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

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

(Stock Code: 588)

**2017 THIRD QUARTERLY REPORT**

This announcement is made pursuant to the disclosure requirements under Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Beijing North Star Company Limited (the “**Company**”) is required to publish its third quarterly results pursuant to the Regulations on Disclosure of Information on Quarterly Reports for Listed Companies issued by the China Securities Regulatory Commission.

All financial information set out in the 2017 third quarterly report of the Company is unaudited and the relevant financial statements are prepared in accordance with China Accounting Standards for Business Enterprises. The 2017 third quarterly report of the Company will also be published on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 26 October 2017 and the main text of such report will be published in certain newspapers in the People's Republic of China (the “**PRC**”) on 27 October 2017. The original text of the report is in Chinese.

**I. IMPORTANT NOTICE**

- 1.1 The board of directors, the supervisory committee, all directors, supervisors and the senior management of the Company warrant that there are no misrepresentations or misleading statements contained in or material omissions from this quarterly report, and accept joint and several legal responsibility for the truthfulness, accuracy and completeness of the contents of this report.
- 1.2 All directors of the Company attended the board meeting to consider this quarterly report.

1.3 HE Jiang-Chuan, the person-in-charge of the Company, CUI Wei, the person-in-charge of accounting operations, and LV Jing-Hong, person-in-charge of the accounting department (chief accountant), warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.

1.4 The third quarterly report of the Company is unaudited.

## II. BASIC INFORMATION OF THE COMPANY

### 2.1 Major financial data

*Unit: Yuan    Currency: RMB*

	<b>As at the end of the reporting period</b>	As at the end of last year	Increase/ decrease as at the end of the reporting period from the end of last year (%)
Total assets	<b>76,862,102,104</b>	64,341,288,628	19.46
Net assets attributable to the owners of the Company	<b>12,293,943,226</b>	11,660,582,806	5.43
	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	From the beginning of last year to the end of last year's reporting period (January to September)	Increase/ decrease from the corresponding period last year (%)
Net cash flow from operating activities	<b>545,990,100</b>	5,723,130,361	-90.46

	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	From the beginning of last year to the end of last year's reporting period (January to September)	Increase/ decrease from the corresponding period last year (%)
Revenue	<b>10,104,873,510</b>	7,263,391,645	39.12
Net profit attributable to the owners of the Company	<b>835,381,620</b>	424,424,909	96.83
Net profit attributable to the owners of the Company after deducting the non- recurring item	<b>826,177,153</b>	405,973,569	103.51
Weighted average return on net assets (%)	<b>6.97</b>	3.73	Increased by 3.24 percentage points
Basic earnings per share (RMB per share)	<b>0.25</b>	0.13	92.31
Diluted earnings per share (RMB per share)	<b>0.25</b>	0.13	92.31

## Non-recurring items and amounts

Applicable       Not applicable

Item	<i>Unit: Yuan    Currency: RMB</i>	
	<b>Amount of the period (July to September)</b>	From the beginning of the year to the end of the reporting period (January to September)
Profit or loss on disposal of non-current assets	<b>-421,193</b>	50,955
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the period		241,910
Gain or loss on changes in fair value of financial assets held for trading, financial liabilities held for trading and investment income from disposal of financial assets held for trading, financial liabilities held for trading and available-for-sale financial assets, except for effective hedging business that are related to the Company's normal operation	<b>3,434,949</b>	5,248,648
Other non-operating income and expenses apart from the aforesaid items	<b>-32,234,128</b>	-27,618,538
Effect on minority interests (after tax)	<b>16,178,658</b>	15,764,013
Effect on income tax	<b>-1,105,618</b>	-2,891,455
<b>Total</b>	<b><u>-14,147,332</u></b>	<b><u>-9,204,467</u></b>

**2.2 Total number of shareholders and shareholdings of top ten shareholders and top ten holders of circulating shares (or holders of shares not subject to selling restrictions) as at the end of the reporting period**

*Unit: Share*

Total number of shareholders 165,282

**Shareholdings of Top Ten Shareholders**

Name of shareholders (full name)	Number of shareholding as at the end of the period		Number of shares subject to selling restrictions	Shares pledged or frozen		Nature of shareholders
	Percentage (%)			State of shares	Number	
Beijing North Star Industrial Group Limited Liabilities Company (“BNS Group”)	1,161,000,031	34.482	0	Frozen	150,000,000	State-owned legal person
HKSCC NOMINEES LIMITED	686,338,499	20.384	0	Nil	0	Foreign legal person
Wangfujing Group Co., Ltd.	125,300,000	3.721	0	Nil	0	State-owned legal person
Chang’an International Trust Co., Ltd. – Chang’an Trust – Chang’an Investment No. 966 Securities Investment Single Fund Trust Scheme (長安國際信託股份有限公司—長安信託—長安投資966號證券投資單一資金信託計劃)	79,901,417	2.373	0	Nil	0	State-owned legal person
Zhong Hang Xin Gang Guarantee Co., Ltd.	73,473,353	2.182	0	Nil	0	Domestic non-state-owned legal person
Yunnan International Trust Co., Ltd. – Yunxin Interest Increment No. 24 Securities Investment Single Fund Trust (雲南國際信託有限公司—雲信增利24號證券投資單一資金信託)	56,913,412	1.690	0	Nil	0	State-owned legal person

Name of shareholders (full name)	Number of shareholding as at the end of the period		Number of shares subject to selling restrictions	Shares pledged or frozen		Nature of shareholders
	Percentage (%)	State of shares		Number		
Chang'an International Trust Co., Ltd. – Chang'an Trust – Chang'an Investment No. 879 Securities Investment Single Fund Trust Scheme (長安國際信託股份有限 公司—長安信託—長安投 資879號證券投資單一資 金信託計劃)	49,139,705	1.459	0	Nil	0	State-owned legal person
Shaanxi International Trust Co., Ltd. – SITI • Treasure Bowl No. 91 Securities Investment Collective Fund Trust Scheme (陝西 省國際信託股份有限公 司—陝國投•聚寶盆91號 證券投資集合資金信託計 劃)	39,738,619	1.180	0	Nil	0	State-owned legal person
Yunnan International Trust Co., Ltd. – Yunxin – Ruiyang 2017 – No. 3 Collective Fund Trust Scheme (雲南國際信託 有限公司—雲信—瑞陽 2017—3號集合資金信託 計劃)	39,163,817	1.163	0	Nil	0	State-owned legal person
Foresea Life Insurance Co., Ltd. – Ju Fu Product (前海 人壽保險股份有限公司— 聚富產品)	31,999,828	0.950	0	Nil	0	Domestic non- state-owned legal person

## Top Ten Holders of Shares not Subject to Selling Restrictions

Name of shareholders (full name)	Number of circulating shares not subject to selling restrictions	Class and number of shares	
		Class	Number
Beijing North Star Industrial Group Limited Liabilities Company	1,161,000,031	RMB-denominated ordinary shares	1,161,000,031
HKSCC NOMINEES LIMITED	686,338,499	Domestic listed foreign shares	686,338,499
Wangfujing Group Co., Ltd.	125,300,000	RMB-denominated ordinary shares	125,300,000
Chang'an International Trust Co., Ltd. – Chang'an Trust – Chang'an Investment No. 966 Securities Investment Single Fund Trust Scheme (長安國 際信託股份有限公司–長安信託–長安投資 966號證券投資單一資金信託計劃)	79,901,417	RMB-denominated ordinary shares	79,901,417
Zhong Hang Xin Gang Guarantee Co., Ltd.	73,473,353	RMB-denominated ordinary shares	73,473,353
Yunnan International Trust Co., Ltd. – Yunxin Interest Increment No. 24 Securities Investment Single Fund Trust (雲南國際信託有限公司– 雲信增利24號證券投資單一資金信託)	56,913,412	RMB-denominated ordinary shares	56,913,412
Chang'an International Trust Co., Ltd. – Chang'an Trust – Chang'an Investment No. 879 Securities Investment Single Fund Trust Scheme (長安國 際信託股份有限公司–長安信託–長安投資 879號證券投資單一資金信託計劃)	49,139,705	RMB-denominated ordinary shares	49,139,705
Shaanxi International Trust Co., Ltd. – SITI • Treasure Bowl No. 91 Securities Investment Collective Fund Trust Scheme (陝西省國際信 託股份有限公司–陝國投•聚寶盆91號證券投 資集合資金信託計劃)	39,738,619	RMB-denominated ordinary shares	39,738,619
Yunnan International Trust Co., Ltd. – Yunxin – Ruiyang 2017 – No. 3 Collective Fund Trust Scheme (雲南國際信託有限公司–雲信–瑞陽 2017–3號集合資金信託計劃)	39,163,817	RMB-denominated ordinary shares	39,163,817
Foresea Life Insurance Co., Ltd. – Ju Fu Product (前海人壽保險股份有限公司–聚富產品)	31,999,828	RMB-denominated ordinary shares	31,999,828

