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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**

After the date of the January Announcement and up to the date of this announcement, the Group and Asia Olympic Technology entered into contracts in the ordinary course of business of the Group for the procurement of light-current construction, smart system construction services and new office smart equipment and its installation 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 Smart System Construction Contract and the Previous Contracts are less than 0.1%. However, after entering into such construction contracts, the maximum Applicable Percentage Ratio (if calculated on an aggregated basis) of the transactions under the 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 Smart System Construction Contract and the Previous Contracts in accordance with the standards under Chapter 14A of the Listing Rules.

## 1. SMART SYSTEM CONSTRUCTION CONTRACT AND PREVIOUS CONTRACTS

Reference is made to the January Announcement. After the date of the January Announcement and up to the date of this announcement, the Group and Asia Olympic Technology entered into contracts in the ordinary course of business of the Group for the procurement of light-current construction, smart system construction services, and new office smart equipment and its installation from Asia Olympic Technology. The 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 Smart System Construction Contract and the Previous Contracts are summarized as follows:

Date	Contracting Parties of the Group	Scope of Transaction	Payment Terms
<b><i>Smart System Construction Contract</i></b>			
1. 23 September 2020	Chongqing North Star	According to the requirements of the relevant contract, Asia Olympic Technology is responsible for the smart system construction for the project of Chongqing North Star.	<p>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 Chongqing 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.</p> <p>Asia Olympic Technology shall submit to Chongqing North Star a bank performance guarantee in an aggregate amount equivalent to 10% of the contract price.</p>

<b>Date</b>	<b>Contracting Parties of the Group</b>	<b>Scope of Transaction</b>	<b>Payment Terms</b>
<b><i>Previous Contracts</i></b>			
2. 12 March 2020	Chongqing North Star	According to the requirements of the relevant contract, Asia Olympic Technology is responsible for the smart system construction services for the project of Chongqing 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 Chongqing 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.
3. 28 February 2020	Chongqing North Star	According to the requirements of the relevant contract, Asia Olympic Technology provides and installs smart equipment for the new office of Chongqing 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 Chongqing 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.
4. 24 February 2020	Chengdu North Star	According to the requirements of the relevant contract, Asia Olympic Technology is responsible for the light-current construction for the project of Chengdu 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 Chengdu 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.

The contract price of Smart System Construction Contract is RMB5,853,488.51. The Group invited public tender for the construction works under Smart System Construction Contract, and Asia Olympic Technology was the tender winner after conducting relevant evaluation procedures and taking into consideration 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 RMB8,200,997.73. The Group conducted open tendering 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 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 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 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 state high-tech enterprise in China. In accordance with the relevant laws and regulations and after undergoing the Group's internal control procedures, the different subsidiaries of the Group selected Asia Olympic Technology for the procurement of light-current construction, smart system construction service and new office smart equipment and installation, etc, for the above purposes.

The Directors, including independent non-executive Directors, have confirmed that the terms under 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 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 Smart System Construction Contract and the Previous Contracts are less than 0.1%. However, after entering into Smart System Construction Contract, the maximum Applicable Percentage Ratio (if calculated on an aggregated basis) of the transactions under 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 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 liability company incorporated in the PRC;
“Board”	the board of Directors of the Company;
“Chengdu North Star”	Chengdu North Star Tianfu Properties Co., Ltd. (成都北辰天府置業有限公司), 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;
“January Announcement”	the announcement of the Company dated 21 January;
“PRC”	the People’s Republic of China;
“Previous Contracts”	the contracts entered into between Asia Olympic Technology and the Group during the period after the date of the January Announcement and up to the date of this announcement, excluding the Smart System Construction Contract;
“RMB”	Renminbi, the lawful currency of the PRC;
“Smart System Construction Contract”	the contract entered into by Chongqing North Star in respect of the project of Chongqing North Star dated 23 September 2020;
“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, 23 September 2020

*As at the date of this announcement, the Board comprises eight directors, of whom five are executive directors, namely, 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.*