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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)

**REVISION OF THE ANNUAL CAPS FOR THE CONTINUING
CONNECTED TRANSACTIONS UNDER THE FRAMEWORK
AGREEMENT**

**REVISION OF THE ANNUAL CAPS FOR THE CONTINUING CONNECTED
TRANSACTIONS UNDER THE FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 27 March 2025 in relation to the various transactions under the Framework Agreement that BNSCL Members and BNSIGC Members may conduct in accordance with the terms and conditions of the Framework Agreement.

The Framework Agreement relates to five categories of transactions between BNSCL Members and BNSIGC Members, namely entrusted operation and management, value-added ancillary services for venues, property management services, office premises leasing, and trademarks and logos licensing.

REVISION OF THE ANNUAL CAPS

As the demand from BNSIGC Members for office premises leasing to be provided by BNSCL Members is expected to increase, the Company expected that the existing annual caps for such category of leasing transactions will be insufficient to meet the relevant demand, the Company has therefore resolved to revise the existing annual caps, while all other terms and conditions under the Framework Agreement remain unchanged.

LISTING RULES IMPLICATIONS

As at 19 August 2026, BNSIGC holds approximately 35.95% of the issued shares of the Company and is the controlling shareholder of the Company. As such, BNSIGC is a connected person of the Company. Accordingly, the transactions under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Upon adoption of the Revised Annual Caps, as one or more of the applicable percentage ratios in respect of the annual caps under the Framework Agreement, as calculated under Rule 14.07 of the Listing Rules, exceeds 0.1% but is less than 5%, the transactions contemplated under the Framework Agreement are subject only to the reporting, annual review and announcement requirements under Rule 14A.76 of the Listing Rules, but are exempt from the independent shareholders' approval requirement.

Background

Reference is made to the Company's announcement dated 27 March 2025 (the "**Announcement**") in relation to the continuing connected transactions contemplated under the Framework Agreement.

The Company entered into the Framework Agreement with BNSIGC on 1 April 2025 for a term commencing on 1 April 2025 and expiring on 31 December 2026. Pursuant to the Framework Agreement, BNSIGC and the Company agreed that BNSCL Members and BNSIGC Members may conduct various transactions in accordance with the terms and conditions of the Framework Agreement.

The Framework Agreement relates to five categories of transactions between BNSCL Members and BNSIGC Members, namely entrusted operation and management, value-added ancillary services for venues, property management services, office premises leasing, and trademarks and logos licensing. The principal terms of the Framework Agreement are set out in the Announcement.

As set out in the Announcement, the annual caps for the five categories of transactions under the Framework Agreement (the "**Existing Annual Caps**") are as follows:

		Annual Caps (Note)	
		Period from	Year ending
		1 April 2025 to	31 December
		31 December	31 December
		2025	2026
		<i>(RMB '000)</i>	<i>(RMB '000)</i>
Entrusted operation and management	Total amount received by BNSCL Members from BNSIGC Members	52,000	73,000
Value-added ancillary services for venues	Total amount paid by BNSCL Members to BNSIGC Members	90,000	90,000
	Total amount received by BNSCL Members from BNSIGC Members	50,000	60,000
Property management services	Total amount received by BNSCL Members from BNSIGC Members	13,000	20,000
Office premises leasing	Total amount paid by BNSCL Members to BNSIGC Members	1,000	2,000
	Total amount received by BNSCL Members from BNSIGC Members	2,000	2,000
Trademark and logo licensing	Amount paid by BNSCL Members to BNSIGC Members	7.5	10

Note: For the avoidance of doubt, when calculating the utilization of the annual cap, if the nature of an individual transaction is covered by more than one category of transaction, such transaction amount may be included in more than one category of the annual cap. However, if any transaction amount which has been included in one category of the annual caps, then such amount will not be counted towards other categories.

In respect of the office premises leasing category of transactions, it was originally estimated that for the year ending 31 December 2026, BNSCL Members would receive an aggregate amount not exceeding RMB2 million from BNSIGC Members by providing office premises leasing to BNSIGC Member.