Notes on the connected relationship or parties acting in concert among the above shareholders

HKSCC NOMINEES LIMITED, the second largest shareholder, holds the H Shares of the Company on behalf of various clients; the de facto controller of both Beijing Wangfujing Group Co., Ltd., the third largest shareholder, and BNS Group, the controlling shareholder of the Company, is the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality; Chang'an International Trust Co., Ltd. – Chang'an Trust – Chang'an Investment No. 966 Securities Investment Single Fund Trust Scheme (長安國際信託股份有限公司－長安信託－長安投資966號證券投資單一資金信託計劃), the fourth largest shareholder, and Chang'an International Trust Co., Ltd. – Chang'an Trust – Chang'an Investment No. 879 Securities Investment Single Fund Trust Scheme (長安國際信託股份有限公司－長安信託－長安投資879號證券投資單一資金信託計劃), the seventh largest shareholder, are both trusts managed by Chang'an International Trust Co., Ltd.; Yunnan International Trust Co., Ltd. – Yunxin Interest Increment No. 24 Securities Investment Single Fund Trust (雲南國際信託有限公司－雲信增利24號證券投資單一資金信託), the sixth largest shareholder, and Yunnan International Trust Co., Ltd. – Yunxin – Ruiyang 2017 – No. 3 Collective Fund Trust Scheme (雲南國際信託有限公司－雲信－瑞陽2017－3號集合資金信託計劃), the ninth largest shareholder, are both trusts managed by Yunnan International Trust Co., Ltd.; relationship among the remaining shareholders is unknown; whether the remaining shareholders are concert parties for the purpose of the “Administrative Measures for Takeover of Listed Companies” is also unknown.



Pursuant to the document titled “Implementation Measure for the Transfer of Part of the State-owned Shares to the National Social Security Fund in Domestic Securities Market (Cai Qi [2009] No. 94)” (《境內證券市場轉持部分國有股充實全國社會保障基金實施辦法》(財企[2009]94號)) (“No. 94 Document”) and Announcement No. 63 of 2009 jointly issued by the Ministry of Finance of the People’s Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council, the China Securities Regulatory Commission and the National Council for Social Security Fund, after the reform of shareholding structure, all limited companies with state-owned shares who conducted initial public offering in the domestic securities market with its shares listed shall transfer part of its state-owned shares with reference to 10% of the actual issued shares during the initial public offering to the National Council for Social Security Fund, save as otherwise stipulated by the State Council. For the companies which meet the conditions for direct transfer of shares but are required to maintain the state-controlled status pursuant to relevant national regulations, the state-owned shareholders are required to perform their obligation of transfer by way of (including but not limited to) distributing dividend or turning to internal resources while ensuring the capital would be contributed to the national treasury in full and in a timely manner as approved by the state-owned asset supervision and management authority.

The Company completed the initial public offering of A shares and was listed in October 2006 with an issue size of 1.5 billion shares. Pursuant to No. 94 Document and the Announcement No. 63 of 2009 jointly issued by the Ministry of Finance of the People’s Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council, the China Securities Regulatory Commission and the National Council for Social Security Fund, the 150 million shares held by BNS Group are frozen at present as BNS Group was a state-owned shareholder prior to the listing of the Company.

On 30 October 2015, BNS Group issued a commitment letter to the National Council for Social Security Fund, undertaking to fulfill its obligation of transfer by way of cash contribution, and to make a sufficient contribution of RMB360 million to the national treasury in cash in relation to the obligation of transfer of 150 million shares. BNS Group has paid the first amount of RMB60 million on 20 November 2015 and the second amount of RMB100 million on 18 November 2016. At present, the 150 million shares held by BNS Group in the Company remains frozen.

**2.3 Total number of holders of preference shares and shareholdings of top ten holders of preference shares and top ten holders of preference shares not subject to selling restrictions as at the end of the reporting period**

Applicable       Not applicable

**2.4 Brief of the Company' operation in the third quarter**

From January to September 2017, for real estate development purpose, in respect of land reserve, the Company's newly increased land reserve had a gross floor area of 1,524,300 m<sup>2</sup> (a plot ratio-based gross floor area of 1,129,400 m<sup>2</sup>), representing a year-on-year decrease of 24.98%; in respect of engineering construction, the Company recorded a new construction area of 1,818,200 m<sup>2</sup>, a completed area of 485,400 m<sup>2</sup> and a resumed construction area of 5,250,900 m<sup>2</sup>, representing a year-on-year decrease of 7.75%, 44.98% and a year-on-year increase of 24.78%, respectively; in respect of project sales, the Company recorded a contracted sales area of 824,500 m<sup>2</sup> and a contracted sales amount of RMB14.738 billion, representing a year-on-year decrease of 37.07% and 21.65%, respectively, and its settlement area was 579,600 m<sup>2</sup> and its settlement amount was RMB7.986 billion, representing a year-on-year increase of 22.98% and 53.31%, respectively.

From January to September 2017, as to property holding, the gross floor area of convention center projects was 326,400 m<sup>2</sup>, realising a total operating revenue of RMB572,430,000; the total gross construction area of office building projects was 365,000 m<sup>2</sup>, realising a total operating revenue of RMB516,650,000; the gross floor area of hotel projects was 291,600 m<sup>2</sup>, realising a total operating revenue of RMB586,740,000; the gross floor area of apartment projects was 179,700 m<sup>2</sup>, realising a total operating revenue of RMB186,810,000, and the gross floor area of commercial properties projects was 80,200 m<sup>2</sup>, realising a total operating revenue of RMB145,730,000.

### III. SIGNIFICANT EVENTS

#### 3.1 Details and reasons for substantial changes in the major accounting statement items and financial indicators of the Company

Applicable       Not applicable

*Unit: Yuan    Currency: RMB*

Item	30 September 2017	31 December 2016	Change	Change rate (%)	Major reasons for the change
Cash at bank and in hand	<b>12,147,627,166</b>	8,075,867,900	4,071,759,266	50.42	Mainly attributable to the increase in borrowings and in income from sales of development properties in the period
Financial assets at fair value through profit or loss	<b>600,000,000</b>	–	600,000,000	–	Mainly due to the purchase of principal-guaranteed short-term wealth management products by the Company in the period
Accounts receivable	<b>141,165,278</b>	57,848,504	83,316,774	144.03	Mainly attributable to the increase in accounts receivables from the investment properties in the period
Prepayments	<b>1,728,926,216</b>	3,198,197,191	-1,469,270,975	-45.94	Mainly due to the transfer of the prepayment of land premiums of the Company in the prior period to the inventory in the period
Interest receivable	<b>37,377,920</b>	6,541,135	30,836,785	471.43	Mainly due to the increase in borrowing interests receivable from joint ventures and associates in the period
Other receivables	<b>2,825,408,214</b>	1,830,933,864	994,474,350	54.32	Mainly due to the increase in receivables from minority shareholders

Item	30 September 2017	31 December 2016	Change	Change rate (%)	Major reasons for the change
Construction in progress	10,941,985	5,430,398	5,511,587	101.50	Mainly due to the increase in assets upgrading expense in the period
Long-term accounts receivable	1,334,384,758	–	1,334,384,758	–	Mainly due to the increase in borrowing receivable from joint ventures and associates for more than one year by the Company in the period
Deferred income tax assets	462,691,043	315,013,009	147,678,034	46.88	Mainly due to the increase in recognition of deferred income tax assets in relation to deductible temporary differences
Short-term borrowings	1,100,000,000	780,000,000	320,000,000	41.03	Mainly due to the increase in short-term borrowings of the Company in the period
Long-term borrowings	23,539,440,820	16,851,741,920	6,687,698,900	39.69	Mainly due to the increase in long-term borrowings of the Company in the period
Bonds payable	5,286,652,344	3,971,794,770	1,314,857,574	33.10	Mainly due to issuance of medium-term bonds by the Company in the period
Long-term accounts payable	2,341,032,622	1,462,854,606	878,178,016	60.03	Mainly due to the increase in payables to minority shareholders for more than one year by the Company in the period

