Hunan Province, and was also among the top player in terms of the sales results for single real estate project in China. During the Reporting Period, the sales area of Changsha North Star Delta project was 640,000 square meters and the sales amount was around RMB6.2 billion. With higher-than-expected sale price, Wuhan North Star Best+ Phase II project was sold out in mere 2 hours after opening for sale and thus became the most coveted project in the area, with the contracted sales amount of RMB630 million. Chengdu North Star Xianglu project was open for sale one month earlier than planned. Its first available houses were well recognized by the market and were all sold out within one week.

As for Investment properties (including hotels), the Company gave full play to its advantages in resource integration and intensified its comprehensive management capability. While pushing forward service upgrade in traditional held-for-sale properties, the Company concentrated its efforts on innovative development, strengthened the external expansion of new business and new technology in convention and exhibition industry, further released the development vitalities of the Company and tapped new endogenous driving force for the sustainable development of the Company. As a result, operating benefits of the Company continued to increase stably. North Star Events Group has been proactively promoting its operation and management output in exhibition venues and hotel brand and managed to enter into contracts on preliminary consulting services for eight projects. As at the end of the Reporting Period, the cumulative contracted convention and hotel projects on consulting service and entrusted management totaled 18, with an accumulated floor area of 3,471,500 square meters under entrusted operation and management. In terms of office building, hotel and apartment business, the Company continually optimized the customer structure, the occupation rate and the rent remained relatively high. In 2016, revenue from investment properties (including hotels) recorded RMB2,444.5 million, representing a year-on-year increase of 5.28%. Without taking into account the amortization of interest expenses, profit before tax amounted to RMB783.3 million, representing a year-on-year increase of 15.14%.

In terms of commercial properties, the Company emphatically improved commodity

quality and service experience, continued to optimize commodity portfolio, continually improved the mobile payment means, proactively carried forward the further transformation of retail from physical stores to the O2O model and endeavored to suppress the declining trend of operation. In 2016, revenue from commercial properties amounted to RMB187.3 million.

In 2016, The Company vigorously followed through the capital expansion strategy. While continuing to scale up direct financing, the Company strived to tap the asset potentials of the Company, intensified the ongoing innovations in financing modes, and expanded the financing channel in an all-round manner, thus effectively reducing the average financing cost on the whole.

Looking to the future, in terms of the real estate market, given the lasting differentiation among cities, the demands and investments in some cities will be restricted. While the central government consistently deepens the supply side reform, takes great efforts to invigorate the real economy, intensifies classified adjustment and control and accelerates the establishment of a sound and longstanding mechanism for the stable and healthy development of the real estate market. Such measures will create a favorable environment for the long-term development of the industry. As for investment properties (including hotels), the Certain Opinions of the State Council on Further Promoting the Reform and Development of the Exhibition Industry continue to implement. The Beijing-Tianjin-Hebei integration and the strategic positioning of Beijing as the "Four Centers" continue to take effects intensively and extensively. Both will contribute to the new round of development in the convention and exhibition industry. Meanwhile, both will drive the development of hotels, office buildings and apartments markets, which will bring a positive impact on the investment properties (including hotels) business.

For development properties, the Company will accelerate the key urban cities layout, further tap potentials in the cities where it has established presence, and flexibly adopt various means such as public bidding, cooperative development, as well as merger and acquisition to replenish its land reserve. In 2017, the Company will strive to achieve sales area of 1.25 million square meters with contracted sales (including parking spaces) amounting to RMB20 billion. For investment properties (including hotels), the Company will follow the lead of market so as to dig out the operating potentials in each sector. It will optimize and strengthen the existing traditional businesses. Meanwhile, it will actively promote the innovative development and full integration of its exhibition economy and new economy, new business and new technologies by leveraging on North Star Events Group as the platform.

For this, Mr. He is full of confidence to the future development of the Company. He concluded, "In the future, the Company will adhere to three major strategies consisting of low cost expansion, brand expansion, and capital expansion to sustain the overall development path featuring “asset-light operation, support of new economy, low-cost expansion and development of high-end services”, in a great effort to achieve the goal of “Creating property value and building centuries foundation” and develop into a nationally leading composite real estate brand and China’s most influential exhibition-brand enterprise."

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About Beijing North Star Company Limited

Beijing North Star Company Limited (the "Company") was established by its sole promoter, Beijing North Star Industrial Group Limited Liabilities Company, on 2 April 1997. The shares of the Company were listed on the Hong Kong Stock Exchange in May in the same year. In October 2006, the Company's A shares were issued and listed on the Shanghai Stock Exchange.

The Company's total registered capital is 3,367,020,000 shares, of which 2,660,000,000 shares representing 79.002% of the total share capital are A shares and 707,020,000 shares representing 20.998% of the total share capital are H shares.

The Company's main business includes development properties, investment properties (including hotels) and commercial properties.

As the policy "Consolidate foundation in Beijing, Develop businesses outside Beijing" goes, the Company continued to promote the in-depth development in the existing regions and the expansion to new cities, and accelerated the nationwide layout across different regions at multiple levels. It is engaged in the diversified and different-levels development and sales of residences, apartments, villas, office buildings and so on. The Company have established presence in 11 cities, possessed 30 projects in the pipeline and under construction, establishing a trans-regional layout covering North China, Central China, East China and the Southwest. The development scale and market share continue to increase.

The total areas of properties owned and operated by the Company exceed 1,270,000 m², involving convention, hotel, office and apartment business, in which 1,200,000 m² is located in the Asian-Olympic core district. Its operating items mainly include the National Convention Centre, Beijing International Convention Centre, InterContinental Beijing North Star, North Star V-continent Parkview Wuhan hotel, Beijing Continental Grand Hotel, National Convention Centre Hotel, Hui Bin Offices, Hui Xin Offices, North Star Times Tower, North Star Green Garden Block B5 Shopping Centre, and outside Beijing is the InterContinental Changsha North Star.

While doing great in traditional held-for-sale properties, the Company strengthened resource integration and the external expansion of new business and new technology in convention and exhibition industry by leveraging on North Star Events Group as the platform. Its operation and management output in exhibition venues and hotel brand achieved positive results. North Star Events Group managed to enter into contracts on preliminary consulting services and entrusted management totaled 18, including

Beijing, Hebei, Hubei, Jiangxi, Guangdong, Shandong, Hainan and etc. It gradually established a diversified service and profit-making mode with reliance on entrusted management. The presence of the "North Star Exhibition and Convention" brand expanded unremittingly.

Persisting to the principle of maximizing shareholders' profit and on a historic mission to "CREATE PROPERTY VALUE, BUILD A CENTUREY'S FOUNDATION", the Company is committed to building up China complex estate brand and China top influential exhibition brand.

The press release is distributed by **Wonderful Sky Financial Group** on behalf of **Beijing North Star Company Limited**.

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