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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)

ISSUE OF CORPORATE DEBENTURE

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

Reference is made to the announcement of poll results of the Company dated 24 December 2007 and the announcements of the Company dated 4 June 2008 and 11 July 2008 made pursuant to rule 13.09(2) of the Listing Rules.

The Board is pleased to announce that following the approval of the Shareholders granted on 24 December 2007 and the final written approval of CSRC (Zheng Jian Xu He [2008] No. 887) received by the Company on 11 July 2008 for the issue of the Corporate Debenture, the Company has on 14 July 2008 published details regarding the issue of the Corporate Debenture.

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Major terms of the Corporate Debenture are summarised as follows: -

1. Name of debenture: 2008 Beijing North Star Company Limited Corporate Debenture

2. Total amount to be issued: not more than RMB1.7 billion; face value of each at RMB100 with the total number of pieces of not more than 17 million; concrete total amount to be determined by the Issuer and the sponsor (lead underwriter) according to the market conditions
3. Issue price: face value (i.e. RMB 100 each)
4. Term of debenture: 5 years
5. First date of issue: the first day of the issuance term of the debenture, i.e. 18 July 2008
6. Resale option: the debenture holders have the right to re-sell all or part of the debenture at its face value to the Issuer at the 3rd date of interest payment
7. Interest payment method: simple interest rate calculated annually; no compound interest and no overdue interest payment
8. Term of interest payment (during the term): (i) for investors waiving the resale option, 18 July 2008 to 18 July 2013; (ii) for investors exercising the resale option partially, 18 July 2008 to 18 July 2011 for the resale part and 18 July 2008 to 18 July 2013 for the non-resale part; and (iii) for investors exercising the re-sale option fully, 18 July 2008 to 18 July 2011
9. Interest rate: between 7.5% to 8.6%, the final rate to be determined by the Issuer and the sponsor (lead underwriter) according to the outcome of consultations with off-market investors within the aforesaid range; and such rate will remain fixed for the term of the debenture
10. Repayment of principal and interest: during the term of interest payment, interest to be paid annually; (i) for investors waiving the resale option, the principal to be repaid in one lump sum in 2013; (ii) for investors exercising the resale option partially, the principal of the resale part to be repaid on 18 July 2011 and the principal of the non-resale part to be repaid on 18 July 2013
11. Issuance method: a combination of (i) on-market public issuance to public investors of the society (expected to be not less than 20% of the total amount to be issued); and (ii) off-market issuance to institutional investors through price consultations; the Issuer and the sponsor (lead underwriter) will determine whether to exercise the reallocation mechanism in accordance with the situation of on-market issuance
12. Target subscribers: (i) on-market issuance: public investors of the society having approved securities' account with debenture registration institutions (except those restricted by relevant laws and regulations); and (ii) off-market issuance: institutional investors with approved securities account with debenture registration institutions (except those restricted by relevant laws and regulations)
13. Guarantor: Beijing North Star Industrial Group Company (北京北辰實業集團公司)

14. Guarantee method and scope: unconditional and irrevocable joint liability guarantee, covering the full amount of principal and interest, together with relevant damages and all fees and expenses in relation to the implementation of the debenture
15. Underwriting: standby commitment underwriting by the underwriting team organized by the lead underwriter in accordance with the underwriting agreement
16. Sponsor, lead underwriter and debenture trustee administrator: UBS Securities Co. Ltd. (瑞銀證券有限責任公司)

Further details of the Corporate Debenture have been provided in another announcement of the Company of even date made pursuant to rule 13.09(2) of the Listing Rules.

DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following expressions have the meanings set out below:

“Board”	the board of directors of the Company
“Company” / “Issuer”	Beijing North Star Company Limited 北京北辰實業股份有限公司, a sino-foreign joint venture joint stock company incorporated in the PRC with limited liability and listed on The Stock Exchange of Hong Kong Limited and Shanghai Stock Exchange
“Corporate Debenture”	the corporate debenture to be issued by the Company, a summary of the terms and conditions of which are set out herein
“CSRC”	China Securities Regulatory Commission
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as enforced at the relevant time
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company

By order of the Board
GUO Chuan
Company Secretary

Beijing, the PRC
14 July 2008

As at the date of this announcement, the Board comprises seven directors, of whom four are executive directors, namely, Mr. HE Jiang-Chuan, Ms. ZHAO Hui-Zhi, Mr. LIU Jian-Ping and Mr. CHEN Ji; and three are independent non-executive directors, namely, Mr. MENG Yan, Mr. YU Jing-Song and Mr. FU Yiu-man, Peter.

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