Item	January to September 2017	January to September 2016	Change	Change rate (%)	Major reasons for the change
Operating revenue	<b>10,104,873,510</b>	7,263,391,645	2,841,481,865	39.12	Mainly due to the increase in the settlement area of real estate projects and the increase in the income from sales of properties held for sale of the Company in the period
Operating costs	<b>6,857,330,911</b>	4,743,585,248	2,113,745,663	44.56	Mainly due to the increase in costs as a result of the increase in income from sales of development properties of the Company in the period
Taxes and surcharges	<b>819,375,196</b>	591,020,534	228,354,662	38.64	Mainly due to the increase in the revenue of the Company in the period
(Loss)/gain on investment	<b>5,589,466</b>	-1,903,755	7,493,221	393.60	Mainly due to the decrease in loss of joint ventures and associates and the increase in gains from purchasing of wealth management products
Non-operating income	<b>7,852,719</b>	20,097,222	-12,244,503	-60.93	Mainly due to the decrease in other gains of the Company in the period
Non-operating expenses	<b>35,420,302</b>	1,318,975	34,101,327	2,585.44	Mainly due to the payment of overdue fees by the Company in the period
Income tax expenses	<b>304,331,610</b>	168,941,061	135,390,549	80.14	Mainly due to the increase in total profit of the Company in the period
Net profit attributable to the owners of the Company	<b>835,381,620</b>	424,424,909	410,956,711	96.83	Mainly due to the increase in settlement income from real estate projects and the increase in income from properties held by the Company in the period
Minority interests	<b>67,578,961</b>	4,422,237	63,156,724	1,428.16	Mainly due to the increase in profit including minority interests of the Company in the period

Item	January to September 2017	January to September 2016	Change	Change rate (%)	Major reasons for the change
Basic earnings per share	0.25	0.13	0.12	92.31	Mainly due to the increase in net profit attributable to the owners of the Company in the period
Net cash flow from operating activities	545,990,100	5,723,130,361	-5,177,140,261	-90.46	Mainly due to the decrease in the advances from real estate projects and the increase in cash investment of the Company in the period
Net cash flow from financing activities	5,976,310,971	51,023,270	5,925,287,701	11,612.91	Mainly due to the increase in borrowings and the decrease in cash repayments of borrowings by the Company in the period

**3.2 Analysis and explanation on the development of significant events, and impacts and solutions thereof**

Applicable       Not applicable

**3.3 Overdue commitments that have not yet been fulfilled during the reporting period**

Applicable       Not applicable

**3.4 Warning and explanation on reasons for accumulated net profits expected to be probably loss from the beginning of the year to the end of the next reporting period or material changes as compared to those of the corresponding period last year**

Applicable       Not applicable

Company Name : **Beijing North Star Company Limited**  
Legal representative : **HE Jiang-Chuan**  
Date : 26 October 2017

## IV. APPENDIX

### 4.1 Financial statements

#### Consolidated Balance Sheet

30 September 2017

Prepared by: Beijing North Star Company Limited

*Unit: Yuan Currency: RMB Audit Type : Unaudited*

Items	Balance as at the end of the period	Balance as at the beginning of the year
<b>Current assets:</b>		
Cash and cash equivalents	12,147,627,166	8,075,867,900
Clearing settlement funds		
Placements with banks and other financial institutions		
Financial assets at fair value through profit or loss	600,000,000	
Derivative financial assets		
Notes receivable		
Accounts receivable	141,165,278	57,848,504
Prepayments	1,728,926,216	3,198,197,191
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Interest receivable	37,377,920	6,541,135
Dividends receivable		
Other receivables	2,825,408,214	1,830,933,864
Financial assets held under resale agreements		
Inventory	48,072,841,206	41,385,745,924
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	1,776,104,871	1,574,180,268
<b>Total current assets</b>	<b>67,329,450,871</b>	<b>56,129,314,786</b>

<b>Items</b>	<b>Balance as at the end of the period</b>	Balance as at the beginning of the year
<b>Non-current assets:</b>		
Loans and advances to customers		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term accounts receivable	<b>1,334,384,758</b>	
Long-term equity investments	<b>252,302,312</b>	254,960,429
Investment properties	<b>5,068,715,789</b>	5,161,239,378
Fixed assets	<b>2,374,864,798</b>	2,443,492,714
Construction-in-progress	<b>10,941,985</b>	5,430,398
Construction materials		
Disposal of fixed assets		
Operational biological assets		
Oil and gas assets		
Intangible assets	<b>8,292,999</b>	8,379,174
Development expenses		
Goodwill		
Long-term deferred expenses	<b>20,457,549</b>	23,458,740
Deferred income tax assets	<b>462,691,043</b>	315,013,009
Other non-current assets		
	-----	-----
<b>Total non-current assets</b>	<b><u>9,532,651,233</u></b>	<b><u>8,211,973,842</u></b>
<b>Total assets</b>	<b><u>76,862,102,104</u></b>	<b><u>64,341,288,628</u></b>



<b>Items</b>	<b>Balance as at the end of the period</b>	Balance as at the beginning of the year
<b>Current liabilities:</b>		
Short-term borrowings	<b>1,100,000,000</b>	780,000,000
Borrowings from central bank Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	<b>3,426,295,491</b>	3,741,301,533
Accounts received in advance	<b>22,582,884,045</b>	18,350,958,213
Financial assets sold under agreements to repurchase		
Fee and commission payable		
Staff cost	<b>82,298,735</b>	85,294,956
Taxes payable	<b>1,386,341,043</b>	1,669,326,649
Interest payable	<b>243,133,440</b>	219,635,983
Dividends payable	<b>1,162,190</b>	1,162,190
Other payables	<b>1,598,679,366</b>	2,046,893,511
Reinsurance accounts payable		
Reserve of insurance contract		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	<b>2,312,150,000</b>	2,902,150,000
Other current liabilities		
<b>Total current liabilities</b>	<b><u>32,732,944,310</u></b>	<b><u>29,796,723,035</u></b>

Items	Balance as at the end of the period	Balance as at the beginning of the year
<b>Non-current liabilities:</b>		
Long-term borrowings	23,539,440,820	16,851,741,920
Bonds payable	5,286,652,344	3,971,794,770
Including: Preferred shares		
Perpetual bond		
Long-term accounts payable	2,341,032,622	1,462,854,606
Long-term staff cost	4,444,632	4,444,632
Special accounts payable		
Accrued liabilities		
Deferred revenue	3,223,598	4,305,268
Deferred income tax liabilities		
Other non-current liabilities		
	_____	_____
<b>Total non-current liabilities</b>	<b><u><u>31,174,794,016</u></u></b>	<b><u><u>22,295,141,196</u></u></b>
<b>Total liabilities</b>	<b><u><u>63,907,738,326</u></u></b>	<b><u><u>52,091,864,231</u></u></b>

<b>Items</b>	<b>Balance as at the end of the period</b>	Balance as at the beginning of the year
<b>Equity:</b>		
Share capital	<b>3,367,020,000</b>	3,367,020,000
Other equity instruments		
Including: Preferred shares		
Perpetual bond		
Capital reserve	<b>3,648,897,300</b>	3,648,897,300
Less: Treasury shares		
Other comprehensive income		
Special reserve		
Surplus reserve	<b>806,757,841</b>	806,757,841
Normal risk provision		
Undistributed profit	<b><u>4,471,268,085</u></b>	<u>3,837,907,665</u>
<b>Equity attributable to owners of the Company</b>	<b><u>12,293,943,226</u></b>	<u>11,660,582,806</u>
Minority interests	<b><u>660,420,552</u></b>	<u>588,841,591</u>
<b>Total equity</b>	<b><u><u>12,954,363,778</u></u></b>	<u><u>12,249,424,397</u></u>
<b>Total liabilities and equity</b>	<b><u><u>76,862,102,104</u></u></b>	<u><u>64,341,288,628</u></u>
<i>Legal Representative of the Company:</i> <b>HE Jiang-Chuan</b>	<i>Person-in-charge of accounting operations:</i> <b>CUI Wei</b>	<i>Person-in-charge of the accounting department:</i> <b>LV Jing-Hong</b>

