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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to the disclosure requirements under Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The attached is an announcement of Beijing North Star Company Limited (the “**Company**”) to be published on certain newspapers in the People’s Republic of China (the “**PRC**”) on 27 March 2015 and on the website of Shanghai Stock Exchange (www.sse.com.cn) on 26 March 2015 (stock code: 601588). The attached announcement is also published on the website of the Company (www.beijingns.com.cn).

By order of the board of directors
Beijing North Star Company Limited
GUO Chuan
Company Secretary

Beijing, the PRC, 26 March 2015

At as the date of this announcement, the board of directors of the Company comprises 9 directors, of which Mr. HE Jiang-Chuan, Mr. LI Chang-Li, Ms. ZHAO Hui-Zhi, Mr. ZENG Jin, Mr. LIU Jian-Ping and Mr. LIU Huan-bo are executive directors and Mr. LONG Tao, Mr. GAN Pei-Zhong and Mr. WONG Yik Chung are independent non-executive directors.

Stock code: 601588

Stock short name: North Star

Announcement No.: Lin 2015-012

Bond code: 122348

Bond short name: 14 North Star 01

Bond code: 122351

Bond short name: 14 North Star 02

**BEIJING NORTH STAR COMPANY LIMITED
ANNOUNCEMENT ON SUBMISSION TO
SHAREHOLDERS' MEETING FOR AUTHORIZATION OF
THE GUARANTEES OF THE COMPANY**

The board of directors of the Company and all directors warrant that there are no false representations or misleading statements contained in, or material omissions from, this announcement and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of this announcement.

Important Notice:

1. Beijing North Star Company Limited (the “Company”) proposes to submit to the shareholders’ meeting for authorization of the board of directors to consider the guarantees provided by the Company to its subsidiaries (including subsidiaries of the Company accounted for and consolidated in the consolidated accounts of the Company and the investees of the Company), the guarantees provided by the subsidiaries to the Company and the guarantees among the subsidiaries. The total amount of guarantees was RMB3.5 billion (excluding guarantees provided in phases by the Company and its subsidiaries to certain customers who are purchasers of property units).
2. The authorization shall be valid for 12 months from the date of consideration and approval at the 2015 first extraordinary general meeting of the Company.
3. Guaranteed parties: The Company and its subsidiaries (including subsidiaries of the Company accounted for and consolidated in the consolidated accounts of the Company and the investees of the Company)
4. The Company will request the guaranteed parties to provide corresponding counter-guarantees based on the specific situation of the guaranteed parties. As at the date hereof, the Company does not have any overdue external guarantee.
5. The authorization shall be subject to submission for consideration and approval at the 2015 first extraordinary general meeting of the Company.

I. Basic Information of the Guarantees

(1) *Summary of the guarantees*

In order to meet the funding and operation needs of the Company and its subsidiaries and improve management efficiency, the Company proposes to submit to the Company's shareholders' meeting for authorization of the board of directors of the Company to consider and approve the following guarantees related to the Company and its subsidiaries:

1. Forms of guarantee: The forms of guarantees provided among the Company and its subsidiaries include but are not limited to warranties, pledge and mortgage, etc.
2. Subject of the guarantee: the guarantees provided by the Company to its subsidiaries (including subsidiaries accounted for and consolidated in the consolidated accounts of the Company and the investees of the Company), the guarantees provided by the subsidiaries to the Company and the guarantees among the subsidiaries. The total amount of guarantees was RMB3.5 billion (excluding guarantees provided in phases by the Company and its subsidiaries to certain customers who are purchasers of property units).
3. Scope of authorization: The shareholders' meeting authorizes the board of directors of the Company to consider the guarantees related to the Company and its subsidiaries. Any of the following circumstances are also included in the scope of the submission for authorization this time:
 - (1) The amount of any single guarantee exceeds 10% of the latest audited net assets of the Company;
 - (2) Any subsequent provision of guarantee when the aggregate amount of the guarantees provided by the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets of the Company;
 - (3) The provision of guarantee to an entity whose asset to liability ratio exceeds 70%;

