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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)**

# PROPOSED SPIN-OFF OF A COMMERCIAL REAL ESTATE SECURITIES INVESTMENT FUND AND ITS SEPARATE LISTING ON THE SHANGHAI STOCK EXCHANGE

The board of directors (the "**Board**") of Beijing North Star Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") hereby announces that on 27 November 2026, the Board considered and approved the resolution in relation to the application and issuance of commercial real estate REITs based on the North Star Century Center project and the relevant authorisation matters, pursuant to which the Company proposes to carry out the application and issuance of a commercial real estate securities investment fund (the "**Publicly Offered REITs**") based on the North Star Century Center project (the "**Underlying Assets**") located at No. 8 Bei Chen Xi Road, Chao Yang District, Beijing, the PRC, which is held by the Company, and proposes to list the fund units of the Publicly Offered REITs (the "**Fund Units**") on the Shanghai Stock Exchange (the "**SSE**") (the "**Proposed Spin-off**").

As of the date of this announcement, the Proposed Spin-off is still in the preparation stage for application, and no formal application has been submitted to the China Securities Regulatory Commission (the "**CSRC**") and the SSE. The Company will, together with the relevant professional institutions, refine the application materials and file them with the CSRC and the SSE in accordance with the relevant regulations, and upon obtaining approvals, the fund offering will be conducted by the fund manager.

## APPLICATION AND ISSUANCE PLAN

The Company, acting as the original equity holder, intends to restructure the Underlying Assets along with its related creditor's rights and debts, personnel, etc. (if applicable) into a newly established project company (the "**Project Company**"). The Publicly Offered REITs will indirectly hold the Underlying Assets by fully subscribing for the commercial real estate asset-backed securities issued by a commercial real estate asset-backed special scheme (the "**Special Scheme**"), through which the Special Scheme will acquire the entire equity interests in a newly established special purpose vehicle of the Company (the "**SPV**"), which in turn will acquire the entire equity interests in the Project Company. Thereafter, the Project Company will carry out replacement of existing financing (if required) and merger by absorption of the SPV in accordance with the transaction arrangements.

The Publicly Offered REITs are proposed to be a contractual, publicly offered commercial real estate securities investment fund operating on a closed-end basis, and are proposed to be listed and traded on the SSE. The Fund Units will be offered to strategic investors, offline investors and public investors. The Company proposes to participate in the strategic placement and subscribe for not less than 20% of the Fund Units offered.

The Fund Units subscribed by the Company representing 20% of the total Fund Units offered shall be held for not less than 60 months; the portion exceeding 20% shall be held for not less than 36 months. Professional investors may participate in the strategic placement and shall hold for not less than 12 months; other Fund Units will be offered through on-exchange offering and off-exchange subscription. The specific arrangements are subject to applicable laws and regulations or the requirements of the regulatory authorities.

The Publicly Offered REITs will, by way of cash dividends and subject to the conditions for distribution being met, distribute 90% or more of the consolidated annual distributable amount of the fund to investors, at least once a year; no income distribution may be made if the fund contract has been effective for less than six months. The specific distribution schedule will be separately determined by the fund manager based on the actual operation and management of the Publicly Offered REITs.

The size of fundraising will be determined by reference to the appraisal results of the Underlying Assets and based on the final results of the offline price inquiry and offering.

The above plan may be refined or adjusted as necessary based on subsequent application and review progress, the relevant rules and requirements of regulatory authorities, as well as market conditions.

## IMPACT OF THE PROPOSED SPIN-OFF ON THE GROUP

Based on the existing assumption that the Company holds 20% of the Fund Units, upon completion of the Proposed Spin-off, the Publicly Offered REITs are not expected to be a subsidiary of the Company, and the Project Company and the Underlying Assets are expected to be deconsolidated from the consolidated financial statements of the Group. The ultimate financial impact will depend on the actual issuance and subscription, transaction arrangements and applicable accounting treatments.

The Group is principally engaged in convention and exhibition and ancillary facilities services, real estate development and other businesses. The issuance of the Publicly Offered REITs is an important measure for the Company to implement "synergistic development and reform-driven innovation", seize opportunities in the development of the multi-level capital market, and utilise innovative financing tools to deepen the integration and synergistic linkage of multi-format resources. It is beneficial to the Company in broadening financing channels, effectively revitalising existing assets, and further promoting the improvement of quality and efficiency in asset operation, thereby supporting the high-quality development of the Company.

## IMPLICATIONS UNDER THE LISTING RULES

The Proposed Spin-off constitutes a spin-off under Practice Note 15 ("**PN15**") of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and is subject to the approval of the Stock Exchange. The Company has submitted an application for the Proposed Spin-off to the Stock Exchange, and the Stock Exchange is considering the Proposed Spin-off.

The Company expects that, if the Proposed Spin-off materialises, it will constitute a notifiable transaction under Chapter 14 of the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules to make disclosures in due course.

**The Proposed Spin-off is still at the stage pending application and is subject to, among other things, the approvals of or completion of the requisite procedures with the relevant regulatory authorities, including the Stock Exchange, the CSRC and the SSE. Therefore, the Proposed Spin-off may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board
**Beijing North Star Company Limited**
**ZHANG Jie**
*Chairman*

Beijing, the PRC, 27 November 2026

*As at the date of this announcement, the Board comprises nine Directors, of which Mr. ZHANG Jie, Ms. LIANG Jie, Mr. YANG Hua-Sen, Ms. ZHANG Yu-Mei, Mr. WEI Ming-Qian and Mr. ZHU Yan are executive Directors and Dr. CHOW Wing-Kin, Anthony, Ms. QIAN Ai-Min and Mr. ZHAO Lei are independent non-executive Directors.*