## Balance Sheet of the Parent Company

30 September 2017

Prepared by: Beijing North Star Company Limited

*Unit: Yuan Currency: RMB Audit Type : Unaudited*

<b>Items</b>	<b>Balance as at the end of the period</b>	Balance as at the beginning of the year
<b>Current assets:</b>		
Cash and cash equivalents	<b>7,813,432,752</b>	4,632,071,847
Financial assets at fair value through profit or loss	<b>600,000,000</b>	
Derivative financial assets		
Notes receivable		
Accounts receivable	<b>123,341,559</b>	51,487,467
Prepayments	<b>41,344,479</b>	2,795,790,177
Interest receivable	<b>367,618,819</b>	94,594,286
Dividends receivable		
Other receivables	<b>9,557,007,335</b>	9,296,319,905
Inventory	<b>1,709,794,207</b>	2,633,891,007
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	<b>53,490,450</b>	37,355,222
<b>Total current assets</b>	<b><u>20,266,029,601</u></b>	<b><u>19,541,509,911</u></b>

Items	Balance as at the end of the period	Balance as at the beginning of the year
<b>Non-current assets:</b>		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term accounts receivable	14,352,128,586	8,541,434,092
Long-term equity investments	2,768,261,470	2,931,018,036
Investment properties	5,058,153,962	5,150,390,372
Fixed assets	1,223,877,710	1,263,940,349
Construction-in-progress	10,941,985	5,430,398
Construction materials		
Disposal of fixed assets		
Operational biological assets		
Oil and gas assets		
Intangible assets	5,694,500	5,502,631
Development expenses		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	189,853,357	156,911,242
Other non-current assets		
	-----	-----
<b>Total non-current assets</b>	<b><u><u>23,608,911,570</u></u></b>	<b><u><u>18,054,627,120</u></u></b>
<b>Total assets</b>	<b><u><u>43,874,941,171</u></u></b>	<b><u><u>37,596,137,031</u></u></b>

<b>Items</b>	<b>Balance as at the end of the period</b>	Balance as at the beginning of the year
<b>Current liabilities:</b>		
Short-term borrowings	<b>1,100,000,000</b>	500,000,000
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	<b>961,515,204</b>	1,280,821,806
Accounts received in advance	<b>916,835,149</b>	1,261,891,107
Payroll payable	<b>68,038,155</b>	63,909,279
Taxes payable	<b>793,852,894</b>	629,416,994
Interest payable	<b>158,386,722</b>	202,569,060
Dividends payable		
Other payables	<b>6,443,087,457</b>	4,567,130,532
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	<b>1,712,150,000</b>	1,712,150,000
Other current liabilities		
	<hr/>	<hr/>
<b>Total current liabilities</b>	<b><u>12,153,865,581</u></b>	<b><u>10,217,888,778</u></b>

Items	Balance as at the end of the period	Balance as at the beginning of the year
<b>Non-current liabilities:</b>		
Long-term borrowings	15,675,440,820	13,092,841,920
Bonds payable	5,286,652,344	3,971,794,770
Including: Preferred shares		
Perpetual bond		
Long-term accounts payable	700,000,000	700,000,000
Long-term staff cost	4,444,632	4,444,632
Special accounts payable		
Accrued liabilities		
Deferred revenue	3,223,598	4,305,268
Deferred income tax liabilities		
Other non-current liabilities		
	_____	_____
<b>Total non-current liabilities</b>	<b><u>21,669,761,394</u></b>	<b><u>17,773,386,590</u></b>
<b>Total liabilities</b>	<b><u>33,823,626,975</u></b>	<b><u>27,991,275,368</u></b>
<b>Equity:</b>		
Share capital	3,367,020,000	3,367,020,000
Other equity instruments		
Including: Preferred shares		
Perpetual bond		
Capital surplus	3,681,309,353	3,681,309,353
Less: Treasury shares		
Other comprehensive income		
Special reserve		
Surplus reserve	806,757,841	806,757,841
Undistributed profit	<u>2,196,227,002</u>	<u>1,749,774,469</u>
<b>Total equity</b>	<b><u>10,051,314,196</u></b>	<b><u>9,604,861,663</u></b>
<b>Total liabilities and equity</b>	<b><u>43,874,941,171</u></b>	<b><u>37,596,137,031</u></b>
<i>Legal Representative of the Company:</i>	<i>Person-in-charge of accounting operations:</i>	<i>Person-in-charge of the accounting department:</i>
<b>HE Jiang-Chuan</b>	<b>CUI Wei</b>	<b>LV Jing-Hong</b>

**Consolidated Income Statement**  
*From January to September 2017*

Prepared by: Beijing North Star Company Limited

*Unit: Yuan Currency: RMB Audit Type: Unaudited*

Item	Amount for the period (July to September)	Amount for the same period last year (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of last year to the end of the reporting period last year (January to September)
<b>I. Total operating revenue</b>	<b>2,252,126,835</b>	2,866,912,513	<b>10,104,873,510</b>	7,263,391,645
Including: Operating revenue	2,252,126,835	2,866,912,513	10,104,873,510	7,263,391,645
Interest income				
Premiums earned				
Handling charges and commission income				
<b>II. Total operating costs</b>	<b>1,906,583,815</b>	2,798,404,314	<b>8,875,603,202</b>	6,682,477,930
Including: Operating costs	1,279,642,621	2,011,995,468	6,857,330,911	4,743,585,248
Interest expenses				
Handling charges and commission expenses				
Surrender payment				
Net expenditure for compensation payments				
Net provision for insurance deposits				
Policyholder dividend expenses				
Reinsurance costs				
Taxes and surcharges	189,773,588	197,387,862	819,375,196	591,020,534
Selling expenses	120,118,516	184,140,505	315,721,680	417,451,094
Administrative expenses	169,049,744	260,205,552	487,748,796	577,309,959
Finance expenses	147,988,493	144,591,221	395,385,348	353,249,501
Impairment losses on assets	10,853	83,706	41,271	-138,406



Item	Amount for the period (July to September)	Amount for the same period last year (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of last year to the end of the reporting period last year (January to September)
Add: Profit arising from changes in fair value (loss stated with “-”)				
Investment income (loss stated with “-”)	-10,941,953	996,228	5,589,466	-1,903,755
Including: Investment income from associates and joint ventures	-14,376,902	-711,906	340,818	-3,611,889
Foreign currency exchange gains (loss stated with “-”)				
Other incomes				
<b>III. Operating profit (loss stated with “-”)</b>	<b>334,601,067</b>	<b>69,504,427</b>	<b>1,234,859,774</b>	<b>579,009,960</b>
Add: Non-operating income	2,049,248	1,438,160	7,852,719	20,097,222
Including: Profit on disposal of non-current assets	14,429	119,923	895,795	531,899
Less: Non-operating expenses	34,704,569	236,999	35,420,302	1,318,975
Including: Loss on disposal of non-current assets	435,622	218,411	844,840	666,618
<b>IV. Total profit (total loss stated with “-”)</b>	<b>301,945,746</b>	<b>70,705,588</b>	<b>1,207,292,191</b>	<b>597,788,207</b>
Less: Income tax expenses	73,080,933	29,928,607	304,331,610	168,941,061
<b>V. Net profit (net loss stated with “-”)</b>	<b>228,864,813</b>	<b>40,776,981</b>	<b>902,960,581</b>	<b>428,847,146</b>
Net profit attributable to the owners of the Company	212,312,430	28,191,524	835,381,620	424,424,909
Minority interests	16,552,383	12,585,457	67,578,961	4,422,237

<b>Item</b>	<b>Amount for the period (July to September)</b>	Amount for the same period last year (July to September)	<b>Amount from the beginning of the year to the end of the reporting period (January to September)</b>	Amount from the beginning of last year to the end of the reporting period last year (January to September)
<b>VI. Other comprehensive income (net of tax)</b>				
Other comprehensive income attributable to the owners of the Company (net of tax)				
(I) Other comprehensive income that will not be reclassified into profit or loss subsequently				
1. Changes arising from re- measurement of net liabilities or net assets of defined benefit plans				
2. Share of other comprehensive income (that will not be reclassified to profit or loss subsequently) of investees accounted for using equity method				
(II) Other comprehensive income that will be reclassified to profit or loss subsequently				
1. Share of other comprehensive income (that will be reclassified to profit or loss subsequently) of investees accounted for using equity method				
2. Gains or losses arising from changes in fair value of available-for-sale financial assets				

