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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 AMENDMENT 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. Based on the Company’s operation and business development needs, as well as the provisions of the Guidance for the Articles of Association of Listed Companies (2019 revision) (《上市公司章程指引》(2019年修訂)) promulgated by the China Securities Regulatory Commission, the board of directors of the Company (the “**Board**”) passed a resolution in relation to proposed amendment to certain provisions of the articles of association of the Company (the “**Articles of Association**”) on 25 June 2019. Details of the proposed amendment to the Articles of Association (the “**Proposed Amendment**”) are set out in the Appendix to this announcement.

According to the Articles of Association and relevant laws and regulations, the Proposed Amendment shall be subject to consideration and approval of the shareholders of the Company (the “**Shareholders**”) at the 2019 first extraordinary general meeting of the Company (the “**EGM**”) by way of a special resolution. A circular containing, among other things, details of the Proposed Amendment and the EGM will be despatched to the Shareholders as soon as practicable.

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

Beijing, PRC, 26 June 2019

As at the date of this announcement, the Board comprises nine directors, of whom six are executive directors, namely, Mr. HE Jiang-Chuan, Mr. LI Wei-Dong, Ms. LI Yun, Mr. CHEN De-Qi, Ms. ZHANG Wen-Lei and Mr. GUO Chuan and three are independent non-executive directors, namely, Mr. FU Yiu-Man, Mr. DONG An-Sheng and Mr. WU Ge.

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

APPENDIX
BEIJING NORTH STAR COMPANY LIMITED
AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Prior to the amendment	After the amendment
<p data-bbox="165 400 316 434">Article 14</p> <p data-bbox="165 488 788 734">The scope of business operations of the Company is based on the projects approved by the industry and commerce registration authorities. The scope of business operations of the Company includes:</p> <p data-bbox="165 788 788 1930">Property management; leasing of office, apartments and guest houses; accommodation services; real estate development and construction, property acquisition and sale of commodity housing; contracting of international and domestic conferences, leasing of exhibition venues and facilities, provision of conference services; sale and leasing of venues and facilities for wholesale, retail, catering and entertainment uses; commercial retailing (including sales in the form of agency and consignment): department stores, textiles, metals and electrical products, gold and silver ornaments, furniture, calligraphy and drawings, grocery, foodstuff, cereal and oil, vehicle spare parts, pet food, computer, domestic publications published publicly, birth control materials, antitheft safes, motorcycles, pharmaceuticals, proprietary traditional Chinese medicines, medical equipment, tobacco (retail only); embossing service; repair of time pieces, electrical appliances; optical and specs services; food and</p>	<p data-bbox="812 400 962 434">Article 14</p> <p data-bbox="812 488 1434 734">The scope of business operations of the Company is based on the projects approved by the industry and commerce registration authorities. The scope of business operations of the Company includes:</p> <p data-bbox="812 788 1434 1930">Property management; leasing of office, apartments and guest houses; accommodation services; real estate development and construction, property acquisition and sale of commodity housing; contracting of international and domestic conferences, leasing of exhibition venues and facilities, provision of conference services; sale and leasing of venues and facilities for wholesale, retail, catering and entertainment uses; commercial retailing (including sales in the form of agency and consignment): department stores, textiles, metals and electrical products, gold and silver ornaments, furniture, calligraphy and drawings, grocery, foodstuff, cereal and oil, vehicle spare parts, pet food, computer, domestic publications published publicly, birth control materials, antitheft safes, motorcycles, pharmaceuticals, proprietary traditional Chinese medicines, medical equipment, tobacco (retail only); embossing service; repair of time pieces, electrical appliances; optical and specs services; food and beverage services;</p>

Prior to the amendment	After the amendment
<p>beverage services; health consultation; leasing and retail of audio and video tape products; catering services, cultural, recreation and entertainment services (other than those prohibited by the State); technological development of mechanical and electrical equipment, laser and electronics; technical services; transfer, equipment installation, mechanical and cleansing equipment maintenance, repair of daily consumables, cosmetics and hair-dressing, bathing services, video recording services; commercial services such as typing and photocopying, storage services, information enquiry services; paid parking facilities for motor vehicles; and garment processing works.</p>	<p>health consultation; leasing and retail of audio and video tape products; catering services, cultural, recreation and entertainment services (other than those prohibited by the State); technological development of mechanical and electrical equipment, laser and electronics; technical services; transfer, equipment installation, mechanical and cleansing equipment maintenance, repair of daily consumables, cosmetics and hair-dressing, bathing services, video recording services; commercial services such as typing and photocopying, storage services, information enquiry services; paid parking facilities for motor vehicles; and garment processing works; organizing conferences, exhibitions and shows; leasing of audio and lighting devices; etiquette services; conference and exhibition services; leasing of conference and exhibition furniture; operation of swimming and sports projects; technical services; leasing of machinery and equipment; cultural and artistic exchanges; planning and organizing of cultural and artistic activities; consulting relating to culture and art; investment and operation of cultural projects; technical training; internet information services.</p>

