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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)

CONNECTED TRANSACTIONS

The Group and Asia Olympic Technology entered into contracts in the ordinary course of business of the Group on 21 January 2020 and in the past 12 months for the procurement of video conferencing service systems, surveillance, communications, display and other electronic products, light-current services and smart system services from Asia Olympic Technology.

IMPLICATIONS UNDER THE LISTING RULES

Asia Olympic Technology is an associate of BNSIGC and BNSIGC is the controlling shareholder of the Company. Therefore, Asia Olympic Technology is a connected person of the Company. Accordingly, the transactions between Asia Olympic Technology and the Group constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

All the Applicable Percentage Ratios in respect of the respective transactions under the Light-current and Smart System Construction Contract and the Previous Contracts are less than 0.1%. However, after entering into the Light-current and Smart System Construction Contract, the maximum Applicable Percentage Ratio (if calculated on an aggregated basis) of the transactions under the Light-current and Smart System Construction Contract, together with those under the Previous Contracts exceeds 0.1%. The Company hereby reports and makes announcement in respect of the transactions under the Light-current and Smart System Construction Contract and the Previous Contracts in accordance with the standards under Chapter 14A of the Listing Rules.

1. LIGHT-CURRENT AND SMART SYSTEM CONSTRUCTION CONTRACT AND PREVIOUS CONTRACTS

The Group and Asia Olympic Technology entered into contracts in the ordinary course of business of the Group on 21 January 2020 and in the past 12 months for the procurement of video conferencing service systems, surveillance, communications, display and other electronic products, light-current services and smart system services from Asia Olympic Technology. The Light-current and Smart System Construction Contract and the Previous Contracts were independently negotiated and entered into with Asia Olympic Technology by the Group's different subsidiaries in connection with their respective business needs of different nature. The principal terms of the Light-current and Smart System Construction Contract and the Previous Contracts are summarized as follows:

Date	Contracting Parties of the Group	Scope of Transaction	Payment Terms
<i>Light-current and Smart System Construction Contract</i>			
1. 21 January 2020	Sichuan North Star	According to the requirements of the relevant contract, Asia Olympic Technology is responsible for the light-current and smart system construction for the project of Sichuan North Star.	The contract price shall be payable in stages according to the construction timelines. However, after the construction project is completed, accepted and settled, the payment made by Sichuan North Star to Asia Olympic Technology shall not exceed 97% of the total settlement amount, and the remaining 3%, being the quality guarantee deposit, shall be paid upon expiry of the defect liability period. Asia Olympic Technology shall submit to Sichuan North Star a bank performance guarantee in an aggregate amount equivalent to 10% of the contract price.

Date	Contracting Parties of the Group	Scope of Transaction	Payment Terms
<i>Previous Contracts</i>			
2. 3 December 2019	Chongqing North Star	According to the requirements of the relevant contract, Asia Olympic Technology provides and installs the video conferencing system for the office area of Chongqing North Star.	The contract price shall be paid upon receipt of the invoice and normal functioning of the conferencing system.
3. 3 December 2019	Wuhan Jinchen Yingchuang Real Estate Co., Limited (武漢金辰盈創置業有限公司)	According to the requirements of the relevant contract, Asia Olympic Technology provides and installs the video conferencing system for the office area of Wuhan Jinchen Yingchuang Real Estate Co., Limited.	The contract price shall be paid after delivery of the goods, installation, commissioning and acceptance.
4. 26 August 2019	Wuhan Guanggu Creative Cultural Science & Technology Park Co., Limited (武漢光谷創意文化科技園有限公司)	According to the requirements of the relevant contract, Asia Olympic Technology provides and installs the video conferencing system for the office area of Wuhan Guanggu Creative Cultural Science & Technology Park Co., Limited.	The contract price shall be paid after delivery of the goods, installation, commissioning and acceptance.
5. 8 August 2019	Chongqing North Star	According to the requirements of the relevant contract, Asia Olympic Technology provides and installs the video conferencing system for the office area of Chongqing North Star.	The contract price shall be paid upon receipt of the invoice and normal functioning of the conferencing system.

