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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 YEAR 2010

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

The board of directors hereby announces that the profit of the Group (excluding gains from changes in fair value of investment properties) attributable to the equity holders for the year ended 31 December 2010 is estimated to decrease. Since the auditors have not completed auditing the results of the Company for the year 2010, the estimated results are not based on financial information audited by the auditors. Shareholders and potential investors should pay attention to the 2010 annual 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 announces that the profit of the Company and its subsidiaries (collectively the “**Group**”) (excluding gains from changes in fair value of investment properties) attributable to the equity holders for the year ended 31 December 2010 (the “**Relevant Period**”) is estimated to decrease, details of which are set out as follows:

I. ESTIMATED RESULTS FOR THE RELEVANT PERIOD (UNDER HONG KONG FINANCIAL REPORTING STANDARDS)

1. Relevant Period for estimated results: From 1 January 2010 to 31 December 2010
2. Estimated profit decrease: Based on the preliminary calculation by the Company’s finance department, the profit of the Group (excluding gains from changes in fair value of investment properties) attributable to the equity holders for the year 2010 is estimated to decrease by more than 40% as compared with the corresponding period of 2009.
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 changes in the fair value of our investment properties as relevant valuation work is still in progress. The Company will disclose the details in its 2010 annual report.
4. Since the auditors have not completed auditing the results of the Company for the year 2010, the estimated results are not based on financial information audited by the auditors. Shareholders and potential investors should pay attention to the 2010 annual report of the Company for details of the financial information.

II. RESULTS FOR THE CORRESPONDING PERIOD LAST YEAR (UNDER HONG KONG FINANCIAL REPORTING STANDARDS)

1. The profit attributable to the equity holders of the Company was RMB1,508,356,000 (or RMB647,573,000 if excluding gains from changes in fair value of investment properties).

2. Earnings per share was RMB0.45 (or RMB0.19 if excluding gains from changes in fair value of investment properties).

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

1. In the year 2010, under the influence of cycle of real estate development and the settlement period and that the Olympic Media Village project, one of our major products, had already recognized a large number of deliveries and amount of revenue in the year 2009, the commercial and residential property projects available for settlement during the reporting period saw a noticeable decrease as compared to that of the year 2009.
2. Many 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. Furthermore, after such additional properties were transferred into fixed assets or investment properties, interest expenses were no longer capitalized, which resulted in a noticeable increase in finance costs of the Company as compared to the year 2009.

At present, since the relevant valuation work is still in progress, the Company is not in the position to estimate the specific amount of changes in the fair value of our investment properties, and the Company will disclose the details in the Company's 2010 annual report.

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

By order of the board of directors
BEIJING NORTH STAR COMPANY LIMITED
GUO Chuan
Company Secretary

Beijing, the PRC, 27 January 2011

As at the date of this announcement, the board of directors comprises 7 directors, of which Mr. HE Jiang-Chuan, Ms. ZHAO Hui-Zhi, Mr. LIU Jian-Ping, Mr. CHEN Ji are executive directors and Mr. LONG Tao, Mr. GAN Pei-Zhong and Mr. WONG Yik Chung are independent non-executive directors.