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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
2019 ANNUAL GENERAL MEETING,
DIVIDEND PAYMENT AND
RESIGNATION AND ELECTION OF SUPERVISORS
REPRESENTING THE SHAREHOLDERS**

Reference is made to the notice of 2019 AGM (the “**AGM Notice**”) and the circular (the “**Circular**”) of Beijing North Star Company Limited (the “**Company**”) dated 29 April 2020. Unless otherwise defined herein, 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 2019 AGM was held at 9:00 a.m. on Tuesday, 16 June 2020 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.

The 2019 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 2019 AGM was convened by the Board. Since Mr. HE Jiang-Chuan, the chairman of the Board, resigned on 14 May 2020, in accordance with the requirements of 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 2019 AGM, the register of members of the Company was closed from 18 May 2020 to 16 June 2020 (both dates inclusive), during which period no transfer of Shares was registered. At the date of the 2019 AGM, the total number of issued Shares 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 2019 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 2019 AGM as required under the Listing Rules.

Hong Kong Registrars Limited was appointed as the scrutineer for the vote-taking of poll at the 2019 AGM.

The process of the 2019 AGM was witnessed by LI Zhuoying and LI Ping of Beijing Da Cheng Law Offices, who presented a legal opinion concluding that the procedures for convening and holding the 2019 AGM, the eligibility of the person attending the 2019 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 2019 AGM

As at the date of the 2019 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 2019 AGM was 3,367,020,000 Shares. 27 Shareholders and their proxies (including network and non-network mode) attended the 2019 AGM, holding 1,294,486,969 Shares, representing 38.446073% of the total issued Share capital of the Company, among which 1,202,308,389 Shares were A Shares, representing 35.708383% of the total issued Shares of the Company, and 92,178,580 Shares were H Shares, representing 2.737690% of the total issued Shares of the Company.

The followings are the poll results in respect of the resolutions proposed at the 2019 AGM:

Special Resolutions		Number of Shares voted and percentage (%) of the total number of Shares carrying voting rights held by Shareholders present at the 2019 AGM		
		For	Against	Abstain
1.	To consider and approve “Amendments to the Articles of Association” of the Company	1,283,866,274 (99.179544%)	10,617,295 (0.820193%)	3,400 (0.000263%)
2.	To consider and approve “Amendments to the Rules of Procedures of the General Meeting” of the Company	1,285,428,938 (99.300261%)	9,054,631 (0.699476%)	3,400 (0.000263%)
3.	To consider and approve “The resolution on authorisation in relation to provision of guarantee” of the Company	1,286,635,416 (99.393462%)	7,848,153 (0.606275%)	3,400 (0.000263%)
4.	To consider and approve “The resolution on grant of general mandate for issuance of Shares” of the Company	1,208,122,761 (93.328306%)	86,082,422 (6.649926%)	281,786 (0.021768%)
5.	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 RMB3.5 billion” of the Company	1,293,027,569 (99.887260%)	1,410,000 (0.108924%)	49,400 (0.003816%)
6.	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	1,293,177,569 (99.898848%)	1,260,000 (0.097336%)	49,400 (0.003816%)
7.	To consider and approve “The resolution on grant of general mandate for issuance of debt financing instruments” of the Company	1,293,097,569 (99.892668%)	1,340,000 (0.103516%)	49,400 (0.003816%)

Ordinary Resolutions		Number of Shares voted and percentage (%) of the total number of Shares carrying voting rights held by Shareholders present at the 2019 AGM		
		For	Against	Abstain
8.	To consider and approve the financial report of the Company for the year of 2019 prepared in accordance with the PRC accounting standards and Hong Kong generally accepted accounting principles respectively	1,293,372,069 (99.913873%)	299,500 (0.023137%)	815,400 (0.062990%)
9.	To consider and approve the report of the Directors of the Company for the year of 2019 prepared in accordance with the relevant regulations and requirements of the PRC and Hong Kong for disclosure in annual report respectively	1,293,372,069 (99.913873%)	299,500 (0.023137%)	815,400 (0.062990%)
10.	To consider and approve the report of the Supervisory Committee of the Company for the year of 2019	1,293,291,869 (99.907678%)	379,700 (0.029332%)	815,400 (0.062990%)
11.	To consider and approve the scheme of profit distribution and capital reserve fund conversion of the Company for the year of 2019	1,294,347,169 (99.989200%)	90,400 (0.006984%)	49,400 (0.003816%)
12.	To consider and approve “The resolution on remuneration of the Directors” of the Company	1,293,572,869 (99.929385%)	868,000 (0.067054%)	46,100 (0.003561%)
13.	To consider and approve “The resolution on remuneration of the Supervisors” of the Company	1,293,572,969 (99.929393%)	868,000 (0.067053%)	46,000 (0.003554%)
14.	To consider and approve “The resolution on the adjustment to the remuneration of the Company’s independent non-executive Directors” of the Company	1,293,653,069 (99.935581%)	787,800 (0.060858%)	46,100 (0.003561%)
15.	To consider and approve “The resolution on the re-appointment of the auditors for the year of 2020” of the Company	1,294,138,069 (99.973047%)	299,500 (0.023137%)	49,400 (0.003816%)
16.	To consider and approve “The resolution on the renewal of liability insurance for the Directors, Supervisors and senior management” of the Company	1,292,544,150 (99.849916%)	1,127,419 (0.087094%)	815,400 (0.062990%)

