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

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

(Stock Code: 588)

ANNOUNCEMENT
PROPOSED AMENDMENTS TO THE ARTICLES OF
ASSOCIATION

This announcement is made by Beijing North Star Company Limited (the “**Company**”) pursuant to Rule 13.51(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

In accordance with the provisions of the Code of Corporate Governance for Listed Companies (《上市公司治理準則》) promulgated on 30 September 2018 by China Securities Regulatory Commission and the requirements of the CSRC Beijing Bureau on the establishment of legal systems within the enterprises, the board of directors of the Company (the “**Board**”) proposed a resolution in relation to proposed amendments to certain provisions of the articles of association on 20 March 2019, which will be proposed at the 2018 annual general meeting (the “**AGM**”) for consideration and approval. Relevant amendments to the articles of association are set out in the Appendix to this announcement.

According to the articles of association of the Company and relevant laws and regulations, such amendments shall be subject to consideration and approval of the shareholders of the Company at the AGM by way of special resolution. The relevant amendments shall be subject to the approval of the AGM. Details about the proposed amendments to the articles of association are set out in the circular of the AGM, which will be despatched to the shareholders of the Company on 11 April 2019.

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

Beijing, the PRC, 10 April 2019

As at the date of this announcement, the Board comprises nine directors, of which Mr. HE Jiang-Chuan, 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. DONG An-Sheng and Mr. WU Ge are independent non-executive directors.

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

BEIJING NORTH STAR COMPANY LIMITED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with the provisions of the Code of Corporate Governance for Listed Companies (《上市公司治理準則》) promulgated on 30 September 2018 by China Securities Regulatory Commission and the requirements of the CSRC Beijing Bureau on the establishment of legal systems within the enterprises, the following amendments are made to the articles of association:

Prior to the amendments	After the amendments
<p>Article 11</p> <p>Other senior management of the Company refer to the secretary to the board of directors, the deputy manager, the financial controller, the chief economist and the chief engineer of the Company.</p>	<p>Article 11</p> <p>Other senior management of the Company refer to the secretary to the board of directors, the deputy manager, the financial controller, <u>the chief legal adviser</u>, the chief economist and the chief engineer of the Company.</p>
<p>Article 59</p> <p>The controlling shareholders of the Company and the de facto controller shall not make use of their connected relationships to harm the benefits of the Company. For any infringement that leads to damage of the Company, the parties shall be held liable for such losses.</p> <p>The controlling shareholders of the Company and the de facto controller have fiduciary duties towards the Company and its public shareholders. The controlling shareholders shall exercise his rights as investors strictly in accordance with the laws. They shall not damage the lawful rights of the Company and public shareholders through profit allocation, assets restructuring, external investment, use of capital and loan guarantee etc. They shall not jeopardise the interest of the Company and public shareholders by making use of their controlling status.</p>	<p>Article 59</p> <p>The controlling shareholders of the Company and the de facto controller shall not make use of their connected relationships to harm the benefits of the Company. For any infringement that leads to damage of the Company, the parties shall be held liable for such losses.</p> <p>The controlling shareholders of the Company and the de facto controller have fiduciary duties towards the Company and its public shareholders. The controlling shareholders shall exercise his rights as investors strictly in accordance with the laws. <u>The controlling shareholders and the de facto controller</u> shall not damage the lawful rights of the Company and public shareholders through profit allocation, assets restructuring, external investment, use of capital and loan guarantee etc. They shall not jeopardise the interest of the Company and public shareholders by making use of their controlling status <u>or seek illegitimate interests</u>.</p>