Item	Amount for the period (July to September)	Amount for the same period last year (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of last year to the end of the reporting period last year (January to September)
3. Gains or losses from reclassifying held-to maturity investments to available-for-sale financial assets				
4. Effective portion of gains or losses arising from cash flow hedges				
5. Exchange differences on foreign currency translation				
6. Others				
Other comprehensive income attributable to minority interests (net of tax)				
<b>VII. Total comprehensive income</b>	<b>228,864,813</b>	40,776,981	<b>902,960,581</b>	428,847,146
Total comprehensive income attributable to the owners of the Company	<b>212,312,430</b>	28,191,524	<b>835,381,620</b>	424,424,909
Total comprehensive income attributable to minority interests	<b>16,552,383</b>	12,585,457	<b>67,578,961</b>	4,422,237
<b>VIII. Earnings per share:</b>				
(I) Basic earnings per share <i>(RMB/share)</i>	<b>0.06</b>	0.01	<b>0.25</b>	0.13
(II) Diluted earnings per share <i>(RMB/share)</i>	<b>0.06</b>	0.01	<b>0.25</b>	0.13
<i>Legal Representative of the Company:</i> <b>HE Jiang-Chuan</b>	<i>Person-in-charge of accounting operations:</i> <b>CUI Wei</b>	<i>Person-in-charge of the accounting department:</i> <b>LV Jing-Hong</b>		

## Income Statement of the Parent Company

From January to September 2017

Prepared by: Beijing North Star Company Limited

Unit: Yuan Currency: RMB Type of audit: Unaudited

Item	Amount for the period (July to September)	Amount for the same period last year (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of last year to the end of the reporting period last year (January to September)
<b>I. Operating revenue</b>	<b>980,992,672</b>	1,177,532,665	<b>3,225,637,190</b>	2,583,184,054
Less: Operating costs	<b>423,261,398</b>	695,662,323	<b>1,604,794,902</b>	1,271,919,126
Taxes and surcharges	<b>91,874,677</b>	96,842,540	<b>282,659,073</b>	212,256,988
Selling expenses	<b>25,728,804</b>	33,338,793	<b>82,811,461</b>	92,272,492
Administrative expenses	<b>120,030,383</b>	151,076,982	<b>365,919,843</b>	401,905,894
Finance expenses	<b>3,660,221</b>	148,062,801	<b>27,818,200</b>	364,152,148
Impairment losses on assets		73,668		-176,028
Add: Gain on changes in fair value (loss stated with "-")				
Investment income (loss stated with "-")	<b>-16,830,884</b>	-5,545,026	<b>830,012</b>	-12,448,732
Including: Investment income from associates and joint ventures		-7,253,160	<b>-4,418,636</b>	-14,156,866
Other Gains				
<b>II. Operating profit (loss stated with "-")</b>	<b>299,606,305</b>	46,930,532	<b>862,463,723</b>	228,404,702
Add: Non-operating income	<b>601,854</b>	244,620	<b>3,549,842</b>	17,355,069
Including: Gain on disposal of non-current assets	<b>14,429</b>	51	<b>14,429</b>	19,244
Less: Non-operating expenses	<b>959,972</b>	162,019	<b>1,381,923</b>	666,421
Including: Loss on disposal of non-current assets	<b>422,284</b>	161,423	<b>808,847</b>	602,311

Item	Amount for the period (July to September)	Amount for the same period last year (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of last year to the end of the reporting period last year (January to September)
<b>III. Total profit (total loss stated with “-”)</b>	<b>299,248,187</b>	47,013,133	<b>864,631,642</b>	245,093,350
Less: Income tax expenses	<b>74,837,656</b>	13,205,358	<b>216,157,911</b>	64,451,338
<b>IV. Net profit (net loss stated with “-”)</b>	<b>224,410,531</b>	33,807,775	<b>648,473,731</b>	180,642,012
<b>V. Other comprehensive income (net of tax)</b>				
(I) Other comprehensive income that will not be reclassified into profit or loss subsequently				
1. Changes arising from remeasurement of net liabilities or net assets of defined benefit plans				
2. Share of other comprehensive income (that will not be reclassified to profit or loss) of investees accounted for using equity method				
(II) Other comprehensive income that will be reclassified into profit or loss subsequently				
1. Share of other comprehensive income (that will be reclassified to profit or loss subsequently) of investees accounted for using equity method				

Item	Amount for the period (July to September)	Amount for the same period last year (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of last year to the end of the reporting period last year (January to September)
2. Gains or losses arising from changes in fair value of available-for-sale financial assets				
3. Gains or losses from reclassifying held-to-maturity investments to available-for-sale financial assets				
4. Effective portion of gains or losses on cash flow hedges				
5. Exchange differences on foreign currency translation				
6. Others				
<b>VI. Total comprehensive income</b>	<b>224,410,531</b>	33,807,775	<b>648,473,731</b>	180,642,012

**VII. Earnings per share:**

- (I) Basic earnings per share  
*(RMB/share)*
- (II) Diluted earnings per share  
*(RMB/share)*

*Legal Representative of  
the Company:*  
**HE Jiang-Chuan**

*Person-in-charge of  
accounting operations:*  
**CUI Wei**

*Person-in-charge of the  
accounting department:*  
**LV Jing-Hong**

## Consolidated Cash Flow Statements

From January to September 2017

Prepared by: Beijing North Star Company Limited

Unit: Yuan Currency: RMB Type of audit: Unaudited

Item	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of last year to the end of the reporting period last year (January to September)
<b>I. Cash flows from operating activities:</b>		
Cash received from selling goods and rendering services	14,779,217,971	17,796,988,956
Net increase in deposits from customers and placements from banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from policyholders and investments		
Net increase in disposal of financial assets at fair value through profit or loss		
Cash received from interest, handling charges and commissions		
Net increase in placements from banks		
Net increase in fund for repurchases of businesses		
Refund of tax and levies received		
Cash received relating to other operating activities	511,616,134	285,689,722
<b>Sub-total of cash inflow from operating activities</b>	<b>15,290,834,105</b>	<b>18,082,678,678</b>

<b>Item</b>	<b>Amount from the beginning of the year to the end of the reporting period (January to September)</b>	<b>Amount from the beginning of last year to the end of the reporting period last year (January to September)</b>
Cash paid for purchase of goods and receipt of services	<b>11,622,502,298</b>	9,714,862,445
Net increase in loans and advances to customers		
Net increase in placements with central bank and other financial institution		
Cash paid for claims on original insurance contracts		
Cash payment for interest, handling charges and commissions		
Cash payment for policyholder dividend		
Cash paid to and paid for employees	<b>678,556,816</b>	654,977,750
Taxes paid	<b>1,992,062,601</b>	1,031,609,139
Cash paid relating to other operating activities	<b>451,722,290</b>	958,098,983
<b>Sub-total of cash outflow from operating activities</b>	<b><u>14,744,844,005</u></b>	<b><u>12,359,548,317</u></b>
<b>Net cash flows from operating activities</b>	<b><u>545,990,100</u></b>	<b><u>5,723,130,361</u></b>



Item	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of last year to the end of the reporting period last year (January to September)
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments	1,874,153,875	417,073,122
Cash received from returns on investments	16,364,667	41,729,158
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,046,893	2,797,234
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
<b>Sub-total of cash inflow from investing activities</b>	<b><u>1,893,565,435</u></b>	<b><u>461,599,514</u></b>
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	89,900,995	74,483,280
Cash paid to acquire investment	4,243,652,258	2,360,451,424
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities		
<b>Sub-total of cash outflow from investing activities</b>	<b><u>4,333,553,253</u></b>	<b><u>2,434,934,704</u></b>
<b>Net cash flows from investing activities</b>	<b><u>-2,439,987,818</u></b>	<b><u>-1,973,335,190</u></b>

<b>Item</b>	<b>Amount from the beginning of the year to the end of the reporting period (January to September)</b>	<b>Amount from the beginning of last year to the end of the reporting period last year (January to September)</b>
<b>III. Cash flows from financing activities:</b>		
Cash received from capital contribution	<b>4,000,000</b>	55,000,000
Including: Cash received from capital contributions by minority shareholders of subsidiaries	<b>4,000,000</b>	55,000,000
Cash received from borrowings	<b>11,074,494,218</b>	7,408,797,598
Cash received from issuance of bonds	<b>1,314,857,574</b>	1,488,000,000
Cash received relating to other financing activities	<b><u>1,335,718,016</u></b>	<u>2,877,332,196</u>
<b>Sub-total of cash inflow from financing activities</b>	<b><u><u>13,729,069,808</u></u></b>	<b><u><u>11,829,129,794</u></u></b>
Cash repayments of borrowings	<b>6,217,661,217</b>	10,233,516,954
Cash payments for distribution of dividends and profits or interest expenses	<b>1,535,097,620</b>	1,544,589,570
Including: Dividends and profit paid to minority shareholders by subsidiaries		
Cash paid relating to other financing activities		
<b>Sub-total of cash outflow from financing activities</b>	<b><u><u>7,752,758,837</u></u></b>	<b><u><u>11,778,106,524</u></u></b>
<b>Net cash flows from financing activities</b>	<b><u><u>5,976,310,971</u></u></b>	<b><u><u>51,023,270</u></u></b>