Date	Contracting Parties of the Group	Scope of Transaction	Payment Terms
6. 21 June 2019	Beijing North Star Convention Group Co., Limited (北京 北辰會展集團有 限公司)	According to the requirements of the relevant contract, Asia Olympic Technology provides the video conferencing system for the office area of Beijing North Star Convention Group Co., Limited.	95% of the contract price shall be paid after system installation, testing and passing of final inspection, and 5% of the contract price shall be paid after system installation and commissioning.
7. 21 June 2019	Changsha North Star	According to the requirements of the relevant contract, Asia Olympic Technology provides light-current services for the project of Changsha North Star.	The contract price shall be payable in stages based on construction progress. However, after the construction project is completed, accepted and settled, the payment made by Changsha North Star to Asia Olympic Technology shall not exceed 97% of the total settlement amount, and the remaining 3%, being the quality guarantee deposit, shall be paid upon expiry of the defect liability period.
8. 19 June 2019	Changsha Century Garden Real Estate Co., Limited (長沙 世紀御景房地產 有限公司)	According to the requirements of the relevant contract, Asia Olympic Technology is responsible for providing and installing the surveillance equipment for the project of Changsha Century Garden Real Estate Co., Limited.	Payment before delivery.

Date	Contracting Parties of the Group	Scope of Transaction	Payment Terms
9. 12 April 2019	Changsha North Star	According to the requirements of the relevant contract, Asia Olympic Technology provides light-current services and smart system services for the project of Changsha North Star.	The contract price shall be payable in stages based on construction progress. However, after the construction project is completed, accepted and settled, the payment made by Changsha North Star to Asia Olympic Technology shall not exceed 97% of the total settlement amount, and the remaining 3%, being the quality guarantee deposit, shall be paid upon expiry of the defect liability period.
10. 27 March 2019	Changsha North Star	According to the requirements of the relevant contract, Asia Olympic Technology is responsible for providing and installing camera surveillance equipment for the project of Changsha North Star.	Payment before delivery.

The contract price of the Light-current and Smart System Construction Contract is RMB4,064,885.00. The Group invited public tender for the construction works under the Light-current and Smart System Construction Contract, and Asia Olympic Technology was the tender winner after conducting relevant evaluation procedures and taking into consideration of various factors, including technical experience, professional qualifications, business reputation, project management abilities of all the tenderers, total expenses and other relevant factors.

The total contract price of the Previous Contracts is RMB6,397,415.00. The Group invited tenders for some contracts in accordance with the Group's internal control procedures, and Asia Olympic Technology was the tender winner after conducting relevant evaluation procedures and taking into consideration of various factors, including technical experience, professional qualifications, business reputation, project management abilities of all the tenderers, total expenses and other relevant factors; some contract prices were determined by arm's length commercial negotiations according to the principles of fairness and reasonableness with reference to the quotations of independent suppliers during the same period.

The contract price for the Light-current and Smart System Construction Contract will be funded by internal resources of the Group. The contract prices for the Previous Contracts are or will be funded by internal resources of the Group.

2. REASONS FOR AND BENEFITS OF ENTERING INTO THE LIGHT-CURRENT AND SMART SYSTEM CONSTRUCTION CONTRACT AND THE PREVIOUS CONTRACTS

The Group develops different property development projects in different cities in the ordinary course of business. Each of these development projects would have certain systems and equipment installed according to the respective designs and then be offered for sale. On the other hand, the subsidiaries of the Group procure equipment from time to time for office staffs' usage in their day-to-day operations for office use. Asia Olympic Technology is a recognized national high-tech enterprise in China. After comprehensive evaluation of the relevant factors of specific contracts in accordance with the Group's internal control procedures, the different subsidiaries of the Group selected Asia Olympic Technology for the procurement of video conferencing service systems, surveillance, communications, display and other electronic products, light-current services and smart system services for the above purposes.