Prior to the amendments	After the amendments
<p data-bbox="172 226 341 259">Article 132</p> <p data-bbox="172 304 778 607">If the controlling shareholders of the Company controls more than 30% interests of the Company, the shareholders' general meeting shall adopt the cumulative voting system when voting on the resolutions on the election of directors are demanded for poll.</p> <p data-bbox="172 651 778 1066">The above-mentioned cumulative voting system refers to the voting system adopted when two or more directors are to be elected at the shareholders' general meeting, whereas each share held by the shareholders who participate in the poll shall have the voting rights equal to the the total number of candidates proposed for election, and the shareholders elect one person with all the voting rights or vote separately for several candidates.</p>	<p data-bbox="817 226 986 259">Article 132</p> <p data-bbox="817 304 1423 645">If <u>any single</u> shareholder of the Company <u>together with its parties acting in concert</u> controls 30% interests of the Company <u>or more</u>, the shareholders' general meeting shall adopt the cumulative voting system when voting on the resolutions on the election of directors are demanded for poll.</p> <p data-bbox="817 689 1423 1104">The above-mentioned cumulative voting system refers to the voting system adopted when two or more directors are to be elected at the shareholders' general meeting, whereas each share held by the shareholders who participate in the poll shall have the voting rights equal to the the total number of candidates proposed for election, and the shareholders elect one person with all the voting rights or vote separately for several candidates.</p> <p data-bbox="817 1115 1423 1189"><u>Detailed rules of implementation are as follows:</u></p> <p data-bbox="817 1249 1423 1630"><u>(1) When the number of directors proposed for election is above two, the cumulative voting system shall be implemented. When adopting the cumulative voting system, each share held by the shareholders shall have the voting rights equal to the total number of directors proposed for election.</u></p>

Prior to the amendments	After the amendments
	<p>(2) <u>Independent directors shall be elected separately from non-independent directors. When electing independent directors, the number of voting rights that each shareholder is entitled to equals to the product of the number of shares held by the shareholder multiplied by the number of independent directors to be elected and such voting rights can only be cast to candidates for independent director. When electing non-independent directors, the number of voting rights that each shareholder is entitled to equals to the product of the number of shares held by the shareholder multiplied by the number of non-independent directors to be elected and such voting rights can only be cast to candidates for non-independent directors.</u></p>

Prior to the amendments	After the amendments
	<p data-bbox="820 226 1425 763"><u>(3) The notice of shareholders' general meeting shall inform the shareholders of the cumulative voting system for the directors' election proposal. The convener of the meeting shall prepare ballot paper suitable for the adoption of the cumulative voting system. Written instructions and explanations for the cumulative voting system, the method of filling in the ballots, and the method of counting votes shall be provided.</u></p> <p data-bbox="820 801 1425 1653"><u>(4) When votes are cast on election of directors at shareholders' general meeting, the shareholders may diverse their votes and vote for each director candidate with the same voting rights as the number of shares held by them; or they may consolidate their votes and cast all of their votes to one director candidate with the voting rights which are the same as the number of directors proposed for election per share held by them, or vote for a certain number of director candidates respectively with the same voting rights as the number of directors proposed for election. However, the total number of votes cast by shareholders shall not exceed the total number of votes they are entitled to.</u></p>

Prior to the amendments	After the amendments
	<p>(5) <u>If the total number of consolidated voting rights exercised by a shareholder for certain or several director candidates is more than the voting rights of all the shares held by the shareholder, the shareholder's votes are invalid and deemed to have been waived; if the total number of voting rights exercised by a shareholder for certain or several director candidates is less than the voting rights of all the shares held by the shareholder, the shareholder's votes are valid and the voting rights attached to the difference between the votes actually cast and the votes which the shareholder is entitled to cast shall be deemed to have been waived.</u></p>

Prior to the amendments	After the amendments
	<p>(6) <u>If the number of votes received by the director candidates exceeds 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 director candidates does not exceed the number of directors to be elected, then all director candidates are elected. If the number of director candidates elected at the shareholders' general meeting exceeds the number of directors proposed to be elected, the director candidates will be elected based on the ranking of votes cast on them in a descending order and the number of director candidates to be elected shall not exceed or equal to the number of directors proposed for election (but if the number of votes for two or more elected candidates with fewer votes is equal, and the fact that the election of such candidates will give rise to the result that the number of elected candidates will exceed the number of directors proposed for election, then these candidates shall be considered as not elected). If the number of the directors elected at the shareholders' general meeting is less than the number of the directors proposed for election, a new round of voting shall be conducted to elect the vacant directors until all the directors proposed for election are elected.</u></p>

