

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Beijing North Star Company Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**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)

- (1) PROPOSED AUTHORISATION OF PROVISION OF GUARANTEE BY THE COMPANY,**
  - (2) PROPOSED GRANT OF GENERAL MANDATE FOR ISSUANCE OF SHARES,**
  - (3) PROPOSED GRANT OF GENERAL MANDATE FOR ISSUANCE OF DEBT FINANCING INSTRUMENTS,**
  - (4) PROPOSED REGISTRATION AND ISSUANCE OF PERPETUAL MEDIUM TERM NOTES OF NOT MORE THAN RMB3 BILLION OF THE COMPANY,**
  - (5) PROPOSED REGISTRATION AND ISSUANCE OF MEDIUM TERM NOTES OF NOT MORE THAN RMB3 BILLION OF THE COMPANY,**
  - (6) PROPOSED FORMULATION OF DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS (2021-2023),**
  - (7) PROPOSED RETIREMENT AND ELECTION OF DIRECTORS AND SUPERVISORS REPRESENTING THE SHAREHOLDERS,**
  - (8) PROPOSED REMUNERATION OF DIRECTORS AND SUPERVISORS,**
  - (9) PROPOSED RENEWAL OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**
- AND**
- (10) NOTICE OF 2020 ANNUAL GENERAL MEETING**
- 

Beijing North Star Company Limited (the “**Company**”) will convene the 2020 AGM at the Meeting Room One at 12th Floor, Tower A, Hui Xin Building, No.8 Bei Chen Dong Road, Chao Yang District, Beijing, the PRC on Thursday, 13 May 2021 at 9:00 a.m. The notice convening the meeting is set out on pages 36 to 41 of this circular. Whether or not you are able to attend the 2020 AGM, you are requested to complete and return the enclosed proxy form for holders of H Shares in accordance with the instructions printed thereon. The proxy form for holders of H Shares should be returned to the H Share Registrar of the Company, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time fixed for holding the 2020 AGM (i.e. not later than 12 May 2021 at 9:00 a.m. (Hong Kong time)). Completion and return of the proxy form will not preclude you from attending and voting at the meeting.

In view of the continuing risks of the COVID-19 outbreak, the Company will closely monitor the pandemic conditions and take appropriate precautionary measures in accordance with the relevant requirements on the pandemic prevention and control in Beijing. The Company particularly reminds the Shareholders and participants who intend to attend the 2020 AGM to continue to pay attention to the latest development of the pandemic, adopt proper personal prevention measures and comply with the requirements on the pandemic prevention and control (including the relevant requirements on the pandemic prevention and control in Beijing) for their health and safety.

---

# CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	ii
<b>Letter from the Board</b> .....	1
1. Introduction .....	2
2. Proposed authorisation of provision of guarantee by the Company .....	2
3. Proposed grant of general mandate for issuance of Shares .....	6
4. Proposed grant of general mandate for issuance of debt financing instruments .....	7
5. Proposed registration and issuance of Perpetual Medium Term Notes of not more than RMB3 billion of the Company .....	11
6. Proposed registration and issuance of Medium Term Notes of not more than RMB3 billion of the Company .....	13
7. Proposed formulation of dividend distribution plan for Shareholders (2021-2023) .....	15
8. Proposed retirement and election of Directors and Supervisors representing the Shareholders .....	15
9. Proposed remuneration of Directors and Supervisors .....	18
10. Proposed renewal of liability insurance for Directors, Supervisors and senior management .....	19
11. 2020 AGM .....	20
12. Voting by way of poll .....	22
13. Recommendation .....	22
14. General information .....	22
<b>Appendix I</b> .....	23
<b>Appendix II</b> .....	27
<b>Notice of 2020 Annual General Meeting</b> .....	36

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2020 AGM”	the 2020 annual general meeting of the Company to be held at the Meeting Room One at 12th Floor, Tower A, Hui Xin Building, No.8 Bei Chen Dong Road, Chao Yang District, Beijing, the PRC on 13 May 2021 at 9:00 a.m.
“2020 AGM Notice”	the notice dated 14 April 2021 in relation to the convening of the 2020 AGM as set out on pages 36 to 41 of this circular
“A Share(s)”	domestic ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each which are listed on the Shanghai Stock Exchange (Stock Code: 601588)
“Articles of Association”	the existing articles of association of the Company
“BNSIGC”	Beijing North Star Industrial Group Limited Liabilities Company, the controlling Shareholder of the Company
“Board”	the board of Directors
“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 shares are listed on the Stock Exchange and the Shanghai Stock Exchange
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries at the relevant time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	the overseas listed Share(s) in the share capital of the Company with a nominal value of RMB1.00 each which are listed on the Stock Exchange (Stock Code: 588)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

---

## DEFINITIONS

---

“PRC” or “China”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Stock Exchange”	the Shanghai Stock Exchange
“Share(s)”	share(s) of nominal value of RMB1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the member(s) of the Supervisory Committee
“Supervisory Committee”	the supervisory committee of the Company

---

## LETTER FROM THE BOARD

---



**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)

**The Board**

*Executive Directors*

Mr. LI Wei-Dong

Ms. LI Yun

Mr. CHEN De-Qi

Ms. ZHANG Wen-Lei

Mr. GUO Chuan

*Independent non-executive Directors*

Mr. FU Yiu-Man

Mr. WU Ge

Mr. GAN Pei-Zhong

*Legal address:*

No. 8 Bei Chen Dong Road

Chao Yang District

Beijing

The PRC

*Principal place of business in Hong Kong:*

26th Floor, Jardine House

1 Connaught Place

Central

Hong Kong

14 April 2021

Dear Sir or Madam,

- (1) PROPOSED AUTHORISATION OF PROVISION OF GUARANTEE BY THE COMPANY,
- (2) PROPOSED GRANT OF GENERAL MANDATE FOR ISSUANCE OF SHARES,
- (3) PROPOSED GRANT OF GENERAL MANDATE FOR ISSUANCE OF DEBT FINANCING INSTRUMENTS ,
- (4) PROPOSED REGISTRATION AND ISSUANCE OF PERPETUAL MEDIUM TERM NOTES OF NOT MORE THAN RMB3 BILLION OF THE COMPANY,
- (5) PROPOSED REGISTRATION AND ISSUANCE OF MEDIUM TERM NOTES OF NOT MORE THAN RMB3 BILLION OF THE COMPANY,
- (6) PROPOSED FORMULATION OF DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS (2021-2023),
- (7) PROPOSED RETIREMENT AND ELECTION OF DIRECTORS AND SUPERVISORS REPRESENTING THE SHAREHOLDERS,
- (8) PROPOSED REMUNERATION OF DIRECTORS AND SUPERVISORS,
- (9) PROPOSED RENEWAL OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT AND
- (10) NOTICE OF 2020 ANNUAL GENERAL MEETING

---

## LETTER FROM THE BOARD

---

### 1. INTRODUCTION

The main purpose of this circular is to provide you with information on matters in relation to (1) proposed authorisation of provision of guarantee by the Company; (2) proposed grant of general mandate for issuance of Shares; (3) proposed grant of general mandate for issuance of debt financing instruments; (4) proposed registration and issuance of Perpetual Medium Term Notes of not more than RMB3 billion of the Company; (5) proposed registration and issuance of Medium Term Notes of not more than RMB3 billion of the Company; (6) proposed formulation of dividend distribution plan for Shareholders; (7) proposed retirement and election of Directors and Supervisors representing the Shareholders; (8) proposed remuneration of Directors and Supervisors; and (9) proposed renewal of liability insurance for Directors, Supervisors and senior management, and to seek your approval of the special/ordinary resolutions in relation to these matters at the 2020 AGM.

### 2. PROPOSED AUTHORISATION OF PROVISION OF GUARANTEE BY THE COMPANY

In order to satisfy the demand of financing and operations of the Company and its subordinate companies and to enhance management efficiency, it is proposed to the 2020 AGM to authorise the Board to consider and approve the following additional guarantees of the Company and its subordinate companies:

1. Type of guarantee: the types of the guarantees provided between the Company and its subordinate companies include, but not limited to, assurances, pledges and charges.
2. Target of guarantee: the targets of the guarantees under this authorisation include guarantees provided by the Company and its wholly-owned subsidiaries to its other wholly-owned or non-wholly owned subsidiaries (i.e. those non-wholly owned subordinate companies whose results are incorporated into the consolidated financial statements of the Company) and their investees, and guarantees provided by wholly-owned companies and non-wholly owned companies to the Company and its other wholly-owned companies and non-wholly owned companies within the aggregate amount of RMB45 billion (excluding the guarantees provided in phases by the Company and its subordinate companies to property purchasers).
3. Allocation of the amounts is as follows:
  - (1) total amount of guarantees provided to wholly-owned subsidiaries shall not be more than RMB20.5 billion;
  - (2) total amount of guarantees provided to non-wholly owned subsidiaries shall not be more than RMB5 billion;
  - (3) total amount of guarantees provided to investees shall not be more than RMB1.5 billion;
  - (4) total amount of guarantees provided by wholly-owned and non-wholly owned subsidiaries to the Company, wholly-owned and non-wholly subsidiaries shall not be more than RMB18 billion.

