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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 OF POLL RESULTS OF 2018 ANNUAL GENERAL MEETING AND DIVIDEND PAYMENT

Reference is made to the notice of 2018 AGM (the “**AGM Notice**”) and the circular (the “**Circular**”) issued by Beijing North Star Company Limited (the “**Company**”) dated 11 April 2019. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

The Board is pleased to announce that the 2018 AGM was held at 9:00 a.m. on Tuesday, 28 May 2019 at Meeting Room One, 12th Floor, Tower A, Hui Xin Building, No. 8 Bei Chen Dong Road, Chao Yang District, Beijing, the PRC.

The 2018 AGM was validly convened in compliance with the relevant requirements of the Company Law of the PRC, the Articles of Association and other relevant regulations. The 2018 AGM was convened by the Board. Since Mr. HE Jiang-Chuan, the chairman of the Board, was occupied by other businesses of the Company and thus failed to preside over the 2018 AGM, pursuant to the Articles of Association, more than half of the Directors of the Company jointly elected the executive Director and general manager of the Company, Mr. LI Wei-Dong, to preside over this general meeting.

For the purpose of determining Shareholders' entitlement to attend and vote at the 2018 AGM, the register of members of the Company was closed from 27 April 2019 to 28 May 2019 (both dates inclusive), during which period no transfer of Shares was registered. At the date of the 2018 AGM, the total issued Share capital was 3,367,020,000 Shares, among which 2,660,000,000 Shares were A Shares, representing 79% of the total issued Shares on that day, and 707,020,000 Shares were H Shares, representing 21% of the total issued Shares on that day.

There was no Shareholder entitled to attend the 2018 AGM who was required to abstain from voting in favour of the proposed resolution pursuant to Rule 13.40 of the Listing Rules or abstain from voting at the 2018 AGM as required under the Listing Rules.

Hong Kong Registrars Limited was appointed as the scrutineer for the vote-taking of poll at the 2018 AGM.

The process of the 2018 AGM was witnessed by ZHANG Jing and LI Zhuoying of Beijing Da Cheng Law Offices, who presented a legal opinion concluding that the procedures for convening and holding the 2018 AGM, the eligibility of the person attending the 2018 AGM, the matters considered, the method of voting and the voting procedures were in compliance with the relevant laws, rules and regulations and the Articles of Association.

POLL RESULTS OF THE 2018 AGM

As at the date of the 2018 AGM, the total number of Shares entitling the holders to attend and vote for, against or abstain from the special resolutions and ordinary resolutions at the 2018 AGM was 3,367,020,000 Shares. 30 Shareholders and their proxies (including network and non-network mode) of the Company attended the 2018 AGM, holding 1,297,738,564 Shares, representing 38.542645% of the total issued Share capital of the Company, among which 1,223,985,482 Shares were A Shares, representing 36.352189% of the total issued Shares of the Company, and 73,753,082 Shares were H Shares, representing 2.190456% of the total issued Shares of the Company.

The followings are the poll results in respect of the resolutions proposed at the 2018 AGM:

Special Resolutions	Number of Shares voted and percentage (%) of the total number of Shares carrying voting rights held by Shareholders present at the 2018 AGM		
	For	Against	Abstain
1. To consider and approve “Amendments to the Articles of Association” of the Company	1,297,709,064 (99.997727%)	29,500 (0.002273%)	0 (0%)
2. To consider and approve “The resolution on authorisation in relation to provision of guarantee” of the Company	1,282,229,983 (98.804953%)	15,508,581 (1.195047%)	0 (0%)
3. To consider and approve “The resolution on grant of general mandate for issuance of Shares” of the Company	1,235,201,781 (95.181095%)	62,536,783 (4.818905%)	0 (0%)
4. To consider and approve “The resolution on grant of general mandate for issuance of debt financing instruments” of the Company	1,295,110,203 (99.797466%)	2,628,361 (0.202534%)	0 (0%)

Ordinary Resolutions	Number of Shares voted and percentage (%) of the total number of Shares carrying voting rights held by Shareholders present at the 2018 AGM		
	For	Against	Abstain
5. To consider and approve the financial report of the Company for the year of 2018 prepared in accordance with the PRC accounting standards and Hong Kong general accepted accounting principles respectively	1,297,435,064 (99.976613%)	29,500 (0.002273%)	274,000 (0.021114%)
6. To consider and approve the report of the directors of the Company for the year of 2018 prepared in accordance with the relevant regulations and requirements of the PRC and Hong Kong for disclosure in annual report respectively	1,297,375,364 (99.972013%)	89,200 (0.006873%)	274,000 (0.021114%)
7. To consider and approve the report of the supervisory committee of the Company for the year of 2018	1,297,375,364 (99.972013%)	89,200 (0.006873%)	274,000 (0.021114%)
8. To consider and approve the scheme of profit distribution and capital reserve fund conversion of the Company for the year of 2018	1,297,709,064 (99.997727%)	29,500 (0.002273%)	0 (0%)
9. To consider and approve “The resolution on remuneration of the Directors” of the Company	1,297,704,764 (99.997395%)	33,800 (0.002605%)	0 (0%)
10. To consider and approve “The resolution on remuneration of the Supervisors” of the Company	1,297,704,764 (99.997395%)	33,800 (0.002605%)	0 (0%)
11. To consider and approve “The resolution regarding the re-appointment of auditors” of the Company	1,297,709,064 (99.997727%)	29,500 (0.002273%)	0 (0%)
12. To consider and approve “The resolution regarding the renewal of liability insurance for the Directors, Supervisors and senior management” of the Company	1,297,431,264 (99.976320%)	33,300 (0.002566%)	274,000 (0.021114%)

