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Unless otherwise defined, terms used in this announcement shall have the same respective meanings as those defined in the prospectus of Beijing Jingkelong Company Limited (the “Company”) dated 12 September 2006 (the “Prospectus”).



北京京客隆商業集團股份有限公司
BEIJING JINGKELONG COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 8245)

ANNOUNCEMENT
EXERCISE OF THE OVER-ALLOTMENT OPTION

- The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in full by DBS Asia on behalf of the Placing Underwriters on 25 September 2006 in respect of 19,800,000 additional H Shares, solely to cover over-allocations in the Placing.
- Additional H Shares will be issued and allotted by the Company at HK\$4.50 per H Share (excluding brokerage fee of 1%, SFC transaction levy of 0.005% and Stock Exchange trading fee of 0.005%), being the Offer Price per H Share in connection with the Share Offer.

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in full by DBS Asia on behalf of the Placing Underwriters on 25 September 2006 in respect of 19,800,000 additional H Shares (the “Over-allotment Shares”), comprising 18,000,000 new H Shares issued by the Company and 1,800,000 H Shares converted from the Domestic Shares held by Chaoyang Auxillary, (representing approximately 15% of the Offer Shares initially offered under the Share Offer), solely to cover over-allocations in the Placing. An aggregate of 19,800,000 H Shares will be issued and allotted by the Company at HK\$4.50 per H Share (excluding brokerage fee of 1%, SFC transaction levy of 0.005% and Stock Exchange trading fee of 0.005%), being the Offer Price per H Share in connection with the Share Offer.

The GEM Listing Committee has already granted the listing of and permission to deal in the Over-allotment Shares.

The shareholding structure of the Company immediately before and after the issue and allotment of the Over-allotment Shares, are as follows:

Shareholders	Before the issue and allotment of the Over-allotment Shares		After the issue and allotment of the Over-allotment Shares	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Chaoyang Auxillary	171,969,808	46.91	170,169,808	44.24
Shanxi Trust	26,635,710	7.27	26,635,710	6.93
Other Promoters	36,014,482	9.82	36,014,482	9.36
Public Shareholders	132,000,000	36.00	151,800,000	39.47
Total issued share capital	<u>366,620,000</u>	<u>100.00</u>	<u>384,620,000</u>	<u>100.00</u>

Immediately after the issue of the Over-allotment Shares, the total number of Shares in issue will be 384,620,000, of which an aggregate of 151,800,000 H Shares will be held by public Shareholders, representing approximately 39.47% of the total number of Shares in issue as enlarged by the Over-allotment Shares.

The additional net proceeds of approximately HK\$78.2 million from the issue of the Over-allotment Shares by the Company will primarily be used, as to HK\$47.7 million, for expanding the Group's retail network in the PRC, as to HK\$23.5 million for the improvement and development of the Group's information and logistics systems, and as to HK\$7.0 million for general working capital purposes as stated in the section headed "Statement of Business Objectives" of the Prospectus.

By order of the Board of
Beijing Jingkelong Company Limited
Wei Tingzhan
Chairman

Hong Kong, Monday, 25 September 2006

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

As at the date of this announcement, the executive directors of the Company (the “Directors”) are Wei Tingzhan, Li Jianwen, Li Chunyan and Liu Yuejin; non-executive Directors are Gu Hanlin and Li Shunxiang; and independent non-executive Directors are Fan Faming, Huang Jiangming and Chung Chi Kong.

** for identification purposes only*

A copy of the Prospectus will remain on the GEM Website and, in the case of this announcement, on the “New Listing Announcement” page for at least 7 days from the date of its publication.