## LETTER FROM THE BOARD

### 4. Basic information on the guaranteed parties:

#### (1) Basic information on the proposed targets of the guarantee business as at 31 December 2020:

*Currency: RMB*

No.	Company name	Legal representative	Registered capital ( <i>'0,000</i> )	Nature of business	Total assets ( <i>'0,000</i> )	Net assets ( <i>'0,000</i> )	Net profit ( <i>'0,000</i> )	Shareholding percentage of the Company (%)	Allocation of guarantee amount provided
									by the Company to its subordinate companies ( <i>'00 million</i> )
1	Suzhou North Star Investment Co., Limited (蘇州北辰置業有限公司)	NIU Kun	200,000	Development of real estates	636,386	146,366	-24,301	100% (indirect shareholding)	16.00
2	Chongqing North Star Liangjiang Investment Co., Limited (重慶北辰兩江置業有限公司)	XIE Xiong	5,000	Development of real estates	524,361	11,974	-3,313	100% (indirect shareholding)	40.00
3	Sichuan North Star Tianren Real Estate Co. Limited (四川北辰天仁置業有限公司)	WANG Hua	10,000	Development of real estates	166,442	-2,023	-2,124	100% (indirect shareholding)	4.00
4	Changsha North Star Real Estate Development Co., Limited (長沙北辰房地產開發有限公司)	QIN Ming	120,000	Development of real estates	1,372,190	464,595	773	100% (indirect shareholding)	27.00
5	Beijing North Star Real Estate Group Limited (北京北辰地產集團有限公司)	CHEN De-Qi	614,659	Development of real estates	1,166,700	873,755	4,254	100% (direct shareholding)	24.50
6	Wuhan North Star Chenzhi Real Estate Development Company Limited (武漢北辰辰智房地產開發有限公司)	CHI Song	3,000	Development and sale of commercial properties, fitting out and decoration	260,312	-1,902	-5,194	100% (direct shareholding)	7.00
7	Wuhan North Star Chenhui Real Estate Development Company Limited (武漢北辰辰慧房地產開發有限公司)	CHI Song	3,000	Development and sale of commercial properties, fitting out and decoration	343,160	-5,769	-7,974	100% (direct shareholding)	13.00
8	Chongqing North Star Heyue Real Estate Co., Limited (重慶北辰合悅置業有限公司)	XIE Xiong	10,000	Development of real estates	166,760	4,694	-105	100% (direct shareholding)	10.00
9	Other existing or newly-established wholly owned subsidiaries within the term of the authorisation								63.50
<b>Sub-total of wholly owned subsidiaries</b>					<b>4,636,311</b>	<b>1,491,690</b>	<b>-37,984</b>		<b>205.00</b>

## LETTER FROM THE BOARD

No.	Company name	Legal representative	Registered capital (‘0,000)	Nature of business	Total assets (‘0,000)	Net assets (‘0,000)	Net profit (‘0,000)	Shareholding percentage of the Company (%)	Allocation
									of guarantee amount provided by the Company to its subordinate companies (‘00 million)
10	Haikou Chenzhi Real Estate Company Limited (海口辰智置業有限公司)	LI Xin	5,000	Development of real estates	361,313	-36,804	-15,605	70% (indirect shareholding)	5.00
11	Other existing or newly-established non-wholly owned subsidiaries during the term of the authorisation								45.00
<b>Sub-total of non-wholly owned subsidiaries</b>					<b>361,313</b>	<b>-36,804</b>	<b>-15,605</b>		<b>50.00</b>
12	Wuxi North Star Shengyang Real Estate Development Co., Limited (無錫北辰盛陽置業有限公司)	NIU Kun	2,000	Development of real estates	371,949	10,671	7,146	40% (indirect shareholding)	10.00
13	Guangzhou Guangyue Real Estate Co., Limited (廣州廣悅置業有限公司)	HU Chun-Fang	9,804	Development of real estates	124,219	9,103	-940	49% (indirect shareholding)	5.00
<b>Sub-total of investees</b>					<b>496,168</b>	<b>19,774</b>	<b>6,206</b>		<b>15.00</b>
<b>Total</b>					<b>5,493,792</b>	<b>1,474,660</b>	<b>-47,383</b>		<b>270.00</b>

- (2) As the above allocation of guarantee amount is based on the Company’s forecast on its current business, the Company is authorised to, based on possible changes, adjust the allocation by reallocating the estimated guarantee amount among its wholly-owned subsidiaries and non-wholly owned subsidiaries within the above-mentioned guarantee amount during the term of authorization. The Company is also authorised to reallocate the estimated guarantee amount among newly established wholly-owned or non-wholly owned subsidiaries during the term of authorization within the estimated total guarantee amount.



---

## LETTER FROM THE BOARD

---

5. Scope of authorisation: the 2020 AGM shall authorise the Board to deliberate any aforesaid guarantee to be provided by the Company and its subordinate companies. The scope of authorization shall cover any of the following situations:
  - (1) the amount of a single guarantee exceeding 10% of the audited net assets of the Company for the latest period;
  - (2) any provision of guarantee after the total external guarantee amount of the Company and its non-wholly owned subsidiaries exceeding 50% of the audited net assets of the Company for the latest period;
  - (3) provision of guarantee to a target with a gearing ratio exceeding 70%;
  - (4) guarantee exceeding 30% of the audited total assets of the Company for the latest period based on the principle of the cumulative calculation of the guarantee amount for twelve consecutive months;
  - (5) guarantee exceeding 50% of the audited net assets of the Company for the latest period based on the principle of the cumulative calculation of the guarantee amount for twelve consecutive months.
6. Term of authorisation: authorisation shall be effective from the date of consideration and approval at the 2020 AGM to the date of the 2021 annual general meeting.
7. If each guarantee provided between the Company and its subordinate companies constitutes a transaction under the Listing Rules, the Company shall seek approval from the Shareholders (if applicable) in compliance with the applicable requirements under the Listing Rules.
8. The Company will require the guaranteed party to provide corresponding counter-guarantee based on its status.

If it is beyond the scope of this authorisation of guarantee, the Company will strictly comply with the relevant regulatory requirements and decision-making procedure for listed companies.

---

## LETTER FROM THE BOARD

---

### 3. PROPOSED GRANT OF GENERAL MANDATE FOR ISSUANCE OF SHARES

According to the relevant requirements under the Company Law of the PRC, the Listing Rules and Articles of Association, it is proposed to the 2020 AGM to grant general mandate to the Board to issue Shares. Details are as follows:

- (1) to unconditionally approve the Board to, within the Relevant Period (as defined below), exercise all powers to issue and deal with, either separately or concurrently, the additional A Shares and H Shares, of which the respective amount was not more than 20% of the A Shares and H Shares as at the date of approval of such general mandate at the 2020 AGM (collectively, the “**New Shares**”);
- (2) to authorise the Board to execute or issue offers, agreements and/or options within the Relevant Period according to the approval of the paragraph (1) above, where such offers, agreements and options will require, or might require the New Shares to be allotted within or after the Relevant Period, and to authorise the Board to issue and deal with the New Shares which is required to, or might be required to, be allotted according to such offers, agreements and options;
- (3) to authorise the Board to, after issuing New Shares of the Company according to paragraph (1) of this resolution, increase the Company’s registered capital, to make appropriate and necessary adjustments to the relevant contents of the Articles of Association in relation to the total amount of share capital, share capital structure, registered capital and so on, to carry out statutory approval, registrations and filings within and outside the PRC, and to take all other necessary actions and execute all necessary procedures to realize the issuance of Shares and increase in the Company’s registered capital under paragraph (1) of this resolution. It is proposed to the 2020 AGM to agree that, under the condition which the above authorisation has been granted, to re-delegate the above authorisation herein to the persons delegated by the Board to sign, execute, modify, complete, submit all agreements, contracts and documents in relation to the allotment and issuance of and dealing with the Shares under the general mandate, unless otherwise stipulated by laws or regulations;
- (4) for the purpose of this special resolution:

“Relevant Period” means the period from the date of approval of this special resolution until the earliest of the following:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the twelve months after the date of passing this special resolution; or
- (iii) the date on which the authorisation granted to the Board in this special resolution being revoked or varied by a special resolution of the Shareholders at the general meeting.

---

## LETTER FROM THE BOARD

---

#### 4. PROPOSED GRANT OF GENERAL MANDATE FOR ISSUANCE OF DEBT FINANCING INSTRUMENTS

In order to promote the debt financing of the Company and all of its subsidiary companies in an efficient and orderly way and meet the capital demands in the production and operation of the Company, it is proposed to the 2020 AGM to authorize the Board and the subsidiaries of the Company, and agree the Board to further authorize the chairman of the Board or the general manager of the Company to exercise with full power and authority to deal with the matters in connection with the issuance of debt financing instruments. Details are as follows:

##### I. Type and principal terms of the issuance

###### 1. Type of the issuance

The type of securities to be issued is debt financing instruments, which include but not limited to medium term notes, super short-term commercial paper, short-term commercial paper, privately placed debt financing instruments, corporate bonds, enterprise bonds, perpetual bonds, asset-backed securities, debt financing plans and other types of debt financing instruments as well as other onshore and offshore debt financing instruments denominated in RMB or foreign currencies as permitted to be issued by the regulatory authorities.

###### 2. Issuers, size and method of issuance

The Company or its subsidiary companies will be the issuer(s) of the debt financing instruments. The debt financing instruments to be issued shall not exceed an aggregate of RMB6 billion (inclusive) and shall be issued either in a single or multiple tranches through public offering or private placement.

###### 3. Issue price

The Company shall determine the pricing method and issue price of the debt financing instruments in accordance with market practices, based on the market conditions at the time of issuance and relevant laws and regulations.

---

## LETTER FROM THE BOARD

---

4. Target subscribers

The target subscribers of the debt financing instruments shall be investors who meet the conditions for subscription. The specific target subscribers will be determined according to relevant laws and regulations, market conditions and other specific matters related to the issuance.

5. Term and type

The debt financing instruments to be issued may be one single-term instrument or a portfolio of instruments with various terms. The specific maturity term will be determined by the Board or its authorized persons under the authorization granted at the 2020 AGM.

6. Use of proceeds

The Company intends to use the proceeds to be raised from the issuance of debt financing instruments to satisfy the demand of its production and operations, repay the interest-bearing liabilities of the Company and its subsidiaries, replenish its working capital or to finance project investment and construction as well as other uses in compliance with national laws and regulations and permitted by policies.

7. Guarantee and other credit enhancement arrangements

Guarantee and other credit enhancement arrangements shall be determined according to the characteristics of the debt financing instruments and issuance needs.