- (4) The amount of the guarantees exceeds 30% of the latest audited total assets of the Company, calculated according to the accumulative principle within twelve (12) consecutive months;
 - (5) The amount of the guarantees exceeds 50% of the latest audited net assets of the Company, calculated according to the accumulative principle within twelve (12) consecutive months.
4. The authorization shall be valid for 12 months from the date of consideration and approval at the 2015 first extraordinary general meeting of the Company.
 5. Where the provision of guarantees by the Company to its subsidiaries constitutes transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company is required to comply with the applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including obtaining approval from the shareholders (if applicable).
 6. The Company will request the guaranteed parties to provide corresponding counter-guarantees based on the specific situation of the guaranteed parties.

For guarantee the amount of which exceeds the scope of authorization of the guarantees, the Company will implement in strict compliance with regulatory requirements and decision-making procedures relevant for listed companies.

(2) Internal decision-making procedures required for the guarantee

The Company convened the seventy-fifth meeting of the sixth session of the board of directors on 26 March 2015 with 9 affirmative votes, 0 dissenting vote and 0 abstained vote to approve the Resolution in relation to Submission to the Shareholders' Meeting for Authorization of the Guarantees of the Company (《關於提請股東大會對公司擔保事項進行授權的議案》) unanimously. The resolution is subject to the consideration and approval at the 2015 first extraordinary general meeting of the Company.

II. Basic Information of the Guaranteed Parties

Subject entities which are proposed to be involved in the business of guarantees:

- (1) The following companies, the basic information of which as at 31 December 2014 is as follows:

Currency: RMB

| Company name | Legal representative | Registered capital ('0000) | Business nature | Total assets ('0000) | Net assets ('0000) | Net profit ('0000) | Proportion of shares the Company held (%) |
|--|----------------------|----------------------------|---------------------------------------|----------------------|--------------------|--------------------|---|
| Beijing North Star Company Limited (北京北辰實業股份有限公司) | HE Jiang-Chuan | 336702 | Real estate development and operation | 3,768,358 | 1,107,352 | 58,719 | — |
| Beijing North Star Real Estate Development Co., Limited (北京北辰房地產開發股份有限公司) | SI Hai-Qun | 50018 | Real estate development and operation | 166,035 | 141,566 | 856 | 99.05 |
| Changsha North Star Property Development Co., Ltd. (長沙北辰房地產開發有限公司) | ZENG Jin | 120000 | Real estate development and operation | 1,809,156 | 180,078 | 18,599 | 100 |
| Changsha Century Garden Real Estate Co., Ltd. (長沙世紀禦景房地產有限公司) | ZENG Jin | 2041 | Real estate development and operation | 99,262 | 994 | -674 | 51 |
| Beijing North Star Contemporary Property Co., Ltd. (北京北辰當代置業有限公司) | ZENG Jin | 5000 | Real estate development and operation | 142,600 | 4,986 | -14 | 50 |
| Hangzhou North Star Property Co., Ltd.* (杭州北辰置業有限公司) | ZENG Jin | 5000 | Real estate development and operation | 77,725 | 4,411 | -89 | 70 |
| Wuhan Contemporary Beijing North Star Real Estate Co., Ltd.* (武漢當代北辰置業有限公司) | Zhang Peng | 5000 | Real estate development and operation | 68,585 | 4,870 | -130 | 45 |
| Beijing Tian Cheng Tian Property Co., Limited (北京天成天房地產開發有限公司) | SI Hai-Qun | 1100 | Real estate development and operation | 127,715 | -3,254 | -1,933 | 99.10 |
| Beijing Jiang Zhuang Hu Property Co., Limited (北京薑莊湖園林別墅開發有限公司) | SI Hai-Qun | USD1600 | Real estate development and operation | 95,026 | 27,647 | 12,443 | 50.50 |

* For identification purpose only

- (2) Any subsidiaries of the Company accounted for and consolidated in the consolidated accounts of the Company and any investees of the Company, which are newly-established by the Company during the valid period of the authorization.