<b>Item</b>	<b>Amount from the beginning of the year to the end of the reporting period (January to September)</b>	Amount from the beginning of last year to the end of the reporting period last year (January to September)
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		
<b>V. Net increase in cash and cash equivalents</b>	<b>4,082,313,253</b>	3,800,818,441
Add: Balance of cash and cash equivalents at the beginning of the period	<b><u>7,520,362,354</u></b>	<b><u>6,104,157,065</u></b>
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b><u>11,602,675,607</u></b>	<b><u>9,904,975,506</u></b>
<i>Legal Representative of the Company:</i> <b>HE Jiang-Chuan</b>	<i>Person-in-charge of accounting operations:</i> <b>CUI Wei</b>	<i>Person-in-charge of the accounting department:</i> <b>LV Jing-Hong</b>

**Statement of Cash Flows of the Parent Company**  
*From January to September 2017*

Prepared by: Beijing North Star Company Limited

*Unit: Yuan Currency: RMB Type of audit: Unaudited*

Item	<b>Amount from the beginning of the year to the end of the reporting period (January to September)</b>	Amount from the beginning of last year to the end of the reporting period last year (January to September)
<b>I. Cash flows from operating activities:</b>		
Cash received from selling goods and rendering services	<b>2,971,749,943</b>	3,330,637,804
Refund of tax and levies received		
Cash received relating to other operating activities	<b>310,355,862</b>	4,589,774,304
<b>Sub-total of cash inflow from operating activities</b>	<b><u>3,282,105,805</u></b>	<b><u>7,920,412,108</u></b>
Cash paid for purchase of goods and receipt of services	<b>865,229,211</b>	1,351,361,157
Cash paid to and paid for employees	<b>421,621,386</b>	405,341,190
Taxes paid	<b>474,945,360</b>	344,563,617
Cash paid relating to other operating activities	<b>139,501,461</b>	502,443,013
<b>Sub-total of cash outflow from operating activities</b>	<b><u>1,901,297,418</u></b>	<b><u>2,603,708,977</u></b>
<b>Net cash flows from operating activities</b>	<b><u>1,380,808,387</u></b>	<b><u>5,316,703,131</u></b>

<b>Item</b>	<b>Amount from the beginning of the year to the end of the reporting period (January to September)</b>	<b>Amount from the beginning of last year to the end of the reporting period last year (January to September)</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments	<b>15,226,078,254</b>	6,048,574,050
Cash received from returns on investments	<b>594,385,070</b>	494,687,761
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>394,213</b>	1,337,739
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
	_____	_____
<b>Sub-total of cash inflow from investing activities</b>	<b><u><u>15,820,857,537</u></u></b>	<b><u><u>6,544,599,550</u></u></b>
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	<b>81,223,316</b>	67,619,017
Cash paid to acquire investment	<b>18,405,367,548</b>	8,278,867,424
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities		
	_____	_____
<b>Sub-total of cash outflow from investing activities</b>	<b><u><u>18,486,590,864</u></u></b>	<b><u><u>8,346,486,441</u></u></b>
<b>Net cash flows from investing activities</b>	<b><u><u>-2,665,733,327</u></u></b>	<b><u><u>-1,801,886,891</u></u></b>

<b>Item</b>	<b>Amount from the beginning of the year to the end of the reporting period (January to September)</b>	<b>Amount from the beginning of last year to the end of the reporting period last year (January to September)</b>
<b>III. Cash flows from financing activities:</b>		
Cash received from capital contribution		
Cash received from borrowings	<b>6,318,794,218</b>	3,208,797,598
Cash received from issuance of bonds	<b>1,314,857,574</b>	1,488,000,000
Cash received relating to other financing activities	<b><u>1,136,083,638</u></b>	
<b>Sub-total of cash inflow from financing activities</b>	<b><u><u>8,769,735,430</u></u></b>	<b><u><u>4,696,797,598</u></u></b>
Cash repayments of borrowings	<b>3,136,195,318</b>	4,617,824,695
Cash payments for distribution of dividends and profits or interest expenses	<b>1,167,070,860</b>	1,155,492,035
Cash paid relating to other financing activities		
<b>Sub-total of cash outflow from financing activities</b>	<b><u><u>4,303,266,178</u></u></b>	<b><u><u>5,773,316,730</u></u></b>
<b>Net cash flows from financing activities</b>	<b><u><u>4,466,469,252</u></u></b>	<b><u><u>-1,076,519,132</u></u></b>

<b>Item</b>	<b>Amount from the beginning of the year to the end of the reporting period (January to September)</b>	<b>Amount from the beginning of last year to the end of the reporting period last year (January to September)</b>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		
<b>V. Net increase in cash and cash equivalents</b>	<b>3,181,544,312</b>	2,438,297,108
Add: Balance of cash and cash equivalents at the beginning of the period	<b>4,622,075,524</b>	4,037,782,331
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b><u>7,803,619,836</u></b>	<b><u>6,476,079,439</u></b>

<i>Legal Representative of the Company:</i> <b>HE Jiang-Chuan</b>	<i>Person-in-charge of accounting operations:</i> <b>CUI Wei</b>	<i>Person-in-charge of the accounting department:</i> <b>LV Jing-Hong</b>
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# BEIJING NORTH STAR COMPANY LIMITED

## MAIN TEXT OF 2017 THIRD QUARTERLY REPORT

### I. IMPORTANT NOTICE

- 1.1 The board of directors, the supervisory committee, all directors, supervisors and the senior management of the Company warrant that there are no misrepresentations or misleading statements contained in or material omissions from this quarterly report, and accept joint and several legal responsibility for the truthfulness, accuracy and completeness of the contents of this report.
- 1.2 All directors of the Company attended the board meeting to consider this quarterly report.
- 1.3 HE Jiang-Chuan, the person-in-charge of the Company, CUI Wei, the person-in-charge of accounting operations, and LV Jing-Hong, person-in-charge of the accounting department (chief accountant), warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.
- 1.4 The third quarterly report of the Company is unaudited.

### II. BASIC INFORMATION OF THE COMPANY

#### 2.1 Major financial data

*Unit: Yuan Currency: RMB*

	<b>As at the end of the reporting period</b>	As at the end of last year	Increase/ decrease as at the end of the reporting period from the end of last year (%)
Total assets	<b>76,862,102,104</b>	64,341,288,628	19.46
Net assets attributable to the owners of the Company	<b>12,293,943,226</b>	11,660,582,806	5.43



	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	From the beginning of last year to the end of last year's reporting period (January to September)	Increase/ decrease from the corresponding period last year (%)
Net cash flow from operating activities	<b>545,990,100</b>	5,723,130,361	-90.46
Revenue	<b>10,104,873,510</b>	7,263,391,645	39.12
Net profit attributable to the owners of the Company	<b>835,381,620</b>	424,424,909	96.83
Net profit attributable to the owners of the Company after deducting the non- recurring item	<b>826,177,153</b>	405,973,569	103.51
Weighted average return on net assets (%)	<b>6.97</b>	3.73	Increased by 3.24 percentage points
Basic earnings per share (RMB per share)	<b>0.25</b>	0.13	92.31
Diluted earnings per share (RMB per share)	<b>0.25</b>	0.13	92.31

## Non-recurring items and amounts

Applicable       Not applicable

*Unit: Yuan    Currency: RMB*

<b>Item</b>	<b>Amount of the period (July to September)</b>	<b>From the beginning of the year to the end of the reporting period (January to September)</b>
Profit or loss on disposal of non-current assets	-421,193	50,955
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the period		241,910
Gain or loss on changes in fair value of financial assets held for trading, financial liabilities held for trading and investment income from disposal of financial assets held for trading, financial liabilities held for trading and available-for-sale financial assets, except for effective hedging business that are related to the Company's normal operation	3,434,949	5,248,648
Other non-operating income and expenses apart from the aforesaid items	-32,234,128	-27,618,538
Effect on minority interests (after tax)	16,178,658	15,764,013
Effect on income tax	-1,105,618	-2,891,455
<b>Total</b>	<b>-14,147,332</b>	<b>-9,204,467</b>