---

## LETTER FROM THE BOARD

---

### II. Authorization

- (I) The Board intends to propose at the 2020 AGM to generally and unconditionally authorize the Board and the subsidiaries of the Company, and agree the Board to further authorize the chairman of the Board or the general manager of the Company to exercise full power to deal with matters relating to the issuance of debt financing instruments based on the specific needs of the Company and other market conditions, including but not limited to:
1. to decide whether to issue , when to issue and to determine, modify and adjust the type, method, size, interest rate of issuance, specific term, instrument and size of issuance, specific arrangements for the use of proceeds, credit enhancement mechanism, debt repayment guarantee measures and other specific terms and conditions and other matters relating to the issuance (including but not limited to all matters in relation to the specific size of the issuance, the currency, the issuance price, the interest and its method for determination, whether there are adjustments to the rate of the bonds during the duration of the bonds, the issuance place, the target subscribers, the issuance time and term, whether they are issued in tranche and the number of tranches, whether there are re-sale and redemption terms, the compensation order, the rating arrangement, credit enhancement mechanism, debt repayment guarantee measures, the term and method of repayment of principle and interest, the proportions of online and offline issuance, the specific subscription method, whether it will be listed or not or be transferred, the use of the proceeds, the specific placing and underwriting arrangement and the listing or being listed of the bonds) based on the specific condition of the Company and the relevant debt market to the extent as permitted by laws and regulations;
  2. to engage, based on actual demands of the issuance of debt financing instruments, intermediaries, including but not limited to lead underwriter, trustee, debt agency, plan administrator, rating agency, law firm and accountants, and to negotiate, execute and revise relevant contracts or agreements, execute all necessary legal documents relevant to the issuance and handle, on behalf of the Company, all necessary procedures for application, registration or filing with the relevant regulatory authorities for each issuance of debt financing instruments as well as information disclosure conducted in accordance with relevant laws and regulations, the formulation of rules on the meetings of bonds holders and other matters in relation to the issuance and trading of debt financing instruments;
  3. to approve, confirm and ratify aforesaid actions and steps undertaken by the Board, its authorized persons or the subsidiaries of the Company in relation to the issuance of debt financing instruments;

---

## LETTER FROM THE BOARD

---

4. to deal with any information disclosure matters related to the issuance of debt financing instruments in accordance with the applicable laws and regulations and requirements by regulatory authorities, and fulfill the information disclosure obligations in a timely manner;
  5. in case of issuance of corporate bonds, during the duration of such corporate bonds, to determine the protection measures to safeguard repayment of debts, including not to distribute any profit to the Shareholders, as required under the relevant laws and regulations in the event that the Company expects to, or does fail to pay the principal and coupon interests of such bonds as they fall due;
  6. to deal with other matters relating to the issuance of debt financing instruments which are not mentioned above.
- (II) Subject to the approval and authorisation of the above matters at the 2020 AGM, to agree the Board to further authorize the chairman of the Board or the general manager of the Company to implement specific matters related to the issuance of debt financing instruments based on the needs of the Company and other market conditions.
- (III) to authorize the chairman of the Board or the general manager of the Company to approve, sign and publish relevant documents, announcements and circulars, etc., in accordance with the applicable regulatory rules of the place where the company's shares are listed.

### **III. Validity of the authorization**

The authorization referred to in this resolution will be valid from the date of approval at the 2020 AGM until the date of holding the 2021 annual general meeting of the Company.

If the Board, its authorized persons or the subsidiaries of the Company have decided on issuance within the validity period of the previous and current authorization and the Company and its subsidiaries have obtained approval and permission from and completed registration procedures with competent regulatory authorities in relation to such issuance, the Company and its subsidiary companies may proceed with and complete the relevant issuance within the validity period of such approval, permission or registration.

---

## LETTER FROM THE BOARD

---

### 5. PROPOSED REGISTRATION AND ISSUANCE OF PERPETUAL MEDIUM TERM NOTES OF NOT MORE THAN RMB3 BILLION OF THE COMPANY

The Company proposed to apply to the National Association of Financial Market Institutional Investors for registration and issuance of perpetual medium term notes of not more than RMB3 billion (inclusive) (the “**Perpetual Medium Term Notes**”) in accordance with the provisions of the Company Law, the Administrative Measures for Debt Financing Instruments of Non-Financial Enterprises in the Inter-bank Bond Market (《銀行間債券市場非金融企業債務融資工具管理辦法》) and other laws and regulations, for the purpose of meeting operation and development needs, further optimizing the asset structure of the Company and ensuring the sustainable development of the Company, details of which are as follows:

#### I. Issuance Plan

1. Scale of registration and issuance: not more than RMB3 billion (inclusive) (subject to the actual amount of registration and issuance).
2. Maturity: no fixed maturity date, the notes shall remain valid indefinitely until they are redeemed by the Company pursuant to the terms of the issuance and shall become due upon redemption by the Company pursuant to the terms of the issuance.
3. Method of issuance: in single or multiple tranches.
4. Interest rate of issuance: the interest rate will be determined by the Company through negotiation with lead underwriters by reference to the prevailing market conditions at the time of issuance.
5. Use of proceeds: the proceeds will be used by the Company and its subsidiaries to adjust debt structure, replenish working capital, repay interest-bearing debts or finance project investment, or for other corporate business activities which are in line with the PRC laws, regulations and policies.
6. Method of underwriting: the Perpetual Medium Term Notes shall be underwritten by an underwriting syndicate formed by the lead underwriter on a standby commitment basis.
7. Validity period of the resolution: upon consideration and approval of the issuance of perpetual medium term notes at the 2020 AGM, the relevant resolution will remain in force within the period of validity of the registration and existence of the Perpetual Medium Term Notes to be issued.

---

## LETTER FROM THE BOARD

---

### II. Authorization

The Company will propose at the 2020 AGM to generally and unconditionally authorize the Board, and agree the Board to further authorize the chairman of the Board or general manager of the Company to exercise full power to deal with matters relating to the issuance of Perpetual Medium Term Notes, including but not limited to:

1. to determine the specific items and conditions of the issuance of Perpetual Medium Term Notes and other related matters (including but not limited to all matters in relation to the specific size of registration, size, method, place and timing of issuance, whether they are issued in tranche and the number of tranches, interest rate of issuance or its determination mechanism, maturity, terms of redemption, coupon rate increment terms, coupon rate reset mechanism, terms of repayment of principal and interests, compulsory interest payment events, restrictions on deferring interest payment, rating arrangements, guarantee arrangements, terms on deferred interest payment, making decisions on specific arrangement for the use of proceeds to the extent as authorized at the 2020 AGM, underwriting arrangements and all other matters relating to this issuance);
2. to engage, based on actual demands of the issuance of Perpetual Medium Term Notes, intermediaries to assist the Company in handling all necessary procedures, including the application to the relevant regulatory authorities for the application, registration or filing, and listing of the Perpetual Medium Term Notes, as well as other relevant matters;
3. to execute all necessary legal documents in connection with the issuance of Perpetual Medium Term Notes, perform reporting and registration procedures in relation to the issuance of Perpetual Medium Term Notes and make necessary information disclosure as required by relevant regulatory provisions;
4. to make adjustments to relevant matters including revision of the specific plan for each issuance according to the opinions of regulatory authorities in case of changes in regulatory policies or market conditions, save for matters that require re-approval at the general meeting of the Company pursuant to the relevant laws, regulations and the Articles of Association;
5. to deal with other matters in relation to the issuance of the Perpetual Medium Term Notes;
6. the authorization above will be valid from the date of consideration and approval at the 2020 AGM until the completion of the implementation of the abovementioned authorized matters.



---

## LETTER FROM THE BOARD

---

### 6. PROPOSED REGISTRATION AND ISSUANCE OF MEDIUM TERM NOTES OF NOT MORE THAN RMB3 BILLION OF THE COMPANY

The Company proposed to apply to the National Association of Financial Market Institutional Investors for registration and issuance of medium term notes of not more than RMB3 billion (inclusive) (the “**Medium Term Notes**”) in accordance with the provisions of the Company Law, the Administrative Measures for Debt Financing Instruments of Non-Financial Enterprises in the Inter-bank Bond Market (《銀行間債券市場非金融企業債務融資工具管理辦法》) and other laws and regulations, for the purpose of meeting operation and development needs, further optimizing the asset structure of the Company and ensuring the sustainable development of the Company, details of which are as follows:

#### I. Issuance Plan

1. Scale of registration and issuance: not more than RMB3 billion (inclusive) (subject to the actual amount of registration and issuance);
2. Maturity: not more than 5 years (inclusive);
3. Method of issuance: in single or multiple tranches;
4. Interest rate of issuance: the interest rate will be determined by the Company through negotiation with lead underwriters by reference to the prevailing market conditions at the time of issuance;
5. Use of proceeds: the proceeds will be used by the Company and its subsidiaries to adjust debt structure, replenish working capital, repay interest-bearing debts or finance project investment, or for other corporate business activities which are in line with the PRC laws, regulations and policies;
6. Method of underwriting: the Medium Term Notes shall be underwritten by an underwriting syndicate formed by the lead underwriter on a standby commitment basis;
7. Validity period of the resolution: upon consideration and approval at the 2020 AGM of the Company, the relevant resolution will remain in force within the period of validity of the registration and existence of the Medium Term Notes to be issued.

---

## LETTER FROM THE BOARD

---

### II. Authorization

The Company will propose at the 2020 AGM to generally and unconditionally authorize the Board, and agree the Board to further authorize the chairman of the Board or the general manager of the Company to exercise full power to deal with matters relating to the issuance of the Medium Term Notes, including but not limited to:

1. to determine the specific issuance plan (including but not limited to specific issuance size, interest rate of issuance or its method for determination and whether there are adjustments to the rate during the term of the notes, the issuance method, the issuance place, the target subscribers, the issuance time and term, whether they are issued in tranche and the number of tranches, whether there are re-sale and redemption terms, the compensation order, the rating arrangement, guarantees, term of repayment of principal and interest, making decisions on specific arrangement for the use of proceeds to the extent as authorized at the 2020 AGM, underwriting arrangements and all other matters relating to this issuance);
2. to engage, based on actual demands of the issuance of the Medium Term Notes, intermediaries to assist the Company in handling the application to the relevant regulatory authorities for the application, registration or filing of the Medium Term Notes as well as all necessary procedures for listing and other relevant matters, and execute all necessary legal documents relevant to the issuance;
3. to make adjustments to relevant matters including revision of the specific plan for each issuance according to the opinions of regulatory authorities in case of changes in regulatory policies or market conditions, save for matters that require re-approval at the general meeting of the Company pursuant to the relevant laws, regulations and the Articles of Association;
4. to make necessary disclosure as required by relevant regulatory provisions;
5. to deal with other matters in relation to the issuance of Medium Term Notes which are not mentioned above;
6. the authorization above will be valid from the date of consideration and approval at the 2020 AGM until the completion of the implementation of the abovementioned authorized matters.

---

## LETTER FROM THE BOARD

---

### **7. PROPOSED FORMULATION OF DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS (2021-2023)**

In order to fully protect the lawful rights enjoyed by the Shareholders such as return on assets, continuously optimise the decision-making procedures and mechanisms of the Board and the Shareholders' general meeting for matters on profit distribution of the Company, further refine the terms regarding profit distribution policy in the Articles of Association, improve the transparency and operability of decision-making on profit distribution of the Company, the Company formulated the "Dividend Distribution Plan for Shareholders (2021-2023)".

On 24 March 2021, the Board approved and resolved to put forward a proposal to the Shareholders to consider and approve the "Dividend Distribution Plan for Shareholders (2021-2023)". Relevant contents of the plan is subject to the Shareholders' approval by way of an ordinary resolution at the 2020 AGM.

Details of the formulation of the "Dividend Distribution Plan for Shareholders (2021-2023)" are set out in Appendix I to this circular.