Prior to the amendments	After the amendments
	<p><u>(7) When a new round of voting is conducted at the shareholders' general meeting for election of directors in accordance with the provisions under the item (6) above, the cumulative number of votes of the shareholders shall be recalculated according to the number of directors proposed for election in each round of election.</u></p>
<p>Article 155</p> <p>The board of directors shall record, in Chinese and in the form of minutes, the matters resolved at the meeting of the board of directors and matters passed without convening a meeting of the board of directors. Directors attending the meeting shall have the right to request to add to the minutes explanatory descriptions of their statements made at the meeting. Opinions expressed by the independent directors shall be specified at the board of directors' resolutions. Minutes of every meeting of the board of directors shall be provided to all directors for review as soon as possible. Any directors who intend to amend or supplement the minutes shall within one week after receiving the same submit his/her proposed amendments in writing to the chairman. The agreed final form of the minutes shall be signed by the directors who attended such meeting and the person taking notes of the proceedings of such meeting. Minutes of all meetings of the board of directors shall be kept at the Company's registered address in the PRC and a complete copy of the minutes shall be sent to every director as soon as possible. The minutes shall be kept for a minimum of ten (10) years.</p>	<p>Article 155</p> <p>The board of directors shall record, in Chinese and in the form of minutes, the matters resolved at the meeting of the board of directors and matters passed without convening a meeting of the board of directors. Directors attending the meeting shall have the right to request to add to the minutes explanatory descriptions of their statements made at the meeting. Opinions expressed by the independent directors shall be specified at the board of directors' resolutions. Minutes of every meeting of the board of directors shall be provided to all directors for review as soon as possible. Any directors who intend to amend or supplement the minutes shall within one week after receiving the same submit his/her proposed amendments in writing to the chairman. The agreed final form of the minutes shall be signed by the directors who attended such meeting and the person taking notes of the proceedings of such meeting. Minutes of all meetings of the board of directors shall be kept at the Company's registered address in the PRC and a complete copy of the minutes shall be sent to every director as soon as possible. The minutes shall be kept for a minimum of ten (10) years.</p>

Prior to the amendments	After the amendments
<p>Written resolutions signed by directors without going through the statutory proceedings shall bear no legal validity as a board of director's resolution even if every director has expressed opinions through various means. Where any resolution of the board of directors breaches the laws, administrative regulations or the Articles of Association that results in significant losses to the Company, the directors involved in passing such resolution shall be liable for losses incurred to the Company. If a director is proved to have expressed objection when passing such resolution which has been recorded in the minutes of the meeting, such director can be exempted from the liability.</p> <p>Minutes of meetings of the board of directors shall include the following information: (1) date, venue and name of the convener of the meeting; (2) names of directors attending the meeting in person and directors (proxy) who has been appointed by other directors to attend the meeting; (3) agenda of the meeting; (4) summary of opinions expressed by the directors; and (5) the manner and result of voting of each resolution, (with the number of votes for, against and abstained recorded clearly).</p>	<p>Written resolutions signed by directors without going through the statutory proceedings shall bear no legal validity as a board of director's resolution even if every director has expressed opinions through various means. Where any resolution of the board of directors breaches the laws <u>and regulations</u>, the Articles of Association <u>or resolutions of the general meetings</u> that results in significant losses to the Company, the directors involved in passing such resolution shall be liable for losses incurred to the Company. If a director is proved to have expressed objection when passing such resolution which has been recorded in the minutes of the meeting, such director can be exempted from the liability.</p> <p>Minutes of meetings of the board of directors shall include the following information: (1) date, venue and name of the convener of the meeting; (2) names of directors attending the meeting in person and directors (proxy) who has been appointed by other directors to attend the meeting; (3) agenda of the meeting; (4) summary of opinions expressed by the directors; and (5) the manner and result of voting of each resolution, (with the number of votes for, against and abstained recorded clearly).</p>

Prior to the amendments	After the amendments
<p data-bbox="172 226 341 259">Article 176</p> <p data-bbox="172 304 778 723">Candidates for supervisors (except for supervisors representing the employees) shall be generally nominated by the supervisory committee of the Company at the shareholders' general meeting by submitting a proposal. Shareholders, the board of directors and the supervisory committee of the Company shall nominate candidates for supervisors in accordance with the laws, regulations and the Articles.</p> <p data-bbox="172 790 778 1055">For the election of supervisors to be resolved at the shareholders' general meetings, the cumulative voting system may be adopted in accordance with the stipulations of the Articles or the resolution of the shareholders' general meeting.</p>	<p data-bbox="817 226 986 259">Article 176</p> <p data-bbox="817 304 1423 723">Candidates for supervisors (except for supervisors representing the employees) shall be generally nominated by the supervisory committee of the Company at the shareholders' general meeting by submitting a proposal. Shareholders, the board of directors and the supervisory committee of the Company shall nominate candidates for supervisors in accordance with the laws, regulations and the Articles.</p> <p data-bbox="817 790 1423 1131"><u>If any single shareholder of the Company together with its parties acting in concert controls 30% interests of the Company or more, the shareholders' general meeting shall adopt the cumulative voting system when voting on the resolutions on the election of directors are demanded for poll.</u></p>

