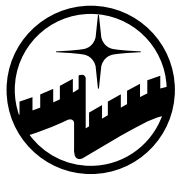


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北京北辰實業股份有限公司
BEIJING NORTH STAR COMPANY LIMITED

(A sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 588)

PRICE SENSITIVE INFORMATION
ANNOUNCEMENT ON ESTIMATED PROFIT DECREASE FOR
THE FIRST HALF OF 2010

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The board of directors hereby announce that the profit of the Group (excluding gains from change in fair value of investment properties) attributable to the equity holders for the six months ended 30 June 2010 is estimated to decrease. The estimated results have not been reviewed nor audited by auditors. Shareholders and potential investors should pay attention to the 2010 interim report of the Company for details of the financial information.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Beijing North Star Company Limited (the “**Company**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors hereby announce that the profit of the Company and its subsidiaries (collectively the “**Group**”) (excluding gains from change in fair value of investment properties) attributable to the equity holders for the six months ended 30 June 2010 (the “**Relevant Period**”) is estimated to decrease. Details are set out as follows:

I. ESTIMATED RESULTS FOR THE RELEVANT PERIOD (UNDER HKFRS)

1. Relevant Period: From 1 January 2010 to 30 June 2010.
2. Estimated profit decrease: Based on the preliminary calculation by the Company's finance department, the profit of the Group (excluding gains from change in fair value of investment properties) attributable to the equity holders for the six months ended 30 June 2010 is estimated to decrease by more than 55% as compared with the corresponding period last year.
3. According to the accounting policy of the Company, the fair value of investment properties will be valued and reviewed by an independent professional valuer. At present, the Company is not in a position to estimate the specific amount of change in the fair value of our investment properties as relevant valuation work is still in progress. The Company will disclosed the details in its 2010 interim report.

II. RESULTS FOR THE CORRESPONDING PERIOD LAST YEAR (UNDER HKFRS)

1. The profit attributable to the equity holders of the Company was RMB786,830,000 (or RMB 534,380,000 if excluding gains from change in fair value of investment properties).
2. Earnings per share was RMB0.23 (or RMB 0.16 if excluding gains from change in fair value of investment properties).

III. REASONS FOR THE ESTIMATED PROFIT DECREASE FOR THE RELEVANT PERIOD

1. During the first half of 2010, under the influence of seasonality of real estate development and decrease in products available for settlement, and that one of our major products, the Olympic Media Village project, has already recognized a large number of deliveries and revenue, projects available for settlement and the settlement condition for the Relevant Period saw a noticeable decline as compared to the corresponding period last year.

2. A lot of additional properties held by the Company were put into use at the end of 2009 and their operations were experiencing a ramp-up stage during the Relevant Period, which led to higher fixed operating expenses. Further, after such additional properties were transferred into fixed assets or investment property, interest expenses was no longer capitalized, which resulted in noticeable increase in finance costs of the Company during the Relevant Period as compared to the corresponding period last year.

At present, the Company is not in the position to estimate the specific amount of change in the fair value of our investment properties as relevant valuation work is still in progress, and the Company will disclosed the details in its 2010 interim report.

The estimated results have not been reviewed nor audited by auditors. Shareholders and potential investors should pay attention to the 2010 interim report of the Company for details of the financial information.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
BEIJING NORTH STAR COMPANY LIMITED
GUO CHUAN
Company Secretary

Beijing, the PRC
1 August 2010

At as the date of this announcement, the board of directors of the Company comprises seven directors, of whom Mr. HE Jiang-chuan, Ms. ZHAO Hui-Zhi, Mr. LIU Jian-Ping and Mr. CHEN Ji are executive directors, and Mr. LONG Tao, Mr. GAN Pei-Zhong and Mr. WONG Yik Chung are independent non-executive directors.