The Directors, including independent non-executive Directors, have confirmed that the terms under the Light-current and Smart System Construction Contract and the Previous Contracts are fair and reasonable, and the transactions thereunder are on normal commercial terms in the ordinary course of business of the Group, and in the interests of the Company and its shareholders as a whole.

No Director has any material interest in the transactions under the Light-current and Smart System Construction Contract and the Previous Contracts.

3. IMPLICATIONS UNDER THE LISTING RULES

Asia Olympic Technology is an associate of BNSIGC and BNSIGC is the controlling shareholder of the Company. Therefore, Asia Olympic Technology is a connected person of the Company. Accordingly, the transactions between Asia Olympic Technology and the Group constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

All the Applicable Percentage Ratios in respect of the respective transactions under the Light-current and Smart System Construction Contract and the Previous Contracts are less than 0.1%. However, after entering into the Light-current and Smart System Construction Contract, the maximum Applicable Percentage Ratio (if calculated on an aggregated basis) of the transactions under the Light-current and Smart System Construction Contract, together with those under the Previous Contracts exceeds 0.1%. The Company hereby reports and makes announcement in respect of the transactions under the Light-current and Smart System Construction Contract and the Previous Contracts in accordance with the standards under Chapter 14A of the Listing Rules.

4. GENERAL INFORMATION

The Company is principally engaged in development properties and investment properties (including hotels).

BNSIGC is a state-owned enterprise, which is principally engaged in real estate development, convention and exhibition as well as operation and management of ancillary properties, etc.

Asia Olympic Technology is principally engaged in light-current system integration, construction of smart systems, etc.

5. DEFINITIONS

“Applicable Percentage Ratios”	the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules;
“Asia Olympic Technology”	Beijing Asia Olympic Technology Co., Limited (北京康辰亞奧技術股份有限公司), a limited company incorporated in the PRC;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“BNSIGC”	Beijing North Star Industrial Group Limited Liabilities Company, a limited company incorporated in the PRC;
“Board”	the board of Directors of the Company;

“Changsha North Star”	Changsha North Star Real Estate Development Co., Limited (長沙北辰房地產開發有限公司), a limited company incorporated in the PRC and a subsidiary of the Company;
“Chongqing North Star”	Chongqing North Star Liangjiang Investment Co., Limited (重慶北辰兩江置業有限公司), a limited company incorporated in the PRC and a subsidiary of the Company;
“Company”	Beijing North Star Company Limited (北京北辰實業股份有限公司), a sino-foreign joint venture joint stock limited company incorporated in the PRC, whose A shares and H shares are listed and traded on the Shanghai Stock Exchange and the Stock Exchange respectively;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Light-current and Smart System Construction Contract”	the contract entered into by Sichuan North Star in respect of Sichuan North Star project dated 21 January 2020;
“PRC”	the People’s Republic of China;
“Previous Contracts”	the contracts entered into between Asia Olympic Technology and the Group within the past 12 months from the date of this announcement, excluding the Light-current and Smart System Construction Contract;
“RMB”	Renminbi, the lawful currency of the PRC;

“Sichuan North Star”	Sichuan North Star Tianren Real Estate Co., Limited (四川北辰天仁置業有限公司), a limited company incorporated in the PRC and a subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	Percentage.

By order of the Board
BEIJING NORTH STAR COMPANY LIMITED
GUO Chuan
Executive Director and Company Secretary

Beijing, PRC, 21 January 2020

As at the date of this announcement, the Board comprises nine directors, of whom six are executive directors, namely, Mr. HE Jiang-Chuan, Mr. LI Wei-Dong, Ms. LI Yun, Mr. CHEN De-Qi, Ms. ZHANG Wen-Lei and Mr. GUO Chuan and three are independent non-executive directors, namely, Mr. FU Yiu-Man, Mr. DONG An-Sheng and Mr. WU Ge.

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