As the demand from BNSIGC Members for office premises leasing to be provided by BNSCL Members is presently expected to increase in the future, the Company expected that the annual cap may be insufficient to cater for such growth in demand. Accordingly, the Company has resolved to revise the annual cap for this category of office premises leasing transactions from RMB2 million to RMB5 million. Save for the adjustment to the annual cap for this category of transactions, the annual caps for all other categories of transactions will remain unchanged and all other terms and conditions under the Framework Agreement also remain unchanged.

Historical Transaction Amounts and Annual Caps

The Directors confirm that from the effective date of the Framework Agreement on 1 April 2025 up to the date of this announcement, the actual transaction amounts for each category of transactions under the Framework Agreement (including office premises leasing provided by BNSCL Members to BNSIGC Members) have not exceeded the relevant existing annual caps.

For the category of office premises leasing provided by BNSCL Members to BNSIGC Members, the transaction amount attributable to such leasing transactions for the period from 1 January 2026 up to the date of this announcement is approximately RMB1.5 million (unaudited), which has not exceeded the existing annual caps amount of RMB2 million.

Having considered (i) the historical transaction amounts of the office premises leasing transactions under the Framework Agreement and (ii) factors including the business expansion plans of the Group, it is expected that the scale and amount of office premises leasing provided by BNSCL Members to BNSIGC Members will increase in the future. It is anticipated that for the year ending 31 December 2026, the annual transaction amount for this category of office premises leasing transactions under the Framework Agreement (the “**Revised Annual Cap**”) will not exceed RMB5 million.

Upon taking into account the Revised Annual Caps, the annual caps for the five categories of transactions under the Framework Agreement will be as follows:

		Annual Caps (Note) Year ending 31 December 2026 (RMB'000)
Entrusted operation and management	Total amount received by BNSCL Members from BNSIGC Members	73,000
Value-added ancillary services for venues	Total amount paid by BNSCL Members to BNSIGC Members	90,000
	Total amount received by BNSCL Members from BNSIGC Members	60,000
Property management services	Total amount received by BNSCL Members from BNSIGC Members	20,000
Office premises leasing	Total amount paid by BNSCL Members to BNSIGC Members	2,000
	Total amount received by BNSCL Members from BNSIGC Members	5,000
Trademark and logo licensing	Amount paid by BNSCL Members to BNSIGC Members	10

Note: For the avoidance of doubt, when calculating the utilization of the annual cap, if the nature of an individual transaction is covered by more than one category of transaction, such transaction amount may be included in more than one category of the annual cap. However, if any transaction amount which has been included in one category of the annual caps, then such amount will not be counted towards other categories.

REASONS FOR REVISING ANNUAL CAPS

The Revised Annual Caps are adopted to reserve reasonable headroom for the expansion of the Group's business, the expected increase in office premises leasing demand and potential fluctuations in market rents, so as to ensure that the Group may continue to conduct the relevant transactions as required during the term of the Framework Agreement. The Revised Annual Caps should be able to satisfy the expected future demand for office premises leasing.

In view of the long-term business relationship between the Group and BNSIGC, the Directors consider that the revision of the existing annual caps will enable the Group to capture additional business opportunities from BNSIGC, further deepen the cooperation between the parties, and is expected to make a positive contribution to the Group's revenue and profitability.

On the above basis, the Directors consider that the Group will benefit from the adoption of the Revised Annual Caps. The Directors (including the independent non-executive Directors) consider that the Revised Annual Caps are on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As Directors ZHANG Jie, LIANG Jie and YANG Hua-Sen are also directors of BNSIGC, they abstained from voting on the resolution approving the Revised Annual Caps and related matters at the Board meeting. Save as disclosed above, none of the Directors is considered to have any material interest in the Revised Annual Caps.

Internal Control Measures

To monitor individual operational agreements, the Company has adopted the following measures:

- (i) The Company will monitor these continuing connected transactions in accordance with its internal control guidelines on continuing connected transaction procedures;
- (ii) The legal and other relevant departments of the Company will be responsible for reviewing the individual operational contracts entered into for the transactions, maintaining records of related-party transactions, and reviewing and monitoring the continuing connected transactions to ensure that they do not exceed the annual caps for such continuing connected transactions and that they are conducted in accordance with the pricing mechanisms under the Framework Agreement related to these continuing connected transactions;
- (iii) The external auditors of the Company will review the continuing connected transactions each year (subject to the annual review and disclosure requirements under the Listing Rules) to verify and confirm, among other things, whether the pricing terms have been complied with and whether the relevant caps have been exceeded; and
- (iv) The independent non-executive Directors will review the implementation and execution of these continuing connected transactions on an annual basis.

