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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)

DELAY IN DESPATCH OF CIRCULAR

References are made to the announcement of Beijing North Star Company Limited (the “**Company**”) dated 27 September 2019 in relation to, the Major and Connected Transaction of the Transfer Agreement on Land Use Right of the Asian Games Village, and the announcements of the Company dated 31 October 2019, 31 December 2019 and 30 June 2020 in relation to Delay in Despatch of Circular (the “**Announcements**”). Unless otherwise defined herein, capitalised terms in this announcement shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, a circular containing, among other things, (i) information on the Transfer Agreement and the Transfer; (ii) a letter from the independent board committee to the Independent Shareholders on the Transfer Agreement and the Transfer; (iii) a letter from the independent financial adviser containing its advice and recommendation to the independent board committee and the Independent Shareholders on the Transfer Agreement and the Transfer; and (iv) the property valuation report prepared in accordance with Chapter 5 of the Listing Rules was expected to be despatched to the Shareholders on or before 31 December 2020.

The Transfer Agreement and the Transfer, including the transfer price, are subject to the approval of the valuation report by the authority before being submitted to the Shareholders of the Company for consideration and approval, and the Company is also required to prepare the information to be set out in the circular, including the financial information and the property valuation report. Given that currently the aforementioned works and conditions are yet to be completed and in view of factors such as the historical postponement and delay of the Transfer and the uncertainty of the COVID-19 pandemic generally brought to the commercial activities, the despatch of the circular will be postponed to a date that is within three months of the completion of the aforementioned works and conditions and/or the entering into of any further agreement between the parties. In the event of any latest updates, further announcement will be made by the Company as and when appropriate.

Meanwhile, as disclosed in the announcement of the Company dated 27 September 2019, the Company will continue, in accordance with the transitional arrangement under the Transfer Agreement, to rent the Land and conduct the relevant transactions pursuant to the Lease Contract. Even if the Transfer cannot be completed eventually, BNSIGC and the Company will also negotiate separately to seek other solutions that may be appropriate at that time.

Shareholders and potential investors of the Company should note that the Transfer could only be implemented after all conditions precedent of the Transfer Agreement and the Compensation Agreement have been fulfilled. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Beijing, the PRC, 30 December 2020

As at the date of this announcement, the Board of the Company comprises eight directors, including five executive Directors, i.e. Mr. LI Wei-Dong, Ms. LI Yun, Mr. CHEN De-Qi, Ms. ZHANG Wen-Lei and Mr. GUO Chuan and three independent non-executive directors, i.e. Mr. FU Yiu-Man, Mr. WU Ge and Mr. GAN Pei-Zhong.

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