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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)

**DISCLOSABLE AND CONNECTED TRANSACTION
PROVISION OF GUARANTEE FOR WUXI SHENGYANG**

The Board is pleased to announce that, on 15 June 2018, the Company and Wuxi Huishan Sub-branch of ABC entered into the Guarantee Agreement, pursuant to which the Company agreed, as the guarantor, to provide guarantee for the Loan Agreement entered into by Wuxi Shengyang (an investee held as to 40% by the Company indirectly) and ABC. The amount of guarantee shall be RMB560 million and the term of the guarantee shall be two years from the date of expiry of the discharge term of each debt under the Loan Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratio (as defined in the Listing Rules) in respect of the Guarantee exceeds 5% but is less than 25%, the Guarantee constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the Guarantee is subject to reporting and announcement requirements but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

Furthermore, CIFI Group is a substantial shareholder of certain subsidiaries of the Company, therefore CIFI Group is a connected person at subsidiary level of the Company under the Listing Rules. Wuxi Shengyang is held as to 30% ultimately by CIFI Group, and is an associate of CIFI Group, and is therefore also a connected person at subsidiary level of the Company. Therefore, the Guarantee constitutes a connected transaction of the Company. The Board has approved the Guarantee, and the independent non-executive Directors of the Company have confirmed that, the Guarantee is on normal commercial terms and in the ordinary and usual course of business of the Group and the terms thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole. Accordingly, the Guarantee is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.101 of the Listing Rules.

INTRODUCTION

References are made to the circular dated 9 February 2018 and the announcement of the poll results of the first extraordinary general meeting of 2018 dated 28 March 2018 published by the Company. The shareholders of the Company have approved the Guarantee Agreement and the transactions contemplated thereunder. On 15 June 2018, the Company and Wuxi Huishan Sub-branch of ABC entered into the Guarantee Agreement, pursuant to which, the Company agreed, as the guarantor, to provide guarantee for the debts of Wuxi Shengyang under the Loan Agreement in proportion to its 40% indirect shareholding in Wuxi Shengyang. The main content of the Guarantee Agreement is as follows:

Guarantee Agreement

Date: 15 June 2018

Parties: (1) The Company; and
(2) Wuxi Huishan Sub-branch of ABC.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, ABC and its ultimate beneficial owner are third parties independent of the Company and the Company's connected persons.

Principal Terms

Mode of guarantee: The guarantee under the Guarantee Agreement is joint liability guarantee.

Term of guarantee: Within two years from the date of expiry of the discharge term of each debt under the Loan Agreement.

Scope of guarantee: Any installment or installments of loan or any amount in an installment of loan under the Loan Agreement with the aggregate principal of not more than RMB560 million, and the interests and expenses arising from the principal as well as any compensation, penalty, damages and other expenses in relation thereto.

Amount of guarantee: RMB560 million.

REASONS FOR AND BENEFITS OF THE GUARANTEE

The Board (including the independent non-executive Directors) is of the view that the provision of Guarantee facilitates Wuxi Shengyang to secure bank loans to satisfy the financial demands of real estate development projects and Wuxi Shengyang expects that revenue will be generated upon completion of development, enabling the Company to benefit from the development of its principal business.

The Board (including the independent non-executive Directors) is of the view that the terms of the Guarantee Agreement and the transactions contemplated thereunder are entered into on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

As none of the Directors is materially interested in the Guarantee, none of the Directors is required to abstain from voting on the relevant Board resolution.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratio (as defined in the Listing Rules) in respect of the Guarantee exceeds 5% but is less than 25%, the Guarantee constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to reporting and announcement requirements but exempt from shareholders' approval requirement.

Furthermore, CIFI Group is a substantial shareholder of certain subsidiaries of the Company, therefore CIFI Group is a connected person at subsidiary level of the Company under the Listing Rules. Wuxi Shengyang is held as to 30% ultimately by CIFI Group, and is an associate of CIFI Group, and is therefore also a connected person at subsidiary level of the Company. Therefore, the Guarantee constitutes a connected transaction of the Company. The Board has approved the Guarantee, and the independent non-executive Directors of the Company have confirmed that, the Guarantee is on normal commercial terms and in the ordinary and usual course of business of the Group and the terms thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole. Accordingly, the Guarantee is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.101 of the Listing Rules.

GENERAL INFORMATION

1. Information on the Group

The Group is principally engaged in development properties, investment properties (including hotels) and commercial properties.

2. Information on Wuxi Shengyang

Wuxi Shengyang is principally engaged in development, operation and sales of real estate, and design and construction of building construction engineering, earthwork engineering and decoration design and construction.

3. Information on ABC

ABC is principally engaged in taking deposits from the public; granting short-term, medium-term and long-term loans; arranging domestic and overseas settlements; accepting and discounting instruments; issuing financial bonds; acting as agents to issue, honour and underwrite government bonds; trading government bonds and financial bonds; engaging in inter-bank lending; engaging in foreign exchange trading as a principal or on an agency basis; engaging in the settlement and sale of exchange.

DEFINITIONS

“ABC”	Agricultural Bank of China Limited (中國農業銀行股份有限公司), a joint stock limited company incorporated in the PRC and the A shares and H shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601288) and the Stock Exchange (Stock Code: 1288), respectively;
“Board”	the board of Directors of the Company;
“CIFI Group”	CIFI Holdings (Group) Co. Ltd., a company incorporated in Cayman Islands with limited liability, whose shares are listed on the Stock Exchange (Stock Code: 884);

“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 company incorporated in the PRC and the A Shares and H Shares of which are listed on the Shanghai Stock Exchange and the Stock Exchange, respectively;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Guarantee”	the guarantees provided by the Company according to the Guarantee Agreement;
“Guarantee Agreement”	the Guarantee Agreement entered into by the Company and Wuxi Huishan Sub-branch of ABC on 15 June 2018, pursuant to which, the Company agreed to guarantee the repayment responsibilities of Wuxi Shengyang under the Loan Agreement based on the 40% indirect shareholding in Wuxi Shengyang held by the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan Agreement”	the Loan Agreement entered into by Wuxi Shengyang as the borrower and the bank consortium led by Wuxi Branch of ABC as the lead bank (Wuxi Huishan Sub-branch of ABC as the agent and Wuxi Branch of ABC and Suzhou Branch of ABC as lenders), pursuant to which, Wuxi Shengyang applied to ABC for a development loan with an aggregate loan amount of not more than RMB1,400 million;

“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Wuxi Shengyang”	Wuxi Shengyang Real Estate Co., Ltd. (無錫北辰盛陽置業有限公司), a company incorporated in the PRC with limited liability, an investee indirectly owned as to 40% by the Company; and
“%”	percent.

By order of the Board
BEIJING NORTH STAR COMPANY LIMITED
GUO Chuan
Executive Director and Company Secretary

Beijing, the PRC, 15 June 2018

As at the date of this announcement, the Board comprises nine Directors, of which Mr. HE Jiang-Chuan, Mr. LI Wei-Dong, Ms. LI Yun, Mr. CHEN De-Qi, Ms. ZHANG Wen-Lei and Mr. GUO Chuan are executive Directors and Mr. FU Yiu-Man, Mr. DONG An-Sheng and Mr. WU Ge are independent non-executive Directors.

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