LISTING RULES IMPLICATIONS

As at 19 August 2026, BNSIGC holds approximately 35.95% of the issued shares of the Company and is the controlling shareholder of the Company. As such, BNSIGC is a connected person of the Company. Accordingly, the transactions under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Upon adoption of the Revised Annual Caps, as one or more of the applicable percentage ratios in respect of the annual caps under the Framework Agreement, as calculated under Rule 14.07 of the Listing Rules, exceeds 0.1% but is less than 5%, the transactions contemplated under the Framework Agreement are subject only to the reporting, annual review and announcement requirements under Rule 14A.76 of the Listing Rules, but are exempt from the independent shareholders' approval requirement.

GENERAL INFORMATION

The Company is principally engaged in real estate development and convention and exhibition (including hotels) and commercial properties. The principal businesses of the Group include: (i) property development; (ii) investment properties and hotels, primarily involving the operation of apartments, office buildings, convention centres and hotels; (iii) commercial properties; and (iv) other segments, mainly comprising property management and restaurants.

The main business of the Group includes reception of domestic and foreign tourists; taxi operation; sales of food and audio-visual products; retail of cigarettes; hairdressing and washing; culture and entertainment; theaters; catering; movie screening; production of steam and hot water products; construction machinery; and hardware products processing. The following operations are limited to branches: property management; accommodation; sales of beverages; undertaking of conventions and exhibitions; real estate development, commercial housing sale; contracting civil construction works and greening works; equipment maintenance and installation; technology development, technical services, technology transfer; sales of knitwear products, general merchandise, hardware, electric and chemical products, furniture, gold and silver jewellery, machinery and electrical equipment; and leasing of premises and office; motor vehicle parking services; fitness services (except for dangerous sports); labour services; home decoration; convention services; and economic information consultation.

The main business of BNSIGC includes reception of domestic and foreign tourists; taxi operation; sales of food and audio-visual products; retail of cigarettes; culture and entertainment; theaters; catering; movie screening; construction machinery; and hardware products processing; property management; accommodation; undertaking of conventions and exhibitions; real estate development, commercial housing sale; contracting civil construction works and greening works; equipment maintenance and installation; sales of textiles, general merchandise, construction materials, and decorative materials; housing, boiler, and pipeline maintenance; warehousing services; floral rental and arrangement services; venue and office space leasing; telecommunications services; wireless paging services; fitness services (except for dangerous sports); labour services; home decoration; convention services; and economic information consultation; internal staff training; cosmetics services (excluding medical cosmetic treatments) and hairstyling (in which case, businesses activities that require legal approval may commence only after relevant approvals are obtained and based on the approved content; business activities that are prohibited or restricted by national and local industrial policies shall not commence).

DEFINITIONS

“applicable percentage ratios”	the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules;
“Board”	the board of Directors of the Company;
“BNSCL Members”	the Company and its subsidiaries from time to time;
“BNSIGC”	Beijing North Star Industrial Group Limited Liabilities Company (北京北辰實業集團有限責任公司), a company incorporated in the PRC with limited liability, which holds approximately 35.95% equity interest in the Company as at 19 August 2026 and is the controlling shareholder of the Company;
“BNSIGC Members”	BNSIGC and its associates (as defined under the Listing Rules), excluding BNSCL Members;
“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;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Framework Agreement”	the framework agreement entered into between the Company and BNSIGC on 1 April 2025 in relation to the continuing connected transactions;
“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;

“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“subsidiary”	has the meaning ascribed to it under the Listing Rules;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By order of the Board
BEIJING NORTH STAR COMPANY LIMITED
ZHANG Jie
Chairman

Beijing, the PRC, 30 September 2026

As at the date of this announcement, the Board comprises eight directors, of whom Mr. ZHANG Jie, Ms. LIANG Jie, Mr. YANG Hua-Sen, Mr. WEI Ming-Qian and Mr. ZHU Yan are executive directors and Dr. CHOW Wing-Kin, Anthony, Mr. GAN Pei-Zhong and Ms. QIAN Ai-Min are independent non-executive directors.

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