III. Main Contents of the Guarantee Agreements

Currently, the relevant entities have not signed any related guarantee agreements. The additional planned aggregate amount of the guarantee only represents the expected amount of the guarantees to be provided. The abovementioned guarantees are subject to the review and approval of banks or relevant authorities. The time of signing the agreements is determined by the time when actual agreements are signed.

IV. Consideration procedures required for the authorization of the guarantees

1. Consideration procedures required for the authorization of the guarantees

Pursuant to the Listing Rules of the Shanghai Stock Exchange (《上海證券交易所股票上市規則》) and the requirements of relevant laws and regulations, the independent directors of the Company issued prior consent to the authorization of the guarantees. The audit committee of the board of directors of the Company carried out examination on the authorization of the guarantees and issued written review opinions. The seventy-fifth meeting of the sixth session of the board of directors of the Company considered and approved the resolution of the authorization of the guarantees.

The authorization of the guarantees is subject to the approval of the shareholders' meeting. The authorization of the guarantees does not constitute major asset reorganization provided under the Administrative Measures on Major Asset Reorganization of Listed Companies.

2. *Independent directors' opinions*

Pursuant to the relevant requirements of Company Law of the People's Republic of China (《中華人民共和國公司法》), Guiding Opinions on Establishing Independent Director System of Listed Companies (《關於在上市公司建立獨立董事的指導意見》), Governance Standard of Listed Companies (《上市公司治理準則》), Listing Rules of the Shanghai Stock Exchange and the Articles of Association, the independent directors of the Company carefully considered the Resolution in relation to Submission to the Shareholders' Meeting for Authorization of the Guarantees of the Company (《關於提請股東大會對公司擔保事項進行授權的議案》) with independence and objectivity and expressed the following independent opinions:

The guarantees among the Company and its subsidiaries are in line with the operation status and needs of all parties and favorable to smooth development of all parties' businesses. It is agreed to submit the Resolution in relation to Submission to the Shareholders' Meeting for Authorization of the Guarantees of the Company to the board of directors of the Company for consideration.

3. *Written review opinions of the audit committee of the board of directors*

Pursuant to the relevant requirements of the Listing Rules of the Shanghai Stock Exchange (《上海證券交易所股票上市規則》), the Articles of Association and the Rules of Procedures of the Audit Committee of Board of Directors (《董事會審計委員會議事規則》), the audit committee of the board of directors of the Company carefully reviewed the Resolution in relation to Submission to the Shareholders' Meeting for Authorization of the Guarantees of the Company (《關於提請股東大會對公司擔保事項進行授權的議案》) with independence and objectivity and expressed the following opinions:

The guarantees among the Company and its subsidiaries are favorable to smooth development of all parties' operations and projects and will not damage the interests of the Company and its shareholders, especially those of the minority shareholders. Upon review, it is agreed to submit the Resolution in relation to Submission to the Shareholders' Meeting for Authorization of the Guarantees of the Company (《關於提請股東大會對公司擔保事項進行授權的議案》) to the board of directors of the Company for consideration.

V. Accumulated Amount of External Guarantees and Number of Overdue Guarantees

As at the date hereof, the total amount of external guarantees provided by the Company and its wholly-owned subsidiaries is RMB0 million (excluding guarantees provided in phases by the Company and its subsidiaries to certain customers who are purchasers of property units), representing 0% of the latest audited net assets of the Company. The total amount of guarantees provided by the Company to its wholly-owned subsidiaries is RMB0 million, representing 0% of the latest audited net assets of the Company. The Company does not have any overdue guarantee.

VI. Documents Available for Inspection

1. The resolution of the seventy-fifth meeting of the sixth session of the board of directors of the Company;
2. Independent opinions signed and confirmed by the independent directors of the Company;
3. Written review opinions signed and confirmed by the audit committee of the board of directors of the Company.

Notice is hereby given.

Board of directors of
Beijing North Star Company Limited
26 March 2015