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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)

VOLUNTARY ANNOUNCEMENT

**CAPITAL INJECTION AND INTRODUCTION OF STRATEGIC
INVESTORS INTO A WHOLLY-OWNED SUBSIDIARY**

INTRODUCTION

This announcement is made voluntarily by Beijing North Star Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to deliver the latest information about the Group’s business development to the shareholders and potential investors of the Company.

CAPITAL INJECTION

In order to further enhance the capital strength of the convention and exhibition segment of the Company, improve the market-oriented operation standard and industry chain and accelerate the transformation and upgrade of the traditional convention and exhibition business, Beijing North Star Convention Group Co., Limited (“**North Star Convention Group**”), a wholly-owned subsidiary of the Company, implemented the capital injection and introduction of strategic investors by way of public tender on the China Beijing Equity Exchange. Upon public solicitation, four qualified investors, namely Beijing Capital Tourism Group Co., Ltd. (北京首都旅遊集團有限責任公司) (“**Beijing Tourism**”), Beijing Shougang Construction Investment Co., Ltd. (北京首鋼建設投資有限公司) (“**Shougang Construction**”), Jingdong Technology Holding Co., Ltd. (“**JD Technology**”) and GL events China Limited (“**GL events**”) (collectively, the “**Strategic Investors**”), participated in the capital injection (the “**Capital Injection**”) and intended to sign the capital injection agreement soon. Upon completion of the Capital Injection, the registered capital of North Star

Convention Group will be increased from RMB120 million to RMB200 million, the Company's shareholding ratio will be changed from 100% to 60%, while the respective shareholding ratios of the aforementioned four Strategic Investors will be 10%. North Star Convention Group will be renamed as "Capital Convention (Group) Co., Ltd. (首都會展(集團)有限公司)" and will remain as a subsidiary of the Company.

To the best of the directors' knowledge, information and belief having made all reasonable enquiries, Beijing Tourism, Shougang Construction, JD Technology, GL events and their respective ultimate beneficial owners are all independent third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")).

PRINCIPAL CONTENTS OF THE CAPITAL INJECTION AGREEMENT

- Party A : Beijing North Star Company Limited
- Party B1 : Beijing Capital Tourism Group Co., Ltd.
- Party B2 : Beijing Shougang Construction Investment Co., Ltd.
- Party B3 : Jingdong Technology Holding Co., Ltd.
- Party B4 : GL events China Limited

(Party B1, Party B2, Party B3 and Party B4, collectively, Party B)

Target company : Beijing North Star Convention Group Co., Limited

1.1 Party A and Party B agree to appraise the target company with 31 December 2020 as the benchmark date and to recognize the Asset Appraisal Report (Number: Zhong Lin Ping Zi [2021] No. 178) issued by Beijing Zhonglin Assets Appraisal Co., Ltd. commissioned by Party A. The asset appraisal report shall form the basis for determining the Capital Injection proposal in the capital injection agreement, and the capital injection price shall not be less than the appraisal results as approved or filed. The currency for the capital injection shall be RMB. In particular:

1.1.1 Party B1 shall invest RMB50.36712 million in currency, of which RMB20 million shall be included in the registered capital and the rest shall be included in the capital reserve.

1.1.2 Party B2 shall invest RMB50.36712 million in currency, of which RMB20 million shall be included in the registered capital and the rest shall be included in the capital reserve.

1.1.3 Party B3 shall invest RMB50.36712 million in currency, of which RMB20 million shall be included in the registered capital and the rest shall be included in the capital reserve.

1.1.4 Party B4 shall invest RMB50.36712 million in currency, of which RMB20 million shall be included in the registered capital and the rest shall be included in the capital reserve.

1.2 The appraised value of the filed net assets of the target company as at the appraisal benchmark date prior to the Capital Injection was RMB302,202,700. No adjustment shall be made to the agreed price of the appraisal value by the parties to the Capital Injection with respect to any profit or loss incurred by the target company during the period from the appraisal benchmark date to the date on which the parties to the Capital Injection complete the registration with the administration for market supervision, as the shareholders of the target company.