**2.2 Total number of shareholders and shareholdings of top ten shareholders and top ten holders of circulating shares (or holders of shares not subject to selling restrictions) as at the end of the reporting period**

*Unit: Share*

Total number of shareholders 165,282

**Shareholdings of Top Ten Shareholders**

Name of shareholders (full name)	Number of shareholding as at the end of the period		Number of shares subject to selling restrictions	Shares pledged or frozen		Nature of shareholders
	Percentage (%)			State of shares	Number	
Beijing North Star Industrial Group Limited Liabilities Company (“BNS Group”)	1,161,000,031	34.482	0	Frozen	150,000,000	State-owned legal person
HKSCC NOMINEES LIMITED	686,338,499	20.384	0	Nil	0	Foreign legal person
Wangfujing Group Co., Ltd.	125,300,000	3.721	0	Nil	0	State-owned legal person
Chang’an International Trust Co., Ltd. – Chang’an Trust – Chang’an Investment No. 966 Securities Investment Single Fund Trust Scheme (長安國際信託股份有限公司—長安信託—長安投資966號證券投資單一資金信託計劃)	79,901,417	2.373	0	Nil	0	State-owned legal person
Zhong Hang Xin Gang Guarantee Co., Ltd.	73,473,353	2.182	0	Nil	0	Domestic non-state-owned legal person

Name of shareholders (full name)	Number of shareholding as at the end of the period		Number of shares subject to selling restrictions	Shares pledged or frozen		Nature of shareholders
	Percentage (%)			State of shares	Number	
Yunnan International Trust Co., Ltd. – Yunxin Interest Increment No. 24 Securities Investment Single Fund Trust (雲南國 際信託有限公司–雲信增 利24號證券投資單一資金 信託)	56,913,412	1.690	0	Nil	0	State-owned legal person
Chang’an International Trust Co., Ltd. – Chang’an Trust – Chang’an Investment No. 879 Securities Investment Single Fund Trust Scheme (長安國際信託股份有限 公司–長安信託–長安投 資879號證券投資單一資 金信託計劃)	49,139,705	1.459	0	Nil	0	State-owned legal person
Shaanxi International Trust Co., Ltd. – SITI • Treasure Bowl No. 91 Securities Investment Collective Fund Trust Scheme (陝西 省國際信託股份有限公 司–陝國投·聚寶盆91號 證券投資集合資金信託計 劃)	39,738,619	1.180	0	Nil	0	State-owned legal person
Yunnan International Trust Co., Ltd. – Yunxin – Ruiyang 2017 – No. 3 Collective Fund Trust Scheme (雲南國際信託 有限公司–雲信–瑞陽 2017–3號集合資金信託 計劃)	39,163,817	1.163	0	Nil	0	State-owned legal person
Foresea Life Insurance Co., Ltd. – Ju Fu Product (前海 人壽保險股份有限公司– 聚富產品)	31,999,828	0.950	0	Nil	0	Domestic non- state-owned legal person

## Top Ten Holders of Shares not Subject to Selling Restrictions

Name of shareholders (full name)	Number of circulating shares not subject to selling restrictions	Class and number of shares	
		Class	Number
Beijing North Star Industrial Group Limited Liabilities Company	1,161,000,031	RMB-denominated ordinary shares	1,161,000,031
HKSCC NOMINEES LIMITED	686,338,499	Domestic listed foreign shares	686,338,499
Wangfujing Group Co., Ltd.	125,300,000	RMB-denominated ordinary shares	125,300,000
Chang'an International Trust Co., Ltd. – Chang'an Trust – Chang'an Investment No. 966 Securities Investment Single Fund Trust Scheme (長安國 際信託股份有限公司–長安信託–長安投資 966號證券投資單一資金信託計劃)	79,901,417	RMB-denominated ordinary shares	79,901,417
Zhong Hang Xin Gang Guarantee Co., Ltd.	73,473,353	RMB-denominated ordinary shares	73,473,353
Yunnan International Trust Co., Ltd. – Yunxin Interest Increment No. 24 Securities Investment Single Fund Trust (雲南國際信託有限公司– 雲信增利24號證券投資單一資金信託)	56,913,412	RMB-denominated ordinary shares	56,913,412
Chang'an International Trust Co., Ltd. – Chang'an Trust – Chang'an Investment No. 879 Securities Investment Single Fund Trust Scheme (長安國 際信託股份有限公司–長安信託–長安投資 879號證券投資單一資金信託計劃)	49,139,705	RMB-denominated ordinary shares	49,139,705
Shaanxi International Trust Co., Ltd. – SITI • Treasure Bowl No. 91 Securities Investment Collective Fund Trust Scheme (陝西省國際信 託股份有限公司–陝國投•聚寶盆91號證券投 資集合資金信託計劃)	39,738,619	RMB-denominated ordinary shares	39,738,619
Yunnan International Trust Co., Ltd. – Yunxin – Ruiyang 2017 – No. 3 Collective Fund Trust Scheme (雲南國際信託有限公司–雲信–瑞陽 2017–3號集合資金信託計劃)	39,163,817	RMB-denominated ordinary shares	39,163,817
Foresea Life Insurance Co., Ltd. – Ju Fu Product (前海人壽保險股份有限公司–聚富產品)	31,999,828	RMB-denominated ordinary shares	31,999,828

Notes on the connected relationship or parties acting in concert among the above shareholders

HKSCC NOMINEES LIMITED, the second largest shareholder, holds the H Shares of the Company on behalf of various clients; the de facto controller of both Beijing Wangfujing Group Co., Ltd., the third largest shareholder, and BNS Group, the controlling shareholder of the Company, is the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality; Chang'an International Trust Co., Ltd. – Chang'an Trust – Chang'an Investment No. 966 Securities Investment Single Fund Trust Scheme (長安國際信託股份有限公司–長安信託–長安投資966號證券投資單一資金信託計劃), the fourth largest shareholder, and Chang'an International Trust Co., Ltd. – Chang'an Trust – Chang'an Investment No. 879 Securities Investment Single Fund Trust Scheme (長安國際信託股份有限公司–長安信託–長安投資879號證券投資單一資金信託計劃), the seventh largest shareholder, are both trusts managed by Chang'an International Trust Co., Ltd.; Yunnan International Trust Co., Ltd. – Yunxin Interest Increment No. 24 Securities Investment Single Fund Trust (雲南國際信託有限公司–雲信增利24號證券投資單一資金信託), the sixth largest shareholder, and Yunnan International Trust Co., Ltd. – Yunxin – Ruiyang 2017 – No. 3 Collective Fund Trust Scheme (雲南國際信託有限公司–雲信–瑞陽2017–3號集合資金信託計劃), the ninth largest shareholder, are both trusts managed by Yunnan International Trust Co., Ltd.; relationship among the remaining shareholders is unknown; whether the remaining shareholders are concert parties for the purpose of the “Administrative Measures for Takeover of Listed Companies” is also unknown.

Pursuant to the document titled “Implementation Measure for the Transfer of Part of the State-owned Shares to the National Social Security Fund in Domestic Securities Market (Cai Qi [2009] No. 94)” (《境內證券市場轉持部分國有股充實全國社會保障基金實施辦法》(財企[2009]94號)) (“No. 94 Document”) and Announcement No. 63 of 2009 jointly issued by the Ministry of Finance of the People's Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council, the China Securities Regulatory Commission and the National Council for Social Security Fund, after the reform of shareholding structure, all limited companies with state-owned shares who conducted initial public offering in the domestic securities market with its shares listed shall transfer part of its state-owned shares with reference to 10% of the actual issued shares during the initial public offering to the National Council for Social Security Fund, save as otherwise stipulated by the State Council. For the companies which meet the conditions for direct transfer of shares but are required to

maintain the state-controlled status pursuant to relevant national regulations, the state-owned shareholders are required to perform their obligation of transfer by way of (including but not limited to) distributing dividend or turning to internal resources while ensuring the capital would be contributed to the national treasury in full and in a timely manner as approved by the state-owned asset supervision and management authority.

The Company completed the initial public offering of A shares and was listed in October 2006 with an issue size of 1.5 billion shares. Pursuant to No. 94 Document and the Announcement No. 63 of 2009 jointly issued by the Ministry of Finance of the People's Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council, the China Securities Regulatory Commission and the National Council for Social Security Fund, the 150 million shares held by BNS Group are frozen at present as BNS Group was a state-owned shareholder prior to the listing of the Company.