Prior to the amendment	After the amendment
<p data-bbox="165 219 316 253">Article 30</p> <p data-bbox="165 304 786 555">In the following circumstances, the Company may repurchase its issued shares in accordance with the procedures provided in the Articles of Association and with the approval of the relevant governing authorities of the PRC:</p> <ul style="list-style-type: none"> <li data-bbox="165 602 786 680">(1) to reduce the registered capital of the Company; <li data-bbox="165 728 786 806">(2) to amalgamate with other companies which own shares in the Company; <li data-bbox="165 853 786 931">(3) to reward the staff of the Company with shares; <li data-bbox="165 978 786 1232">(4) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any shareholders' general meeting on the merger or division of the Company; <li data-bbox="165 1279 786 1402">(5) Other circumstances which are permitted by the laws and administrative regulations. <p data-bbox="165 1451 786 1574">The Company shall repurchase its issued shares in accordance with the provisions of Articles 32 to 35.</p>	<p data-bbox="810 219 960 253">Article 30</p> <p data-bbox="810 304 1431 555">In the following circumstances, the Company may repurchase its shares in accordance with the requirements of laws, administrative regulations, departmental rules and the Articles of Association:</p> <ul style="list-style-type: none"> <li data-bbox="810 602 1431 680">(1) to reduce the registered capital of the Company; <li data-bbox="810 728 1431 806">(2) to amalgamate with other companies which own shares in the Company; <li data-bbox="810 853 1431 976">(3) to use the shares for employee stock ownership plan or for share incentive scheme; <li data-bbox="810 1023 1431 1276">(4) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any shareholders' general meeting on the merger or division of the Company; <li data-bbox="810 1323 1431 1491">(5) to use the shares for conversion of corporate bonds issued by the Company which are convertible into shares; <li data-bbox="810 1538 1431 1706">(6) such circumstances that are necessary for the Company to safeguard its company value and the shareholders' equity; <p data-bbox="810 1753 1431 1832">Save for the above circumstances, the Company shall not purchase its shares.</p> <p data-bbox="810 1879 1431 2002">The Company shall repurchase its issued shares in accordance with the provisions of Articles 32 to 35.</p>

Prior to the amendment	After the amendment
<p>Article 32</p> <p>The Company may with the approval of the relevant governing authorities of the PRC repurchase its shares in any of the following manners:</p> <ol style="list-style-type: none"> (1) to make a repurchase offer to all shareholders in proportion to their respective shareholdings; (2) to repurchase shares by open trading on a stock exchange; (3) to repurchase shares by way of agreement other than through a stock exchange; (4) other methods approved by the laws, the administrative regulatory provisions and the securities regulatory authorities of the State Council. 	<p>Article 32</p> <p>The Company may repurchase its shares through public and centralized trading or other methods that are recognized by laws and regulations and the China Securities Regulatory Commission (CSRC).</p> <p>Where the Company repurchases its own shares in the circumstances set out in clauses (3),(5) and (6) of the first paragraph of Article 30 of the Articles of Association, such repurchase shall be conducted through public and centralized trading.</p>

Prior to the amendment	After the amendment
<p>Article 34</p> <p>After the Company has completed the repurchase of its shares, the Company shall cancel or transfer the shares repurchased within the period prescribed by the laws, administrative regulations and the relevant listing rules and shall apply to the original company registration authority for registration of alteration of such registered capital. The registered capital of the Company shall be deregistered (deducted) by the total nominal value of the shares so cancelled.</p>	<p>Article 34</p> <p>Where the Company repurchases its shares in the circumstances set out in clauses (1) and (2) of the first paragraph of Article 30 of the Articles of Association, it shall be subject to approval at the shareholder’s general meeting. Where the Company repurchases its shares in the circumstances set out in clauses (3), (5) and (6) of the first paragraph of Article 30 of the Articles of Association, it may be resolved by more than two-thirds of directors present at a meeting of the board of directors in accordance with the provisions of the Articles of Association or the authorization of the shareholders’ general meeting.</p> <p>In the event that the Company has repurchased its shares in accordance with the first paragraph of Article 30, such shares shall be cancelled within 10 days in the circumstance set out in clause (1), or shall be transferred or cancelled within 6 months in the circumstances set out in clauses (2) and (4); the aggregate number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years in the circumstances set out in clauses (3), (5) and (6).</p> <p>After the Company has completed the repurchase of its shares, the Company shall cancel or transfer the shares repurchased within the period prescribed by the laws, administrative regulations and the relevant listing rules and shall apply to the original company registration authority for registration of alteration of such registered capital. The registered capital of the Company shall be deregistered (deducted) by the total nominal value of the shares so cancelled.</p>

Prior to the amendment	After the amendment
<p>Article 68</p> <p>General meetings may be conducted in the presence of the shareholders personally or through their proxies, or via means of communications (i.e. telephone conference, facsimile or other modern means of communication).</p>	<p>Article 68</p> <p>The Company shall hold shareholders' general meetings at its domicile or such other place as specified in the notice of the shareholders' general meeting.</p> <p>The shareholders' general meeting will be held at the meeting venue and take place in the form of on-site meeting. The Company will also provide online voting to facilitate the shareholders' participation in the general meeting. Shareholders participating in a shareholders' general meeting in the aforesaid manner shall be deemed to have attended such meeting.</p>
<p>Article 163</p> <p>The Company shall have one manager who is nominated, hired or dismissed by the board of directors.</p> <p>A director may be hired as the manager, but the total number of directors holding concurrently the positions of manager or other senior management roles together with the number of employee representatives being directors shall be less than one-half of the total number of directors in the Company.</p> <p>The term of office of the manager shall be three years, renewable upon re-appointment.</p>	<p>Article 163</p> <p>The Company shall have one manager who is nominated, hired or dismissed by the board of directors.</p> <p>The term of office of the manager shall be three years, renewable upon re-appointment.</p> <p>Any person who holds an executive position in the controlling shareholder of the Company other than as a director or supervisor shall not be appointed as a senior management member of the Company.</p>
<p>The numbering of the other articles and chapters shall remain unchanged.</p>	

The amendments to the articles of association are subject to the consideration of the 2019 first extraordinary general meeting of the Company.

The Board of Directors of Beijing North Star Company Limited
26 June 2019