1.3 Upon the Capital Injection, the registered capital of the target company will be increased from RMB120 million to RMB200 million. The shareholders, the registered capital and the shareholding structure of the target company after the Capital Injection are set out in the table below:

No.	Name of shareholder	Subscribed capital contribution (RMB0'000)	Paid-in capital contribution (RMB0'000)	Shareholding ratio (%)
1	Beijing North Star Company Limited	12,000	12,000	60
2	Beijing Capital Tourism Group Co., Ltd.	2,000	2,000	10
3	Beijing Shougang Construction Investment Co., Ltd.	2,000	2,000	10
4	Jingdong Technology Holding Co., Ltd.	2,000	2,000	10
5	GL events China Limited	2,000	2,000	10

BASIC INFORMATION ON STRATEGIC INVESTORS

1. Beijing Tourism

- Type of enterprise : limited liability company (wholly state-owned)
- Legal representative : Song Yu (宋宇)
- Date of establishment : 24 January 1998
- Registered capital : RMB4,425,232,300
- Domicile : A001, Building A, No. 5 North Bank, Xiaotaihou River, Tongzhou District, Beijing
- Scope of business : operation and management of state-owned assets entrusted by municipal government; project investment; restaurant management; information consultancy; development of tourism resources; tourism services; development of property projects; sales of commercial properties.

2. Shougang Construction

- Type of enterprise : limited liability company (wholly owned by a legal person)
- Legal representative : Zhao Minge (趙民革)
- Date of establishment : 21 June 2010
- Registered capital : RMB13,100,000,000
- Domicile : Room 423, 4/F, Building No. 3, Administration Office, Shougang Company (首都鋼鐵公司), Shougang Plant Area (68), Shijingshan District, Beijing
- Scope of business : project investment; investment management; land development; real estate development; sales of commercial properties; general construction contracting; professional contracting; property management; technology development, technology consulting, technical services; real estate agency, valuation of real estate price; sales of metal materials, wood, construction materials and machinery and electrical equipment.

3. JD Technology

- Type of enterprise : other joint stock limited company (unlisted)
- Legal representative : Li Yayun (李 婭 雲)
- Date of establishment : 5 September 2012
- Registered capital : RMB5,253,100,265
- Domicile : Room 221, 2/F, Tower C, No. 18 Kechuang 11 Street, Beijing Economic-Technological Development Area, Beijing
- Scope of business : enterprise headquarters management; investment management; assets management; enterprise management consultancy, investment consultancy; public relationship services; copyright agency; provision of contracted services relating to financial information technology as entrusted by financial institutions; provision of contracted services relating to financial business process as entrusted by financial institutions; provision of contracted services relating to financial knowledge process as entrusted by financial institutions; technology promotion services; design of enterprise image; market investigation; enterprise management; computer technology training (nationwide admissions are not allowed); financial advisory (prohibited from businesses which require specific approval, including audit, capital verification, financial verification, evaluation, accounting advisory, bookkeeping, etc.; prohibited from issuing corresponding written materials including audit report, capital verification report, financial verification report, evaluation report, etc.); design, production, agency, and publication of advertisements; conference services; undertaking exhibition and display activities; data processing (excluding bank card center under data processing and cloud computing data center with PUE value of more than 1.5); sales of electronic products; equipment rental; labor services; trade agency; Internet information services; telecommunications services operation.

4. GL events

- Type of enterprise : a company established and survived according to the laws of Hong Kong, China
- Authorised representative : Ines Ginon
- Date of establishment : 14 November 1996
- The address of the registered office : Rooms G to L, 5/F, Wing Shan Industrial Building, No. 428 Cha Kwo Ling Road, Yau Tong, Kowloon, Hong Kong
- Scope of business : conference and exhibition business, project investment, investment in and operation of corporate equity and bonds, etc.

BASIC INFORMATION ON NORTH STAR CONVENTION GROUP

- Name of company : Beijing North Star Convention Group Co., Limited
- Type of enterprise : limited liability company (wholly owned by a legal person)
- Legal representative : Sun Dongfan
- Date of establishment : 25 July 2012
- Registered capital : RMB120,000,000
- Domicile : Rooms A1001 and A1002 in 1002, 10/F, Block 16, Yard No. 8, Beichen East Road, Chaoyang District, Beijing
- Scope of business : property management; conference and exhibition services; organization of cultural and artistic exchange activities (excluding performances); corporate planning; computer graphic design and production; economic and trade consulting; advertising design, production, agency and release; etiquette services; photography and photographic processing services; sales of electronic products, handicrafts and stationery supplies; hotel management. (Market entities can independently select business projects and carry out operating activities in accordance with laws. For projects requiring approval according to laws, operating activities can be commenced according to the approved content after getting the approval of the relevant departments. Operating activities prohibited and restricted by the industrial policies of the state and this city shall not be carried out.)