Note: The full text of the resolutions is set out in the AGM Notice.

Resolutions No. 1 to No. 4 were passed as special resolutions by more than two-thirds of the voting rights held by the Shareholders present at the meeting and resolutions No. 5 to No. 12 were passed as ordinary resolutions by more than one-half of the voting rights held by the Shareholders present at the meeting.

PAYMENT OF DIVIDEND

The proposal of payment of final dividend of RMB0.12 per Share for the year 2018 to holders of Shares as recommended by the Board was approved at the 2018 AGM.

The method of payment of dividend by the Company will be as follows:

- (1) In accordance with the Articles of Association, dividend payable to the holders of H Shares shall be calculated in Renminbi and paid in Hong Kong dollars. The following conversion formula shall apply:

$$\text{Dividend in Hong Kong dollars} = \frac{\text{Dividend in Renminbi}}{\text{Average mean Hong Kong dollar price published daily by The People's Bank of China over a period of one calendar week prior to the announcement of the dividend}}$$

For the purpose of distributing the abovementioned final dividend to the holders of H Shares, the date of declaration of the dividend is 28 May 2019. The average mean price of Hong Kong dollar published daily by The People's Bank of China over a period of one calendar week prior to the announcement of the dividend (20 May 2019 to 24 May 2019) is HKD1.00:RMB0.87897. Applying that average to the above formula, the dividend for each H Share is HK\$0.13652.

- (2) Pursuant to relevant requirements of the Articles of Association, the Company has appointed Bank of China (Hong Kong) Trustees Limited, which is registered as a trust company under the Trustee Ordinance of Hong Kong, as the receiving agent of holders of H Shares (the “**Receiving Agent**”) to receive on behalf of such Shareholders dividend declared in respect of H Shares of the Company. The dividend warrants of H Shares together with the relevant cheques will be issued by the Receiving Agent and will be posted by ordinary mail to holders of H Shares at their own risk on or before 26 July 2019 (i.e. the date of distribution of dividend in respect of H Shares of the Company).
- (3) Announcement will be made in the specified newspapers in the PRC relating to the method of payment of dividend to holders of A Shares of the Company and its related matters after consultation with China Securities Depository and Clearing Corporation Limited, Shanghai Branch in accordance with the relevant provisions and procedures.

- (4) According to the Law on Corporate Income Tax of the PRC and the relevant implementing rules which came into effect on 1 January 2008, the Company is required to withhold corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise Shareholders as appearing on the H Share register of Shareholders. Any Shares registered in the name of the non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise Shareholders and will therefore be subject to the withholding of the corporate income tax.
- (5) Profit Distribution for Investors of Northbound Trading

For investors (including enterprises and individuals) investing in the A Shares listed on the Shanghai Stock Exchange through the Stock Exchange (the “**Northbound Trading**”), their dividends will be distributed in Renminbi by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such Shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the competent tax authorities for such withholding. For investors of Northbound Trading who are tax residents of other countries and whose country has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authorities, the amount paid in excess of the tax payable based on the tax rate according to such tax treaty shall be refunded. The record date and the date of distribution of cash dividends and other profit distribution arrangements for the investors of Northbound Trading will be the same as those for the holders of A Shares of the Company.

(6) Profit Distribution for Investors of Southbound Trading

For investors (including enterprises and individuals) investing in the H Shares listed on the Stock Exchange through the Shanghai Stock Exchange (the “**Southbound Trading**”), their dividends will be distributed in Renminbi by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such Shares. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect issued by the Ministry of Finance, the State Administration of Taxation and China Security Regulation Commission (財政部、國家稅務總局、證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2014] No. 81), for dividends received by domestic investors from investing in H Shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, such H Share companies shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H Shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the individual income tax shall be paid according to the regulations. The H Shares companies will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves. The record date and the date of distribution of cash dividends and other profit distribution arrangements for the investors of Southbound Trading will be the same as those for the holders of H Shares of the Company.

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

Beijing, the PRC, 28 May 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.