On 30 October 2015, BNS Group issued a commitment letter to the National Council for Social Security Fund, undertaking to fulfill its obligation of transfer by way of cash contribution, and to make a sufficient contribution of RMB360 million to the national treasury in cash in relation to the obligation of transfer of 150 million shares. BNS Group has paid the first amount of RMB60 million on 20 November 2015 and the second amount of RMB100 million on 18 November 2016. At present, the 150 million shares held by BNS Group in the Company remains frozen.

**2.3 Total number of holders of preference shares and shareholdings of top ten holders of preference shares and top ten holders of preference shares not subject to selling restrictions as at the end of the reporting period**

Applicable       Not applicable

## 2.4 Brief of the Company' operation in the third quarter

From January to September 2017, for real estate development purpose, in respect of land reserve, the Company's newly increased land reserve had a gross floor area of 1,524,300 m<sup>2</sup> (a plot ratio-based gross floor area of 1,129,400 m<sup>2</sup>), representing a year-on-year decrease of 24.98%; in respect of engineering construction, the Company recorded a new construction area of 1,818,200 m<sup>2</sup>, a completed area of 485,400 m<sup>2</sup> and a resumed construction area of 5,250,900 m<sup>2</sup>, representing a year-on-year decrease of 7.75%, 44.98% and a year-on-year increase of 24.78%, respectively; in respect of project sales, the Company recorded a contracted sales area of 824,500 m<sup>2</sup> and a contracted sales amount of RMB14.738 billion, representing a year-on-year decrease of 37.07% and 21.65%, respectively, and its settlement area was 579,600 m<sup>2</sup> and its settlement amount was RMB7.986 billion, representing a year-on-year increase of 22.98% and 53.31%, respectively.

From January to September 2017, as to property holding, the gross floor area of convention center projects was 326,400 m<sup>2</sup>, realising a total operating revenue of RMB572,430,000; the total gross construction area of office building projects was 365,000 m<sup>2</sup>, realising a total operating revenue of RMB516,650,000; the gross floor area of hotel projects was 291,600 m<sup>2</sup>, realising a total operating revenue of RMB586,740,000; the gross floor area of apartment projects was 179,700 m<sup>2</sup>, realising a total operating revenue of RMB186,810,000, and the gross floor area of commercial properties projects was 80,200 m<sup>2</sup>, realising a total operating revenue of RMB145,730,000.



### III. SIGNIFICANT EVENTS

#### 3.1 Details and reasons for substantial changes in the major accounting statement items and financial indicators of the Company

Applicable       Not applicable

*Unit: Yuan    Currency: RMB*

Item	30 September 2017	31 December 2016	Change	Change rate (%)	Major reasons for the change
Cash at bank and in hand	<b>12,147,627,166</b>	8,075,867,900	4,071,759,266	50.42	Mainly attributable to the increase in borrowings and in income from sales of development properties in the period
Financial assets at fair value through profit or loss	<b>600,000,000</b>	–	600,000,000	–	Mainly due to the purchase of principal-guaranteed short-term wealth management products by the Company in the period
Accounts receivable	<b>141,165,278</b>	57,848,504	83,316,774	144.03	Mainly attributable to the increase in accounts receivables from the investment properties in the period
Prepayments	<b>1,728,926,216</b>	3,198,197,191	-1,469,270,975	-45.94	Mainly due to the transfer of the prepayment of land premiums of the Company in the prior period to the inventory in the period
Interest receivable	<b>37,377,920</b>	6,541,135	30,836,785	471.43	Mainly due to the increase in borrowing interests receivable from joint ventures and associates in the period
Other receivables	<b>2,825,408,214</b>	1,830,933,864	994,474,350	54.32	Mainly due to the increase in receivables from minority shareholders
Construction in progress	<b>10,941,985</b>	5,430,398	5,511,587	101.50	Mainly due to the increase in assets upgrading expense in the period

Item	30 September 2017	31 December 2016	Change	Change rate (%)	Major reasons for the change
Long-term accounts receivable	1,334,384,758	–	1,334,384,758	–	Mainly due to the increase in borrowing receivable from joint ventures and associates for more than one year by the Company in the period
Deferred income tax assets	462,691,043	315,013,009	147,678,034	46.88	Mainly due to the increase in recognition of deferred income tax assets in relation to deductible temporary differences
Short-term borrowings	1,100,000,000	780,000,000	320,000,000	41.03	Mainly due to the increase in short-term borrowings of the Company in the period
Long-term borrowings	23,539,440,820	16,851,741,920	6,687,698,900	39.69	Mainly due to the increase in long-term borrowings of the Company in the period
Bonds payable	5,286,652,344	3,971,794,770	1,314,857,574	33.10	Mainly due to issuance of medium-term bonds by the Company in the period
Long-term accounts payable	2,341,032,622	1,462,854,606	878,178,016	60.03	Mainly due to the increase in payables to minority shareholders for more than one year by the Company in the period
Item	January to September 2017	January to September 2016	Change	Change rate (%)	Major reasons for the change
Operating revenue	10,104,873,510	7,263,391,645	2,841,481,865	39.12	Mainly due to the increase in the settlement area of real estate projects and the increase in the income from sales of properties held for sale of the Company in the period

Item	January to September 2017	January to September 2016	Change	Change rate (%)	Major reasons for the change
Operating costs	<b>6,857,330,911</b>	4,743,585,248	2,113,745,663	44.56	Mainly due to the increase in costs as a result of the increase in income from sales of development properties of the Company in the period
Taxes and surcharges	<b>819,375,196</b>	591,020,534	228,354,662	38.64	Mainly due to the increase in the revenue of the Company in the period
(Loss)/gain on investment	<b>5,589,466</b>	-1,903,755	7,493,221	393.60	Mainly due to the decrease in loss of joint ventures and associates and the increase in gains from purchasing of wealth management products
Non-operating income	<b>7,852,719</b>	20,097,222	-12,244,503	-60.93	Mainly due to the decrease in other gains of the Company in the period
Non-operating expenses	<b>35,420,302</b>	1,318,975	34,101,327	2585.44	Mainly due to the payment of overdue fees by the Company in the period
Income tax expenses	<b>304,331,610</b>	168,941,061	135,390,549	80.14	Mainly due to the increase in total profit of the Company in the period
Net profit attributable to the owners of the Company	<b>835,381,620</b>	424,424,909	410,956,711	96.83	Mainly due to the increase in settlement income from real estate projects and the increase in income from properties held by the Company in the period
Minority interests	<b>67,578,961</b>	4,422,237	63,156,724	1,428.16	Mainly due to the increase in profit including minority interests of the Company in the period
Basic earnings per share	<b>0.25</b>	0.13	0.12	92.31	Mainly due to the increase in net profit attributable to the owners of the Company in the period

Item	January to September 2017	January to September 2016	Change	Change rate (%)	Major reasons for the change
Net cash flow from operating activities	<b>545,990,100</b>	5,723,130,361	-5,177,140,261	-90.46	Mainly due to the decrease in the advances from real estate projects and the increase in cash investment of the Company in the period
Net cash flow from financing activities	<b>5,976,310,971</b>	51,023,270	5,925,287,701	11,612.91	Mainly due to the increase in borrowings and the decrease in cash repayments of borrowings by the Company in the period

**3.2 Analysis and explanation on the development of significant events, and impacts and solutions thereof**

Applicable       Not applicable

**3.3 Overdue commitments that have not yet been fulfilled during the reporting period**

Applicable       Not applicable

**3.4 Warning and explanation on reasons for accumulated net profits expected to be probably loss from the beginning of the year to the end of the next reporting period or material changes as compared to those of the corresponding period last year**

Applicable       Not applicable

Company Name : **Beijing North Star Company Limited**  
Legal representative : **HE Jiang-Chuan**  
Date : 26 October 2017

By order of the board of directors  
**Beijing North Star Company Limited**  
**HE Jiang-Chuan**  
*Chairman*

Beijing, the PRC, 26 October 2017

*As at the date of this announcement, the board of directors of the Company comprises nine directors, of whom six are executive directors, namely, Mr. HE Jiang-Chuan, Mr. LI Wei-Dong, Mr. LI Chang-Li, Ms. ZHAO Hui-Zhi, Mr. LIU Jian-Ping and Mr. LIU Huan-Bo, and three are independent non-executive directors, namely, Mr. FU Yiu-Man, Mr. DONG An-Sheng and Mr. WU Ge.*