North Star Convention Group, being the professional convention and exhibition enterprise that manages the largest number of professional convention and exhibition venues, is the largest in terms of area and is capable of undertaking the finest convention and exhibition in China. At present, it operates and manages 20 convention and exhibition venues including China National Convention Center and Beijing International Convention Center with a total construction area of approximately 4,200,000 square meters. It has successively served for and guaranteed the holding of a series of major activities and events such as the 2014 APEC Summit, the 2016 G20 Hangzhou Summit, two sessions of the “Belt and Road” Forum for International Cooperation, the 2017 BRICS Xiamen Summit, the 2018 Qingdao Summit of Shanghai Cooperation Organization, the 2018 Forum on China-Africa Cooperation, the 2019 International Horticultural Exhibition Beijing China, the Conference on Dialogue of Asian Civilizations and China International Fair for Trade in Services (“CIFTIS”), from which it has cumulated extensive experience in serving state-level and political activities and events, international and political affairs, becoming a convention and exhibition group with multi-type businesses covering conferences and exhibitions, management and output of convention and exhibition brand, sponsoring and undertaking of conferences and exhibitions, the convention and exhibition research and convention and exhibition information.

DEEMED DISPOSAL AND LISTING RULES IMPLICATION

Upon completion of the Capital Injection, the Company’s shareholding ratio in North Star Convention Group will be decreased from 100% to 60%. Therefore, the Capital Injection constitutes a deemed disposal of 40% of the Company’s equity interest in North Star Convention Group.

As all applicable percentage ratios for the Capital Injection are less than 5%, pursuant to Chapter 14 of the Listing Rules, the Capital Injection does not constitute a discloseable transaction of the Company.

IMPACT ON THE COMPANY

In recent years, as one of the important carriers serving for the functional construction of the “Four Centers” of Beijing, the convention and exhibition business has become an important forum for the investment and trade in Beijing, and has played a role in leading, gathering and expanding the development of society and economy in Beijing.

By way of the introduction of the Strategic Investors, the Company expects to further carry out strategic cooperation, accelerate the establishment and improvement of the market-oriented operation mechanism of North Star Convention Group and form an exhibition platform in the capital with complete types of business and prominent advantages by taking advantage of the resources in fields relating to conventions and exhibitions of each investor such as the “Cloud Services”. Following the Capital

Injection, on one hand, Capital Convention (Group) Co., Ltd. will comprehensively undertake the guarantee work of the professional operation of CIFTIS, introduce professional North Star convention and exhibition service standards and teams, strengthen the cooperation with international industry organizations and international leading convention and exhibition companies, explore the organic integration of digital technology and CIFTIS, and lead the transformation and upgrading of CIFTIS by scientific and technological innovation, thus further enhance the brand influence of the North Star convention and exhibition; on the other hand, it will deeply consolidate the convention and exhibition resources, carry out the market-oriented convention and exhibition business covering the full industry chain, focus on four business sectors including the operation and management of convention and exhibition venues, sponsoring and undertaking of conferences and exhibitions and supporting services, the education and consulting services for conventions and exhibitions and the guarantee services for the high-end state-level and political activities and events, and at the same time, actively explore the capital operation model of conventions and exhibitions, choose opportunities to merge and acquire superior convention and exhibition projects with high development potential and strong growth capacity. It will strive to build Capital Convention (Group) Co., Ltd. into a modern service industry group with the operation of convention and exhibition services as its core which is the first in China and the leading in the world.

The establishment of Capital Convention (Group) Co., Ltd. will speed up the construction of a new development pattern for the North Star convention and exhibition, further enhance the international competitiveness and influence of the North Star convention and exhibition, and provide considerable impetus for the realization of the Company's development strategy.

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

Beijing, the PRC, 2 July 2021

As at the date of this announcement, the Board comprises eight directors, of which Mr. LI Wei-Dong, Ms. LI Yun, Mr. CHEN De-Qi, Ms. ZHANG Wen-Lei and Mr. GUO Chuan are executive directors and Dr. CHOW Wing-Kin, Anthony, Mr. GAN Pei-Zhong and Mr. CHEN De-Qiu are independent non-executive directors.

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