### **8. PROPOSED RETIREMENT AND ELECTION OF DIRECTORS AND SUPERVISORS REPRESENTING THE SHAREHOLDERS**

According to the Articles of Association, the Board comprises nine Directors, including three independent non-executive Directors, while the Supervisory Committee comprises five Supervisors.

The current session of the Board comprises eight Directors, including five executive Directors and three independent non-executive Directors, while the current session of the Supervisory Committee comprises four Supervisors, including two Supervisors representing the Shareholders and two Supervisors representing the staff and workers. And the term of office of each of the Directors and Supervisors representing the Shareholders of the current session will expire on the date of the 2020 AGM, and they are eligible for re-election and re-appointment.

Reference is made to the announcement of the Company dated 15 May 2020, in relation to resignation of chairman and executive Director. In view of the fact that Mr. HE Jiang-Chuan, the chairman of the Board and an executive Director, has applied for resignation as the chairman of the Board, an executive Director, a member and the chairman of each of the strategic committee and the nomination committee under the Board due to work rearrangement on 14 May 2020. Mr. HE Jiang-Chuan has confirmed that he has no disagreement with the Board in any respects and there is no matter relating to his resignation that needs to be brought to the attention of the Shareholders.

---

## LETTER FROM THE BOARD

---

In addition, two independent non-executive Directors, Mr. FU Yiu-Man and Mr. WU Ge, have informed the Company that they will retire as the independent non-executive Directors from the date of the 2020 AGM and will not seek re-election and re-appointment as the term of office of an independent non-executive Director shall not exceed six years under the requirement of the CSRC and the Articles of Association. Mr. WU Ge will also cease to be the chairman of the audit committee, the remuneration and evaluation committee and the nomination committee and a member of the strategic committee and the legal compliance committee of the Company upon his retirement; while Mr. FU Yiu-Man will also cease to be a member of the audit committee, remuneration and evaluation committee, the nomination committee, the strategic committee and the legal compliance committee of the Company upon his retirement. Mr. FU Yiu-Man and Mr. WU Ge have confirmed that they have no disagreement with the Board, and there are no other matters in relation to their retirements that need to be brought to the attention of the Shareholders.

Save for Mr. FU Yiu-Man and Mr. WU Ge, the independent non-executive Directors, all of the other retiring executive Directors and independent non-executive Directors are eligible for re-election and re-appointment.

The retiring Directors, including Mr. LI Wei-Dong, Ms. LI Yun, Mr. CHEN De-Qi, Ms. ZHANG Wen-Lei, Mr. GUO Chuan and Mr. GAN Pei-Zhong have been nominated as candidates for executive Directors and independent non-executive Directors with a term of office commencing from the date of the 2020 AGM and ending on the date of the 2023 annual general meeting of the Company (the “**Next Session**”). As mentioned above, Mr. FU Yiu-Man and Mr. WU Ge will retire as the independent non-executive Directors on the date of the 2020 AGM and will not seek re-election and re-appointment. Therefore, the Board has nominated Dr. CHOW Wing-Kin, Anthony and Mr. CHEN De-Qiu as candidates for new independent non-executive Directors for the Next Session. The Company will convene a meeting of the Board to elect the member(s)/chairman(s) of the audit committee, the remuneration and evaluation committee, the nomination committee, the strategic committee and the legal compliance committee of the Company from the newly-elected Directors upon the election of the Directors for the Next Session.

Reference is made to the announcement of the Company dated 22 January 2021, in relation to the resignation of Supervisor representing the Shareholders. In view of the fact that Mr. HU Hao, a Supervisor, has applied for resignation from the position held by him in the eighth session of the Supervisory Committee of the Company on 21 January 2021 due to work rearrangement. Mr. HU Hao has confirmed that he has no disagreement with the Board in any respects and there is no other matter relating to his resignation that needs to be brought to the attention of the Shareholders.

---

## LETTER FROM THE BOARD

---

Save for Mr. HU Hao, a resigned Supervisor representing the Shareholders, all other retiring Supervisors representing the Shareholders are eligible and offer themselves for re-election and re-appointment. The Supervisory Committee has nominated the retiring Supervisor representing the Shareholders, namely Ms. LI Xue-Mei and Mr. MO Fei as candidates for Supervisor representing the Shareholders for the Next Session. The Supervisory Committee has nominated Ms. DU Yan as a candidate for new Supervisor representing the Shareholders for the Next Session.

Reference is made to the announcement of the Company dated 4 February 2021, in relation to the resignation of a Supervisor representing the staff and workers. In view of the fact that Mr. YAN Jing-Hui, a Supervisor representing the staff and workers, has applied for resignation from the position held by him in the eighth session of the Supervisory Committee of the Company due to his reaching of retirement age. Therefore, Mr. YAN Jing-Hui will retire as a Supervisor representing the staff and workers at the date of the 2020 AGM, and will not seek re-election and re-appointment. Mr. YAN Jing-Hui has confirmed that he has no disagreement with the Board in any respects and there is no matter relating to his resignation that needs to be brought to the attention of the Shareholders.

The meeting of the representatives of the staff and workers of the Company was convened on 18 March 2021. The current Supervisor representing the staff and workers, Mr. TIAN Zhen-Hua, was re-elected as a Supervisor representing the staff and workers for the Next Session, and Ms. LV Yi-Hong, was nominated and elected as a new Supervisor representing the staff and workers for the Next Session through a democratic election by the staff and workers of the Company. Their term of office shall be three years.

Resolutions in relation to electing the Directors for the Next Session and electing the Supervisors representing the Shareholders for the Next Session will be proposed at the 2020 AGM. The term of office of the newly-elected Directors and Supervisors shall be three years, proposed to be commencing on the date of the 2020 AGM and expiring on the date of the 2023 annual general meeting of the Company.

Detailed biographies of the candidates for Directors and candidates for Supervisors representing the Shareholders proposed to be elected at the 2020 AGM are set out in Appendix II to this circular.

The independent non-executive Directors are proposed to be appointed in accordance with Rule 3.10 of the Listing Rules. The nomination committee followed the nomination policy and board diversity policy of the Company in evaluating and selecting candidates for Directors. The independent non-executive Directors have accumulated years of experience in their respective professional fields and are able to provide valuable views to the Board.

Subject to the approval at the 2020 AGM in relation to the proposed election of Directors and Supervisors representing the Shareholders and the approval at the abovementioned meeting of the Board in relation to the proposed election of the member(s)/chairman(s) of each of the audit committee, the remuneration and evaluation committee, the nomination committee, the strategic committee and the legal compliance committee of the Company from the newly-elected Directors, an announcement will be made by the Company pursuant to Rule 13.51 of the Listing Rules as soon as practicable.

---

## LETTER FROM THE BOARD

---

### 9. PROPOSED REMUNERATION OF DIRECTORS AND SUPERVISORS

The remunerations of the Directors paid by the Company in 2020 were as follows: the remuneration of Mr. LI Wei-Dong (chairman of the Board) was RMB757,612; the remuneration of Ms. LI Yun (Director) was RMB653,702; the remuneration of Mr. CHEN De-Qi (Director) was RMB628,162; the remuneration of Ms. ZHANG Wen-Lei (Director) was RMB669,026; the remuneration of Mr. GUO Chuan (Director) was RMB628,162; the remuneration of each of Mr. FU Yiu-Man, Mr. WU Ge and Mr. DONG An-Sheng (resigned on 20 October 2020), being independent non-executive Directors, was RMB117,857, RMB117,857 and RMB92,857, respectively; the remuneration of Mr. GAN Pei-Zhong (appointed on 20 October 2020), being an independent non-executive Director, was RMB25,000.

The remuneration of Directors in 2021 shall be determined with reference to the standard of the remuneration of Directors in 2020, subject to the approval and confirmation at the 2021 annual general meeting of the Company.

The remuneration of Supervisors paid by the Company in 2020 were as follows: the remuneration of Ms. LI Xue-Mei (Supervisor representing the Shareholders) was RMB456,810; the remuneration of Mr. HU Hao (Supervisor representing the Shareholders, resigned on 21 January 2021) was RMB442,810; the remuneration of Mr. MO Fei (Supervisor representing the Shareholders) was RMB378,870; and the remuneration of Mr. YAN Jing-Hui (Supervisor representing staff and workers, resigned on 18 March 2021) was RMB552,560; the remuneration of Mr. TIAN Zhen-Hua (Supervisor representing the staff and workers) was RMB367,045.

The remuneration of Supervisors in 2021 shall be determined with reference to the standard of the remuneration of Supervisors in 2020, subject to the approval and confirmation at the 2021 annual general meeting of the Company.

---

## LETTER FROM THE BOARD

---

### 10. PROPOSED RENEWAL OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Company has purchased the liability insurance for Directors, Supervisors and senior management with a coverage of not more than RMB100 million from AIG Insurance Company China Limited pursuant to the code provision A.1.8 of Appendix 14 to the Listing Rules and the approval from the 2019 annual general meeting of the Company. As the insurance could help the Company manage the legal risks arising from the fulfillment of responsibilities by its Directors, Supervisors and senior management members, improve the corporate governance of the Company and retain talents of management, the Board proposes to purchase the liability insurance for Directors, Supervisors and senior management (the “**Liability Insurance**”). The insurance plan is as follows:

1. Policyholder: Beijing North Star Company Limited
2. The insured: the Company, the Directors, Supervisors and senior management of the Company and other relevant responsible persons
3. Liability limit: not more than RMB100 million
4. Premium: the specific amount is subject to the final approval and quotation by the insurance company
5. Insurance period: one year

According to Article 202 of the Articles of Association, the Company shall seek Shareholders’ approval for any purchase of insurance. The Board had granted its approval on 24 March 2021 and resolved to put forward a proposal to the Shareholders to consider and approve the renewal of the liability insurance for Directors, Supervisors and senior management of the Company, and authorize the Board to handle matters relating to the purchase of the Liability Insurance subject to the abovementioned, including but not limited to the determination of other relevant responsible persons, insurance company, liability limit, premium and other specific insurance clauses; selection and appointment of insurance brokerage company or other intermediary agencies; signing of relevant legal documents and dealing with other matters relating to the insurance, and handling matters relating to the renewal of insurance policies or re-insurance on or before the expiry of the contracts for the Liability Insurance.