Ordinary Resolutions		Number of Shares voted and percentage (%) of the total number of Shares carrying voting rights held by Shareholders present at the 2019 AGM
17.	To consider and approve “The resolution on the election of Mr. ZHANG Sheng-Huai as a Company’s independent non-executive Director of the Eighth Session of the Board” of the Company	As disclosed in the announcement of the Company dated 9 June 2020, this resolution has been cancelled and no vote was taken or counted for this resolution.
18.	To consider and approve “The resolution on the election of Supervisors representing the Shareholders” of the Company. (The resolution is effected by cumulative voting system)	
(a)	To consider and approve “The resolution on the election of Ms. LI Xue-Mei as a Company’s Supervisor representing the Shareholders of the Eighth Session of Supervisory Committee” of the Company	1,293,268,488 (99.905872%)
(b)	To consider and approve “The resolution on the election of Mr. HU Hao as a Company’s Supervisor representing the Shareholders of the Eighth Session of Supervisory Committee” of the Company	1,286,980,134 (99.420092%)
(c)	To consider and approve “The resolution on the election of Mr. MO Fei as a Company’s Supervisor representing the Shareholders of the Eighth Session of Supervisory Committee” of the Company	1,286,980,134 (99.420092%)

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

Resolutions No. 1 to No. 7 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. 8 to No. 16 were passed as ordinary resolutions by more than one-half of the voting rights held by the Shareholders present at the meeting, and resolution No. 18 was passed as an ordinary resolution by the Shareholders present at the meeting through the cumulative voting system.

PAYMENT OF DIVIDEND

The proposal of payment of final dividend of RMB0.15 per Share for the year 2019 to holders of Shares as recommended by the Board was approved at the 2019 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:

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

For the purpose of distributing the abovementioned final dividend to the holders of H Shares, the date of declaration of the dividend is 16 June 2020. 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 (8 June 2020 to 12 June 2020) is HKD1.00:RMB0.91291. Applying that average to the above formula, the dividend for each H Share is HK\$0.16431.

- (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 24 July 2020 (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 of the People's Republic of China on Enterprise Income Tax and its implementing rules which came into effect on 1 January 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% when 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 or trustees, or other organizations and groups 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 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 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.

Resignation of Supervisors representing the Shareholders

Reference is made to the announcement of the Company dated 21 April 2020 in relation to the change of Directors and Supervisors. Mr. WANG Jian-Xin, Chairman of the Supervisory Committee, Mr. ZHANG Jin-Li and Mr. LIU Hui, the Supervisors, have applied for resignation from their positions in the Eighth Session of Supervisory Committee due to work re-arrangement. Each of Mr. WANG Jian-Xin, Mr. ZHANG Jin-Li and Mr. LIU Hui has confirmed that he has no disagreement with the Board and the Supervisory Committee in any aspect and there are no other matters relating to his resignation that need to be brought to the attention of the Shareholders.

Election of Supervisors representing the Shareholders

The Board is pleased to announce that on the 2019 AGM, Ms. LI Xue-Mei, Mr. HU Hao and Mr. MO Fei were elected as Supervisors representing the Shareholders of the Eighth Session of the Supervisory Committee. Their respective term of office commences on the date on which the election is effective at the 2019 AGM and ends at the expiration date of the term of office of the Eighth Session of Supervisory Committee. The Company has also convened the Eleventh Meeting of the Eighth Session of the Supervisory Committee on 16 June 2020, at which Ms. LI Xue-Mei was elected the Chairman of the Eighth Session of the Supervisory Committee.

The personal information of the newly-elected Supervisors representing the Shareholders, Ms. LI Xue-Mei, Mr. HU Hao and Mr. MO Fei, and other necessary information under the Rule 13.51(2) of the Listing Rules have been set out in the Circular.

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

Beijing, the PRC, 16 June 2020

As at the date of this announcement, 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. DONG An-Sheng and Mr. WU Ge are independent non-executive directors.