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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)

CONNECTED TRANSACTION
IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE

The Group, Beijing BBMG Property and Beijing Chenyu Real Estate will enter into the Funds Collection Agreement in the near future, pursuant to which Beijing Chenyu Real Estate will collect funds from its internal cash resources totaling RMB250,000,000 for payment to BBMG and the Company respectively on or prior to 31 December 2022. Among them, the amount of funds to be collected for BBMG is RMB122,500,000 and the amount of funds to be collected for the Company is RMB127,500,000.

IMPLICATIONS UNDER THE LISTING RULES

Beijing Chenyu Real Estate is 51% owned by the Group and 49% owned by Beijing BBMG Property. Beijing BBMG Property is a wholly-owned subsidiary of BBMG. Accordingly, both Beijing BBMG Property and BBMG are connected persons of the Company at the subsidiary level.

The funds collection by Beijing Chenyu Real Estate for BBMG constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratio(s) calculated pursuant to Rule 14.07 of the Listing Rules exceed(s) 1% but is (are) less than 5%, the Company is subject to the reporting and announcement requirements in respect of the transactions under the Funds Collection Agreement, but exempt from the circular, independent financial advice and shareholders' approval requirements.

FUNDS COLLECTION AGREEMENT

The Group, Beijing BBMG Property and Beijing Chenyu Real Estate will enter into the Funds Collection Agreement in the near future.

The principal terms of the Funds Collection Agreement are summarised below:

Parties:	(1) NSREG; (2) Beijing BBMG Property; and (3) Beijing Chenyu Real Estate
Amount of funds to be collected:	On or prior to 31 December 2022, Beijing Chenyu Real Estate will collect funds from its internal cash resources totaling RMB250,000,000 for payment to BBMG (as the parent company of Beijing BBMG Property) and the Company (as the parent company of NSREG) respectively in proportion to the shareholdings of Beijing BBMG Property and NSREG in Beijing Chenyu Real Estate, among which the amount of funds to be collected for BBMG is RMB122,500,000 and the amount of funds to be collected for the Company is RMB127,500,000. The funds to be collected by Beijing Chenyu Real Estate for BBMG and the Company are non-interest bearing, unsecured and repayable on demand.

REASONS FOR AND BENEFITS OF THE FUNDS COLLECTION AGREEMENT

The Group jointly established Beijing Chenyu Real Estate through the cooperation with Beijing BBMG Property for the development and construction of the Beijing Jincheng Mansion project. In accordance with the relevant provisions of the Cooperation and Development Agreement for Real Estate Development Projects (《房地產開發項目合作開發協議》) entered into between NSREG and Beijing BBMG Property, in order to improve the efficiency of capital use, all parties will collect the surplus funds of the project company on the premise of satisfying the capital required for the normal development and operation of the Jincheng Mansion project, and the amount of collection was determined based on the project progress and the overall funds use requirements of the parties. The terms of the funds collection have been considered and approved by the Board on 20 December 2022 and the Funds Collection Agreement is expected to be entered into in the near future.

The Board (including the independent non-executive Directors) considers that the terms of the funds collection are entered into on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors has any material interest in the funds collection and therefore no Director is required to abstain from voting on the relevant board resolutions.

GENERAL INFORMATION

1. Information on the Group

The Group is principally engaged in development properties and investment properties (including hotels).

NSREG is principally engaged in real estate development; property management; rental of commercial premises; public parking service for motor vehicles; economic and trade consultation; hotel management; conference service; project operation for sports (excluding high-risk sports); typing, copying service; sales of daily necessities, handicrafts, self-developed commodity housing; accommodation; swimming; sales of food; engineering survey; engineering design.

2. Information on Beijing BBMG Property

Beijing BBMG Property is a company established under the laws of the PRC. Its principal activities include technology development and technical services; organizing cultural and artistic exchange activities (excluding commercial performances); leasing of machinery and equipment; real estate development and operation; property management; sales of self-produced products; manufacturing of construction materials, furniture and construction hardware; and timber processing. Beijing BBMG Property is a wholly-owned subsidiary of BBMG, and BBMG is principally engaged in the manufacture of building materials supplemented by property development and property investment and management.

3. Information on Beijing Chenyu Real Estate

Beijing Chenyu Real Estate is a limited liability company incorporated in the PRC, in which the Company indirectly holds 51% equity interests and Beijing BBMG Property holds 49% equity interests. The principal activities of Beijing Chenyu Real Estate are real estate development; sales of self-developed commercial properties; leasing of office premises and commercial premises; real estate brokerage; property management; residential leasing; and operation and management of motor vehicle public parking lot.

IMPLICATIONS UNDER THE LISTING RULES

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The funds collection by Beijing Chenyu Real Estate for BBMG constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratio(s) calculated pursuant to Rule 14.07 of the Listing Rules exceed(s) 1% but is (are) less than 5%, the Company is subject to the reporting and announcement requirements in respect of the transactions under the Funds Collection Agreement, but exempt from the circular, independent financial advice and shareholders' approval requirements.

DEFINITIONS

- “BBMG” BBMG Corporation (北京金隅集團股份有限公司), a limited liability company incorporated in the PRC, whose A shares and H shares are listed and traded on the Shanghai Stock Exchange and the Stock Exchange respectively;
- “Beijing BBMG Property” Beijing BBMG Property Development Group Co., Ltd.* (北京金隅地產開發集團有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of BBMG, which owns 49% equity interests of Beijing Chenyu Real Estate;
- “Beijing Chenyu Real Estate” Beijing Chenyu Real Estate Co. Limited* (北京宸宇房地產開發有限公司), a limited liability company incorporated in the PRC, in which the Company indirectly holds 51% equity interests and Beijing BBMG Property holds 49% equity interests;
- “Board” the board of Directors of the Company;

“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 liability company incorporated in the PRC, whose A shares and H shares are listed and traded on the Shanghai Stock Exchange and the Stock Exchange respectively;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the directors of the Company;
“Funds Collection Agreement”	the Funds Collection Agreement to be entered into in the near future by NSREG, Beijing BBMG Property and Beijing Chenyu Real Estate, pursuant to which Beijing Chenyu Real Estate will collect funds of RMB122,500,000 for BBMG and RMB127,500,000 for the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“NSREG”	Beijing North Star Real Estate Group Co. Limited* (北京北辰地產集團有限公司), a limited company incorporated in the PRC, and a wholly-owned subsidiary of the Company, which owns 51% equity interests of Beijing Chenyu Real Estate;
“PRC” or “China”	the People’s Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;

“Stock Exchange” The Stock Exchange of Hong Kong Limited; and
“%” per cent.

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

Beijing, the PRC, 21 December 2022

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 Dr. CHOW Wing-Kin, Anthony, Mr. GAN Pei-Zhong and Mr. CHEN De-Qiu are independent non-executive Directors.

In case of inconsistency between the Chinese and English versions of this announcement, the Chinese version shall prevail.