---

## LETTER FROM THE BOARD

---

### 11. 2020 AGM

The 2020 AGM Notice is set out on pages 36 to 41 of this circular for consideration of the resolutions relating to, inter alia, the following:

1. To consider and approve “the resolution on authorisation in relation to provision of guarantee” of the Company.
2. To consider and approve “the resolution on grant of general mandate for issuance of Shares” of the Company.
3. To consider and approve “the resolution on grant of general mandate for issuance of debt financing instruments” of the Company.
4. To consider and approve “the resolution on the Company’s registration and issuance of Perpetual Medium Term Notes in an amount of not more than RMB3 billion” of the Company.
5. To consider and approve “the resolution on the Company’s registration and issuance of Medium Term Notes in an amount of not more than RMB3 billion” of the Company.
6. To consider and approve the financial report of the Company for the year of 2020 prepared in accordance with the PRC accounting standards and Hong Kong generally accepted accounting principles respectively.
7. To consider and approve the report of the Board of the Company for the year of 2020 prepared in accordance with the relevant regulations and requirements of the PRC and Hong Kong for disclosure in annual report respectively.
8. To consider and approve the report of the Supervisory Committee of the Company for the year of 2020.
9. To consider and approve the scheme of profit distribution and capital reserve fund conversion of the Company for the year of 2020.
10. To consider and approve the “dividend distribution plan for Shareholders (2021-2023)” of the Company.
11. To consider and approve “the resolution regarding the election of Directors (excluding independent non-executive Directors)” of the Company.



---

## LETTER FROM THE BOARD

---

12. To consider and approve “the resolution regarding the election of independent non-executive Directors” of the Company.
13. To consider and approve “the resolution on remuneration of the Directors” of the Company.
14. To consider and approve “the resolution regarding the election of Supervisors representing the Shareholders” of the Company.
15. To consider and approve “the resolution on remuneration of the Supervisors” of the Company.
16. To consider and approve “the resolution on the re-appointment of the auditors for the year of 2021” of the Company.
17. To consider and approve “the resolution on the renewal of liability insurance for Directors, Supervisors and senior management” of the Company.

The Company will convene the 2020 AGM at the Meeting Room One at 12th Floor, Tower A, Hui Xin Building, No. 8 Bei Chen Dong Road, Chao Yang District, Beijing, the PRC on Thursday, 13 May 2021 at 9:00 a.m. Proxy forms for use at the 2020 AGM are enclosed with this circular.

Shareholders whose names appear in the register of Shareholders after the close of the office hours, i.e. 4:30 p.m. on Thursday, 6 May 2021 are entitled to attend and vote at the 2020 AGM. The register of Shareholders of the Company will be closed from Friday, 7 May 2021 to Thursday, 13 May 2021 (both days inclusive), during which no transfer of the Shares will be registered. In order to determine the holders of H Shares entitled to attend and vote at the meeting, the holders of H Shares whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the Company’s H Share Registrar, Hong Kong Registrars Limited at Rooms 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 6 May 2021.

Whether or not you intend to attend the 2020 AGM, you are requested to complete and return the proxy forms to the Company’s H Share registrar, Hong Kong Registrars Limited at 17M Floor Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 24 hours before the time fixed for holding the 2020 AGM (i.e. not later than 12 May 2021 at 9:00 a.m. (Hong Kong time)).

---

## LETTER FROM THE BOARD

---

### 12. VOTING BY WAY OF POLL

Pursuant to Article 86 of the Articles of Association, voting in the Shareholders' general meeting shall be conducted by way of poll in registered form.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the Shareholders' general meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### 13. RECOMMENDATION

The Board believes that the resolutions set out in the 2020 AGM Notice are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all the Shareholders to vote in favour of the relevant resolutions set out in the 2020 AGM Notice.

### 14. GENERAL INFORMATION

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

Yours faithfully,

By order of the Board

**BEIJING NORTH STAR COMPANY LIMITED**

**LI Wei-Dong**

*Chairman*

---

## APPENDIX I

---

### BEIJING NORTH STAR COMPANY LIMITED DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS (2021–2023)

Pursuant to the requirements in the Notice Regarding Further Implementation of Cash Dividends Distribution of Listed Companies (Zheng Jian Fa [2012] No. 37) (《關於進一步落實上市公司現金分紅有關事項的通知》(證監發[2012]37號)) and Guideline No. 3 for the Supervision of Listed Companies – Cash Dividend Distribution of Listed Companies (《上市公司監管指引第3號– 上市公司現金分紅》) issued by the CSRC and the Notice Regarding Further Improvement of Cash Dividends Distribution of Listed Companies (Jing Zheng Gong Si Fa [2012] No. 101) (《關於進一步完善上市公司現金分紅有關事項的通知》(京證公司發[2012]101號)) issued by Beijing Securities Regulatory Bureau, in order to fully protect the lawful rights enjoyed by the Shareholders such as return on assets, continuously optimise the decision-making procedures and mechanisms of the Board and the Shareholders’ general meeting on matters of profit distribution of the Company, further refine the terms regarding profit distribution policy in the Articles of Association, improve the transparency and operability of decision-making on profit distribution of the Company, and enhance the Shareholders’ supervision on the Company’s operation and profit distribution, the Board formulated the “Dividend Distribution Plan for Shareholders of the Company” (hereafter as the “**Plan**”).

#### ARTICLE 1 CONSIDERATIONS OF THE COMPANY IN THE FORMULATION OF THE PLAN

The Company is committed to realizing long-term and sustainable development and placing its entire emphasis on reasonable returns to investors. It establishes sustainable, stable and scientific return plan and mechanism for its investors after taking into consideration Shareholders’ requests and intention, the external environment, the Company’s actual conditions including profitability, cash flow status and business development strategies, and makes systematic arrangement for the Company’s profit distribution to ensure the continuity and stability of its profit distribution policies.

#### ARTICLE 2 PRINCIPLES FOR FORMULATION OF THE PLAN

The Board of the Company will formulate the Plan based on the profit distribution policy determined under the Articles of Association. The Company shall finalize a reasonable profit distribution plan by figuring out how the operating profit of the Company shall be used for self-development and returns to Shareholders, striking a balance between the short-term interest and long-term development with reference to its operating conditions.

---

## APPENDIX I

---

### **ARTICLE 3 THE CYCLE AND RELEVANT DECISION- MAKING MECHANISM OF THE FORMULATION OF THE PLAN**

The Board of the Company shall formulate the dividend distribution plan for Shareholders in accordance with the profit distribution policy prescribed under the Articles of Association and with reference to the actual conditions of the Company, and shall review the Plan at least every three years. In the event of any material changes in the Company's external environment and its own operating conditions or as required by the operating conditions, investment planning and development strategies, and requested by the regulatory authorities, such that adjustments to the dividend distribution plan for Shareholders are necessary, the Board of the Company may adjust the Plan as appropriate and submit the same to the Shareholders' general meeting of the Company for consideration and approval, on the precondition that such acts will not violate the profit distribution policy prescribed under the Articles of Association.

### **ARTICLE 4 DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS OF THE COMPANY FOR THE NEXT THREE YEARS (2021–2023)**

1. Form of profit distribution: The Company may distribute dividends in cash, in shares, in a combination of both cash and shares or otherwise as permitted by laws and regulations. Subject to conditions, interim profit distribution may be made by the Company.
2. Conditions for and proportions of cash dividends distribution: Save in special circumstances, if the Company's profit for the year and its accumulated inappropriate profit are positive, the Company may distribute dividend in cash and the profit to be distributed in cash per annum shall not be less than 10% of the distributable profit realized for that year. Such special circumstances refer to: special circumstances that may have material adverse effect on the continuing normal operation of the Company as judged by the Board of the Company.
3. The differentiated cash dividend policy of the Company:

The Board of the Company shall distinguish the following circumstances after taking into account various factors including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, and stipulate differentiated cash dividend policy in accordance with the procedures set out in the Articles of Association:

- (1) Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution when distributing its profits;

---

## APPENDIX I

---

- (2) Where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution when distributing its profits;
- (3) Where the Company is in a developing stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when distributing its profits;

Where it is difficult to identify the development stage of the Company but there is substantial capital expenditure arrangement, dividend distribution may be dealt with in accordance with the preceding provisions.

4. Conditions under which shares will be issued in lieu of dividends:

Where the Company's business is in a sound condition, that the Board considers that the stock price of the Company does not reflect its share capital size and distributing dividend in shares will be favorable to the Shareholders of the Company as a whole. Provided that the above conditions of dividend distribution in cash are fully satisfied, the Company may propose dividend distribution in shares.

5. The consideration and of implementation of profit distribution plans:

- (1) The profit distribution plan of the Company shall be commented by the general manger of the Company before being submitted to the Board and the supervisory committee of the Company for consideration. The Board shall form a special resolution in relation to the profit distribution plan before submitting it to the Shareholders' general meeting for consideration. In considering the profit distribution plan, the Company shall make Internet voting accessible to the Shareholders.
- (2) When determining specific cash dividend distribution proposal of the Company, the Board shall study and discuss, among others, the timing, conditions as well as the minimum ratio, conditions for adjustments and the requirements of the procedures for decision making. The independent Directors shall give specific opinions. The independent Directors shall seek the opinions of the minority Shareholders, devise a dividend distribution proposal accordingly and present it directly to the Board for consideration.

---

## APPENDIX I

---

- (3) Prior to the consideration of the specific cash dividend distribution proposal by the Shareholders at the general meeting, the Company shall communicate and exchange ideas through multiple channels with Shareholders (minority Shareholders in particular), attentively listen to the opinions and demands of the minority Shareholders and give timely response to the issues that concern them. After the profit distribution plan has been resolved at the Shareholders' general meeting of the Company, the Board of the Company shall complete dividend (or share) distribution within two months after holding such meeting.
- (4) Where the Company has no cash dividends distribution proposal under the aforesaid special circumstances, the Board shall explain the specific reasons for not distributing cash dividends, the exact purpose for the retained profit and the estimated investment return, submit the same to the Shareholders' general meeting for consideration after the independent Directors have expressed their opinions thereon, and disclose the same through the designated medium of the Company.

6. Alteration of the profit distribution policy:

In case of war, natural disasters and other force majeure, or changes to the Company's external operational environment resulting in material impact on its production and operation, or relatively significant changes to the Company's operational position, the Company may adjust its profit distribution policy. The Board shall conduct specific discussion over adjustment to the Company's profit distribution policies, provide detailed reasoning for such adjustment, and form a written report to be considered by the independent Directors and then submit to the Shareholders' general meeting for approval by way of a special resolution. In considering the alterations to its profit distribution policies, the Company shall make online voting available to the Shareholders.