Prior to the amendments	After the amendments
<p>The aforesaid cumulative voting system refers to the situation that when electing the supervisors at the shareholders' general meeting, each share carries the same amount of voting rights as the number of supervisors to be elected. The voting rights of a shareholder may be consolidated for voting purposes.</p>	<p>The aforesaid cumulative voting system refers to the situation that when electing the supervisors at the shareholders' general meeting, each share carries the same amount of voting rights as the number of supervisors to be elected. The voting rights of a shareholder may be consolidated for voting purposes. <u>Detailed rules of implementation are as follows:</u></p> <ol style="list-style-type: none"> <li data-bbox="820 689 1425 1077">(1) <u>When the number of supervisors proposed for election is above two, the cumulative voting system shall be implemented. When adopting of the cumulative voting system, each share held by the shareholders shall have the voting rights equal to the total number of supervisors proposed for election.</u> <li data-bbox="820 1099 1425 1391">(2) <u>When electing supervisors, the number of voting rights that each shareholder is entitled to equals to the product of the number of shares held by the shareholder multiplied by the number of supervisors to be elected.</u> <li data-bbox="820 1413 1425 1984">(3) <u>The notice of shareholders' general meeting shall inform the shareholders of the cumulative voting system for the supervisors' election proposal. The convener of the meeting shall prepare ballot paper suitable for the adoption of the cumulative voting system. Written instructions and explanations for the cumulative voting system, the method of filling in the ballots, and the method of counting votes shall be provided.</u>

Prior to the amendments	After the amendments
	<p data-bbox="820 226 1426 1144">(4) <u>When votes are cast on election of supervisors at shareholders' general meeting, the shareholders may diverse their votes and vote for each supervisor candidate with the same voting rights as the number of shares held by them; or they may consolidate their votes and cast all of their votes for one supervisor candidate with the voting rights which are the same as the number of supervisors proposed for election per share held by them, or vote for a certain number of supervisor candidates respectively with the voting rights which are the same as the number of supervisors proposed for election. However, the total number of votes cast by shareholders shall not exceed the total number of votes they are entitled to.</u></p> <p data-bbox="820 1176 1426 2031">(5) <u>If the total number of consolidated voting rights exercised by a shareholder for certain or several supervisor candidates is more than the voting rights of all the shares held by the shareholder, the shareholder's votes are invalid and deemed to have been waived; if the total number of voting rights exercised by a shareholder for certain or several supervisor candidates is less than the voting rights of all the shares held by the shareholder, the shareholder's votes are valid and the voting rights attached to the difference between the votes actually cast and the votes which the shareholder is entitled to cast shall be deemed to have been waived.</u></p>

Prior to the amendments	After the amendments
	<p>(6) <u>If the number of votes received by the supervisor candidates exceeds 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 supervisor candidates does not exceed the number of supervisors to be elected, then all supervisor candidates are elected. If the number of supervisor candidates elected at the shareholders' general meeting exceeds the number of supervisors proposed for election, the supervisor candidates will be elected based on the ranking of votes cast on them in a descending order and the number of supervisor candidates to be elected shall not exceed or equal to the number of supervisors proposed for election (but if the number of votes for two or more elected candidates with fewer votes is equal, and the fact that the election of such candidates will give rise to the result that the number of elected candidates will exceed the number of supervisors proposed for election, then these candidates shall be considered as not elected). If the number of the supervisors elected at the shareholders' general meeting is less than the number of the supervisors proposed for election, a new round of voting shall be conducted to elect the vacant supervisors until all the supervisors proposed for election are elected.</u></p>

Prior to the amendments	After the amendments
	<p><u>(7) When a new round of voting is conducted at the shareholders' general meeting for election of supervisors in accordance with the provisions under the item (6) above, the cumulative number of votes of the shareholders shall be recalculated according to the number of supervisors proposed for election in each round of election.</u></p>
<p>The serial numbers of other sections remain unchanged.</p>	

The amendments to the articles of association are subject to the consideration of the general meetings of the Company.

The Board of Directors of Beijing North Star Company Limited
21 March 2019