### ARTICLE 5 SUPPLEMENTARY PROVISIONS

In case of any matter that has not been covered in the Plan, the laws, regulations, regulatory documents and the Articles of Association shall govern. The responsibility for providing explanation of the Plan shall be vested in the Board of the Company and the Plan is effective from the date on which it is considered and approved at the Shareholders' general meeting of the Company.

---

## APPENDIX II

---

The biographies of the candidates for Directors and for Supervisors representing the Shareholders to be elected at the 2020 AGM are as follows:

### EXECUTIVE DIRECTORS

**Mr. LI Wei-Dong**, aged 52, the chairman of the Company. Mr. LI is the chairman of each of the strategic committee and the legal compliance committee and a member of the nomination committee of the Company. Mr. LI graduated from Renmin University of China with a master's degree in management. He is an engineer. Mr. LI served as the mechanical workshop director, deputy manager and manager of Beijing Yanshan Cement Factory (北京市燕山水泥廠), the chief of the real estate division and the assistant to the general manager of BBMG Group Company Limited\* (北京金隅集團有限責任公司) and the manager of Tengda Plaza (騰達大廈), the manager of BBMG Property Management Co., Ltd. (北京金隅物業管理有限責任公司), the chairman of Beijing Dacheng Property Development Co., Ltd. (北京大成房地產開發有限責任公司), the deputy general manager and the executive director of BBMG Corporation\* (北京金隅股份有限公司). Mr. LI has extensive experience in real estate development and property management. Mr. LI joined in the Company in 2016 and was appointed as an executive Director and the general manager of the Company. Mr. LI was re-elected and re-appointed as the executive Director and the general manager of the Company in May 2018 and was elected as the chairman of the Company on 20 August 2020. Save as disclosed above, Mr. LI did not hold any directorship in other listed public companies or any other positions in the Company and other members of the Group during the three years prior to the date of this circular.

Mr. LI has no interest in the Shares within the meaning of Part XV of the SFO. Save for his position as the chairman of BNSIGC (the controlling Shareholder of the Company) and his directorships in certain of BNSIGC's subsidiaries, Mr. LI does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholder of the Company.

Mr. LI's term of service as an executive Director of the current session is up to the date of the 2020 AGM and will be renewed for another term of three years expiring on the date of the 2023 annual general meeting of the Company if he is re-elected as a Director for the Next Session at the 2020 AGM. The Company will enter into a service contract with Mr. LI. The proposal on the remuneration of the Directors is subject to the approval by the Shareholders at the 2020 AGM. Mr. LI's remuneration in 2020 was RMB757,612.

Save as disclosed above, in relation to the election of Mr. LI as an executive Director, there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

---

## APPENDIX II

---

**Ms. LI Yun**, aged 53, an executive Director of the Company. Ms. LI graduated from the Beijing Institute of Technology with a master degree in business administration. She is qualified as a senior economist and a senior political work specialist. Ms. LI joined BNSIGC in 1990 and successively served as the sales manager of the public relations department of Hui Yuan International Apartment, deputy general manager and general manager of Hui Bin Offices, deputy general manager, general manager of Beijing International Convention Centre and deputy general manager of the Company. Ms. LI has profound experience in operation and management of hotels, convention centre and investment property. Ms. LI has served as a Director since May 2018. Save as disclosed above, Ms. LI did not hold any directorship in other listed public companies or any other positions in the Company and other members of the Group during the three years prior to the date of this circular.

Ms. LI has no interest in the Shares within the meaning of Part XV of the SFO. Save for her position as a director of BNSIGC (the controlling Shareholder of the Company), Ms. LI does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholder of the Company.

Ms. LI's term of service as an executive Director of the current session is up to the date of the 2020 AGM and will be renewed for another term of three years expiring on the date of the 2023 annual general meeting of the Company if she is re-elected as a Director for the Next Session at the 2020 AGM. The Company will enter into a service contract with Ms. LI. The proposal on the remuneration of the Directors is subject to the approval by the Shareholders at the 2020 AGM. Ms. LI's remuneration in 2020 was RMB653,702.

Save as disclosed above, in relation to the election of Ms. LI as an executive Director, there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

**Mr. CHEN De-Qi**, aged 57, an executive Director and a deputy general manager of the Company. Mr. CHEN graduated from Chinese Academy of Sciences with a master's degree in science. He is qualified as a senior economist. Mr. CHEN joined BNSIGC in 1993 and successively served as the deputy head of the Development Department of BNSIGC, deputy general manager and general manager of Beijing North Star Real Estate Development Co., Limited and general manager of the branch company of Beijing North Star Property of the Company. Mr. CHEN has become the deputy general manager of the Company since 2015. Mr. CHEN possesses profound experience in real property development and management. Mr. CHEN has served as a Director since May 2018. He is a director, supervisor and/or manager of several members of the Group. Save as disclosed above, Mr. CHEN did not hold any directorship in other listed public companies or any other positions in the Company and other members of the Group during the three years prior to the date of this circular.



---

## APPENDIX II

---

Mr. CHEN has no interest in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. CHEN does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholder of the Company.

Mr. CHEN's term of service as an executive Director of the current session is up to the date of the 2020 AGM and will be renewed for another term of three years expiring on the date of the 2023 annual general meeting of the Company if he is re-elected as a Director for the Next Session at the 2020 AGM. The Company will enter into a service contract with Mr. CHEN. The proposal on the remuneration of the Directors is subject to the approval by the Shareholders at the 2020 AGM. Mr. CHEN's remuneration in 2020 was RMB628,162.

Save as disclosed above, in relation to the election of Mr. CHEN as an executive Director, there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

**Ms. ZHANG Wen-Lei**, aged 53, an executive Director and a deputy general manager of the Company. Ms. ZHANG graduated from the postgraduate division of the School of Economics and Management of Northern Jiaotong University and is qualified as a senior economist, a senior accountant as well as an engineer. Ms. ZHANG served as the chief economist of the Fourth Office of China Railway 18th Engineering Bureau (中鐵第十八工程局四處) and the deputy-chief economist of China Railway 18th Engineering Bureau. She joined BNSIGC in 2001. She was the chief economist and the chief legal advisor of BNSIGC. Ms. ZHANG has become the deputy general manager of the Company since 2012. Ms. ZHANG has extensive experience in construction engineering, tendering, works pricing and works supervision. Ms. ZHANG has served as a Director since May 2018. Save as disclosed above, Ms. ZHANG did not hold any directorship in other listed public companies or any other positions in the Company and other members of the Group during the three years prior to the date of this circular.

Ms. ZHANG has no interest in the Shares within the meaning of Part XV of the SFO. Save for her positions as director(s) in certain subsidiaries of BNSIGC (the controlling Shareholder of the Company), Ms. ZHANG does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholder of the Company.

Ms. ZHANG's term of service as an executive Director of the current session is up to the date of the 2020 AGM and will be renewed for another term of three years expiring on the date of the 2023 annual general meeting of the Company if she is re-elected as a Director for the Next Session at the 2020 AGM. The Company will enter into a service contract with Ms. ZHANG. The proposal on the remuneration of the Directors is subject to the approval by the Shareholders at the 2020 AGM. Ms. ZHANG's remuneration in 2020 was RMB669,026.

Save as disclosed above, in relation to the election of Ms. ZHANG as an executive Director, there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

---

## APPENDIX II

---

**Mr. GUO Chuan**, aged 52, an executive Director and a deputy general manager, a secretary to the Board and the chief legal advisor of the Company. Mr. GUO graduated from the Capital University of Economics and Business and the University of International Business and Economics with an LLB degree in economic law and an EMBA degree, and is a qualified lawyer. Mr. GUO joined BNSIGC in 1991, and was consecutively deputy director and director of the Secretariat of the Board of the Company. In February 2004, Mr. GUO was appointed as the secretary to the Board of the Company and was appointed as the chief legal advisor of the Company in July 2008. He has served as a deputy general manager of the Company since March 2017. Mr. GUO has extensive experience in corporate governance, legal affairs, corporate branding management. Mr. GUO has served as a Director since May 2018. He is a director, supervisor and/or manager of several members of the Group. Save as disclosed above, Mr. GUO did not hold any directorship in other listed public companies or any other positions in the Company and other members of the Group during the three years prior to the date of this circular.

Mr. GUO has no interest in the Shares within the meaning of Part XV of the SFO. Save for his positions as supervisor(s) in certain subsidiaries of BNSIGC (the controlling Shareholder of the Company), Mr. GUO does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholder of the Company.

Mr. GUO's term of service as an executive Director of the current session is up to the date of the 2020 AGM and will be renewed for another term of three years expiring on the date of the 2023 annual general meeting of the Company if he is re-elected as a Director for the Next Session at the 2020 AGM. The Company will enter into a service contract with Mr. GUO. The proposal on the remuneration of the Directors is subject to the approval by the Shareholders at the 2020 AGM. Mr. GUO's remuneration in 2020 was RMB628,162.

Save as disclosed above, in relation to the election of Mr. GUO as an executive Director, there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

---

## APPENDIX II

---

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. CHOW Wing-Kin, Anthony**, aged 70, is a solicitor admitted to practise in Hong Kong and England and Wales. He has been a practising solicitor in Hong Kong for over 40 years and served as chairman of the board of stewards of The Hong Kong Jockey Club, the chairman of the Process Review Panel of the Hong Kong Financial Reporting Council, the chairman of the Process Review Panel of Securities and Futures Commission of Hong Kong, the president of the Law Society of Hong Kong and etc. He is currently the senior consultant and global chairman of the law firm Messrs. Guantao & Chow Solicitors and Notaries, a member of the National Committee of the Chinese People's Political Consultative Conference, an official China-Appointed Attesting Officer appointed by the Ministry of Justice of the PRC, an arbitrator of the South China International Economic and Trade Arbitration Commission (Shenzhen Court of International Arbitration), the deputy chairman of the Council of The Hong Kong Academy for Performing Arts, a member of the Exchange Fund Advisory Committee of Hong Kong Monetary Authority and the Governance Sub-Committee, the Investment Sub-Committee thereunder and a member of advisory body under Part 10A of the Arbitration Ordinance (Cap. 609). Dr. CHOW was appointed as a Justice of the Peace and awarded with a Silver Bauhinia Star medal by the Government of the Hong Kong Special Administrative Region in 1998 and 2003, respectively, awarded as an Honorary Fellow of the Hong Kong Institute of Education in 2010, an Honorary Fellow of King's College London in England in 2013 and an Honorary Doctorate of the Open University of Hong Kong in 2018. Dr. CHOW has extensive experience in corporate law and securities businesses. Dr. CHOW currently serves as an independent non-executive director in the following three listed companies: S.F. Holdings Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 002352), MTR Corporation Limited, a company listed on the Stock Exchange (Stock Code: 00066) and Ping An Healthcare and Technology Company Limited, a company listed on the Stock Exchange (Stock Code: 01833), and Dr. CHOW also served as a non-executive director of Kingmaker Footwear Holdings Limited, a company listed on the Stock Exchange (Stock Code: 01170) and an independent director of One Connect Financial Technology Co., Ltd, a company listed on the New York Stock Exchange (Stock Code: NYSE OCFT). Save as disclosed above, Dr. CHOW did not hold any directorship in other listed public companies during the three years prior to the date of this circular. Save as the abovementioned new independent non-executive director who is proposed to be elected as a member/the chairman of the audit committee, the remuneration and evaluation committee, the nomination committee, the strategic committee and the legal compliance committee, it is expected that Dr. CHOW will not hold any other positions in the Company and other members of the Group.

Dr. CHOW has no interest in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, Dr. CHOW does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholder of the Company.

---

## APPENDIX II

---

Dr. CHOW's term of service will commence from his election as a new independent non-executive Director for the Next Session at the 2020 AGM and expire on the date of the 2023 annual general meeting of the Company. The Company will enter into a service contract with Dr. CHOW. Dr. CHOW's remuneration is subject to the approval and confirmation by the Shareholders at the 2020 AGM.

Save as disclosed above, in relation to the election of Dr. CHOW as a new independent non-executive Director, there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

**Mr. GAN Pei-Zhong**, aged 64, an independent non-executive Director and a member of each of the audit committee, the nomination committee, the remuneration and evaluation committee, the strategic committee and the legal compliance committee of the Company. Mr. GAN graduated from Department of Law of Peking University, and is a doctor of law. He served as a professor and a tutor of doctoral students of Peking University Law School. Mr. GAN currently serves as the dean, professor and tutor of doctoral students of Lanzhou University Law School, the president of China Business Law Society (中國商業法研究會), the deputy president of Research Association of Securities Law of China Law Society (中國法學會證券法學研究會), a legal counsel to the People's Government of Liaoning Province, an advisor to the Supreme People's Court, an expert member of the Guiding Cases Commission of the Supreme People's Court\* (最高人民法院案例指導委員會), and a member of the Expert Consultation Commission of the Executive Council of the Supreme People's Court\* (最高人民法院執行局專家諮詢委員會). Mr. GAN has extensive experience in field of economic law, enterprise law, corporate law and securities law. Mr. GAN currently serves as an independent non-executive director of the following three listed companies: Beijing Thunisoft Corporation Limited, a company listed on the Shenzhen Stock Exchange (Stock Code: 300271), Suzhou Douson Drilling & Production Equipment Co., Ltd., a company listed on Shanghai Stock Exchange (Stock Code: 603800), and Gansu Jinhui Wine Co. Ltd. (甘肅金徽酒股份有限公司), a company listed on Shanghai Stock Exchange (Stock Code: 603919). Mr. GAN was elected as an independent non-executive Director of the Company in October 2020. Save as disclosed above, Mr. GAN did not hold any directorship in other listed public companies during the three years prior to the date of this circular or any other positions in the Company and other members of the Group.

Mr. GAN has no interest in the Shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. GAN does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholder of the Company.

Mr. GAN's term of service as independent non-executive Director of the current term is up to the date of the 2020 AGM and will be renewed for another term of three years expiring at the date of the 2023 annual general meeting of the Company if he is re-elected as a Director for the Next Session at the 2020 AGM. The Company will enter into a service contract with Mr. GAN. The proposal on the remuneration of the Directors is subject to the approval by the Shareholders at the 2020 AGM. Mr. GAN's remuneration in 2020 was RMB25,000.

---

## APPENDIX II

---

Save as disclosed above, in relation to the election of Mr. GAN as an independent non-executive Director, there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

**Mr. CHEN De-Qiu**, aged 39, graduated from the Business School of Nankai University as a doctor specialising in corporate governance. He currently serves as an executive dean of Business School of University of International Business and Economics, a professor in accounting and corporate governance and a tutor for doctoral students. Mr. CHEN is also the vice chairman of the Accounting Society for Foreign Economic Relations & Trade of China, a member of the Foreign Academic Exchange Committee of Accounting Society of China, a member of the Financial Management Committee of Chinese Academy of Management, and a member of the Corporate Governance Committee of Chinese Academy of Management. Mr. CHEN has extensive experience in corporate governance, finance management and auditing. Mr. CHEN currently serves as an independent non-executive director of China Publishing & Media Holdings Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 601949). Save as disclosed above, Mr. CHEN did not hold any directorship in other listed public companies during the three years prior to the date of this circular. Save as the abovementioned new independent director who is proposed to be elected as a member/the chairman of the audit committee, the remuneration and evaluation committee, the nomination committee, the strategic committee and the legal compliance committee, it is expected that Mr. CHEN will not hold any other positions in the Company and other members of the Group.

Mr. CHEN has no interest in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. CHEN does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholder of the Company.

Mr. CHEN's term of service will commence from his election as a new independent non-executive Director for the Next Session at the 2020 AGM and expire on the date of the 2023 annual general meeting of the Company. The Company will enter into a service contract with Mr. CHEN. Mr. CHEN's remuneration is subject to the approval and confirmation by the Shareholders at the 2020 AGM.

Save as disclosed above, in relation to the election of Mr. CHEN as a new independent non-executive Director, there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

---

## APPENDIX II

---

### SUPERVISOR REPRESENTING SHAREHOLDERS

**Ms. LI Xue-Mei**, aged 52, the chairman of the Supervisory Committee of the Company. Ms. LI graduated from Beijing University of Technology and Beijing Institute of Technology, a bachelor in engineering, a master in business administration and an economist. Ms. LI joined BNSIGC in 1992. Ms. LI successively served as the manager of sales department of Huiyuan International Apartment (滙園國際公寓), the director of the Planning and Development Department and the director of General Manager 's Office of BNSIGC, the director of the Planning and Development Department of the Company, the secretary to the board and the director of Office of the board of BNSIGC. Ms. LI currently serves as a director of the Party Committee office of the Company. Ms. LI has extensive experience in corporate governance and strategic planning and management. Ms. LI has served as the chairman of the Supervisor Committee since June 2020. Save as disclosed above, Ms. LI did not hold any directorship in other listed public companies or any other positions in the Company and other members of the Group during the three years prior to the date of this circular.

Ms. LI has no interest in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, Ms. LI does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholder of the Company.

Ms. LI's term of service as a Supervisor representing the Shareholders of the current session is up to the date of the 2020 AGM and will be renewed for another term of three years expiring on the date of the 2023 annual general meeting of the Company if she is re-elected as a Supervisor representing the Shareholders for the Next Session at the 2020 AGM. The Company will enter into a service contract with Ms. LI. The proposal on the remuneration of the Supervisors is subject to the approval by the Shareholders at the 2020 AGM. Ms. LI's remuneration in 2020 was RMB456,810.

Save as disclosed above, in relation to the election of Ms. LI as a Supervisor representing the Shareholders, there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

**Mr. MO Fei**, aged 50, a Supervisor representing the Shareholders. Mr. MO graduated from Southwest University of Political Science & Law, a bachelor in laws and is a qualified solicitor. Mr. Mo joined BNSIGC in 2003, and once served as the deputy director of the Legal Affairs Department of BNSIGC and is currently the director of the Legal Affairs Department of the Company. Mr. MO has extensive experience in corporate legal affairs regulation. Mr. MO has served as a Supervisor of the Company since June 2020. Save as disclosed above, Mr. MO did not hold any directorship in other listed public companies or any other positions in the Company and other members of the Group during the three years prior to the date of this circular.

---

## APPENDIX II

---

Mr. MO has no interest in the Shares within the meaning of Part XV of the SFO. Save for his positions as supervisor(s) in certain subsidiaries of BNSIGC (the controlling Shareholder of the Company), Mr. MO does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholder of the Company.

Mr. MO's term of service as a Supervisor representing the Shareholders of the current session is up to the date of the 2020 AGM and will be renewed for another term of three years expiring on the date of the 2023 annual general meeting of the Company if he is re-elected as a Supervisor representing the Shareholders for the Next Session at the 2020 AGM. The Company will enter into a service contract with Mr. MO. The proposal on the remuneration of the Supervisors is subject to the approval by the Shareholders at the 2020 AGM. Mr. MO's remuneration in 2020 was RMB378,870.

Save as disclosed above, in relation to the election of Mr. MO as a Supervisor representing the Shareholders, there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

**Ms. DU Yan**, aged 44, graduated from Capital University of Economics and Business, a bachelor in economics, and a senior accountant. Ms. DU joined BNSIGC in 1999, and once served as an accountant of the finance department of Beijing North Star Shopping Centre, the chief accountant of the finance department of North Star Department Store, the manager of Planning and Finance Department of the Company. She currently serves as the deputy director of the Planning and Finance Department of the Company. Ms. DU has extensive experience in accounting practice and finance management. Save as disclosed above, Ms. DU did not hold any directorship in other listed public companies or any other positions in the Company and other members of the Group during the three years prior to the date of this circular.

Ms. DU has no interest in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, Ms. DU does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholder of the Company.

Ms. DU's term of service will commence from the date of her election as a new Supervisor representing the Shareholders at the 2020 AGM and expire on the date of the 2023 AGM of the Company. The Company will enter into a service contract with Ms. DU. Ms. DU's remuneration is subject to the approval and confirmation by the Shareholders at the 2020 AGM.

Save as disclosed above, in relation to the election of Ms. DU as a new Supervisor representing the Shareholders, there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.



---

## NOTICE OF 2020 ANNUAL GENERAL MEETING

---



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)

### NOTICE OF 2020 ANNUAL GENERAL MEETING

**Notice is hereby given** that the 2020 annual general meeting (the “**2020 AGM**”) of Beijing North Star Company Limited (the “**Company**”) will be held at the Meeting Room One at 12th Floor, Tower A, Hui Xin Building, No. 8 Bei Chen Dong Road, Chao Yang District, Beijing, the People’s Republic of China (the “**PRC**”) on Thursday, 13 May 2021 at 9:00 a.m. for the following purpose:

#### SPECIAL RESOLUTIONS

1. To consider and approve “The resolution on authorisation in relation to provision of guarantee” of the Company.
2. To consider and approve “The resolution on grant of general mandate for issuance of Shares” of the Company.
3. To consider and approve “The resolution on grant of general mandate for issuance of debt financing instruments” of the Company.
4. To consider and approve “The resolution on the Company’s registration and issuance of Perpetual Medium Term Notes in an amount of not more than RMB3 billion” of the Company.
5. To consider and approve “The resolution on the Company’s registration and issuance of Medium Term Notes in an amount of not more than RMB3 billion” of the Company.



---

## NOTICE OF 2020 ANNUAL GENERAL MEETING

---

### ORDINARY RESOLUTIONS

6. To consider and approve the financial report of the Company for the year of 2020 prepared in accordance with the PRC accounting standards and Hong Kong generally accepted accounting principles respectively.
7. To consider and approve the report of the Board of the Company for the year of 2020 prepared in accordance with the relevant regulations and requirements of the PRC and Hong Kong for disclosure in annual report respectively.
8. To consider and approve the report of the Supervisory Committee of the Company for the year of 2020.
9. To consider and approve the scheme of profit distribution and capital reserve fund conversion of the Company for the year of 2020.

As audited by PricewaterhouseCoopers Zhong Tian LLP, net profit attributable to holders of ordinary shares of the Company for the year of 2020 amounted to RMB127,444,629, and 10% of the net profit as shown in the financial statement of the parent company, i.e. RMB36,422,379, was appropriated to the statutory surplus reserve. As at the end of 2020, a profit of RMB2,180,073,228 of the parent company is available to be distributed. A cash dividend of RMB0.3 (tax inclusive) per ten shares is proposed to be distributed to the holders of ordinary shares for 2020. Based on the total share capital of the Company of 3,367,020,000 shares as at 31 December 2020, the aggregate cash dividend proposed to be distributed amounted to RMB101,010,600 (tax inclusive), accounting for 79.26% of the net profit attributable to the holders of ordinary shares of the Company. A separate announcement will be issued in respect of the specific date and method for distribution of the dividends. During the year, the Company did not implement the scheme of capital reserve fund conversion.

In the event of a change in the total share capital of the Company before the entitlement record date for payment of the cash dividend, the distribution ratio will remain unchanged and the total amount for distribution will be adjusted accordingly. A further announcement will be issued on the details of the adjustment.

---

## NOTICE OF 2020 ANNUAL GENERAL MEETING

---

10. To consider and approve the “dividend distribution plan for Shareholders (2021-2023)” of the Company.
  
11. To consider and approve “The resolution regarding the election of Directors (excluding independent non-executive Directors)” of the Company (This resolution is effected by cumulative voting process).
  - (a) To consider and approve the election of Mr. LI Wei-Dong as an executive Director of the Company for the next session of the Board.
  - (b) To consider and approve the election of Ms. LI Yun as an executive Director of the Company for the next session of the Board.
  - (c) To consider and approve the election of Mr. CHEN De-Qi as an executive Director of the Company for the next session of the Board.
  - (d) To consider and approve the election of Ms. ZHANG Wen-Lei as an executive Director of the Company for the next session of the Board.
  - (e) To consider and approve the election of Mr. GUO Chuan as an executive Director of the Company for the next session of the Board.
  
12. To consider and approve “The resolution regarding the election of independent non-executive Directors” of the Company (This resolution is effected by cumulative voting process).
  - (a) To consider and approve the election of Dr. CHOW Wing-Kin, Anthony as a new independent non-executive Director of the Company for the next session of the Board.
  - (b) To consider and approve the election of Mr. GAN Pei-Zhong as an independent non-executive Director of the Company for the next session of the Board.
  - (c) To consider and approve the election of Mr. CHEN De-Qiu as a new independent non-executive Director of the Company for the next session of the Board.

---

## NOTICE OF 2020 ANNUAL GENERAL MEETING

---

13. To consider and approve “The resolution on remuneration of the Directors” of the Company.
14. To consider and approve “The resolution regarding the election of Supervisors representing the Shareholders” of the Company (This resolution is effected by cumulative voting process).
  - (a) To consider and approve the election of Ms. LI Xue-Mei as a Supervisor representing the Shareholders for the next session of the Supervisory Committee of the Company.
  - (b) To consider and approve the election of Mr. MO Fei as a Supervisor representing the Shareholders for the next session of the Supervisory Committee of the Company.
  - (c) To consider and approve the election of Ms. DU Yan as a new Supervisor representing the Shareholders for the next session of the Supervisory Committee of the Company.
15. To consider and approve “The resolution on remuneration of the Supervisors” of the Company
16. To consider and approve “The resolution on the re-appointment of the auditors for the year of 2021” of the Company.

As PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers performed their duties in a strict, objective, fair and independent way for the Company’s audit work in 2020, which demonstrated their excellent professional standards and professional ethics, it was proposed to re-appoint PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the domestic and international auditors of the Company for the year 2021; their remuneration for the year 2021 shall not exceed the total remuneration paid by the Company for the year 2020 if the scope of audit remains the same as that in 2020, and shall be determined through negotiation between the Company and the auditors if there any change in the scope of audit.

17. To consider and approve “The resolution on the renewal of liability insurance for the Directors, Supervisors and senior management” of the Company.

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

Beijing, PRC, 14 April 2021

---

## NOTICE OF 2020 ANNUAL GENERAL MEETING

---

*Notes:*

1. Any shareholder of the Company (the “**Shareholder**”) entitled to attend and vote at the meeting mentioned above is entitled to appoint one or more proxies to attend and vote at the meeting on his/her behalf in accordance with the articles of association of the Company. A proxy need not be a Shareholder.
2. In order to be valid, the proxy form for H Shareholders and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority shall be deposited with the Company’s H share registrar, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 24 hours before the time fixed for holding the meeting (i.e. not later than 12 May 2021 at 9:00 a.m. (Hong Kong time)) or 24 hours before the time appointed for taking the poll.
3. A Shareholder or his proxy shall produce his own identity proof documentation when attending the meeting. A Shareholder attending the meeting in person shall produce (i) the document of his identity; and (ii) the evidence of his shareholding. A proxy who has been appointed to attend the meeting on behalf of others shall produce (i) the document of his identity; (ii) the proxy form; and (iii) the evidence of shareholding.

A corporate Shareholder shall be represented at the meeting by its legal representative, or the proxy appointed by the legal representative, or a proxy appointed by the board of directors or other governance body. If a corporate Shareholder appoints its legal representative to attend the meeting, the legal representative shall produce (i) the document of his identity; (ii) valid proof of his identity as a legal representative; and (iii) the evidence of shareholding. Where a proxy is appointed by the legal representative to attend the meeting on his behalf, the proxy shall produce (i) the document of his identity; (ii) the written proxy form duly issued by the legal representative of the corporate Shareholder; and (iii) the evidence of shareholding. Where a proxy is appointed to attend the meeting by the board of directors or other governance body of the corporate Shareholder, the proxy shall produce (i) the document of his identity; (ii) a notarially certified copy of the resolution or power of attorney of the corporate Shareholder; and (iii) the evidence of shareholding.

4. The register of Shareholders of the Company will be closed from Friday, 7 May 2021 to Thursday, 13 May 2021 (both days inclusive), during which no transfer of the Company’s shares will be registered. In order to be eligible to attend and vote at the 2020 AGM, all completed transfer documents relating to H shares, accompanied by the relevant share certificates, must be lodged with the H share registrar of the Company, Hong Kong Registrars Limited at Shops 1712–16, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 6 May 2021.
5. Shareholders whose names appear in the register of Shareholders after the close of the office hours, i.e. 4:30 p.m. on Thursday, 6 May 2021 are entitled to attend and vote at the meeting.

---

## NOTICE OF 2020 ANNUAL GENERAL MEETING

---

6. Subject to the approval of the Shareholders at the annual general meeting, the proposed final dividend will be payable to the Shareholders whose names appear on the register of Shareholders of the Company after the close of the office hours, i.e. 4:30 p.m. on Thursday, 27 May 2021. The register of Shareholders of the Company will be closed from Thursday, 20 May 2021 to Thursday, 27 May 2021 (both days inclusive), during which no transfer of the Company's shares will be registered. In order to be qualified for the proposed final dividend, all completed transfer documents, accompanied by the relevant share certificates, must be lodged with the H share registrar of the Company, Hong Kong Registrars Limited at Shops 1712-16, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 18 May 2021.
7. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), all votes at the Shareholders' general meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
8. The 2020 AGM is not expected to take more than half a day. Shareholders or their proxies shall be responsible for their own travel and accommodation expenses.
9. Regarding resolution No. 10 set out in this notice, information regarding the proposed formulation of the dividend distribution plan for Shareholders are set out in Appendix I to the circular dispatched to the Shareholders on 14 April 2021.
10. Regarding resolutions Nos. 11, 12 and 14 set out in this notice, the biographies of the candidates proposed to be elected as directors and supervisors of the Company (including the remunerations of Directors and Supervisors) are set out in Appendix II to the circular dispatched to the Shareholders on 14 April 2021.
11. Regarding resolution Nos. 11, 12 and 14, cumulative voting system will be adopted. Cumulative voting system refers to where two or more Directors and/or Supervisors are to be elected at the general meeting, the number of votes for each share held by a Shareholder shall be equal to the aggregate number of Directors and/or Supervisors for election under the resolution. The Shareholders may use all of the votes concentrating on one particular person, or may distribute the votes for electing several persons. When the total votes cast by a Shareholder on some candidates exceeds the total votes to which he/she is entitled, all the votes cast will become invalid and be regarded as abstain votes; when the total votes cast by a Shareholder for some candidate Directors are less than the total votes to which he/she is entitled, the votes are valid and the remaining votes will be regarded as abstain votes. If the number of votes received by the candidates exceed one-half of the total number of shares with voting rights at the Shareholders' general meeting (subject to the number of unaccumulated shares), and the number of candidates does not exceed the number of Directors and/or Supervisors to be elected, then all candidates are elected. If the number of the candidates elected at the Shareholders' general meeting is less than the number of the Directors and/or Supervisors proposed to be elected, a new round of voting shall be conducted until all Directors and/or Supervisors proposed for election are elected. When a new round of voting is conducted as aforesaid, the cumulative number of votes of the Shareholders shall be recalculated according to the number of Directors and/or Supervisors proposed for election in each round of election.
12. Should there be any discrepancies between the Chinese and English versions of this notice, the Chinese version shall prevail.
13. As at the date of this notice, the Board comprises eight directors, of which Mr. LI Wei-Dong, Ms. LI Yun, Mr. CHEN De-Qi, Ms. ZHANG Wen-Lei and Mr. GUO Chuan are executive Directors and Mr. FU Yiu-Man, Mr. WU Ge and GAN Pei-Zhong are independent non-executive Directors.