
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Beijing Jingkelong Company Limited, you should at once hand this circular together with the enclosed forms of proxy and reply slips to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

PROPOSAL TO SHAREHOLDERS TO APPROVE

**THE MIGRATION OF THE LISTING OF THE H SHARES FROM
THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

**AMENDMENTS TO ARTICLES OF ASSOCIATION AND
THE GRANT OF GENERAL MANDATE TO ISSUE SHARES**

AND

NOTICE OF GENERAL MEETINGS

Notices convening an extraordinary general meeting and the respective class meetings of the holders of Domestic Shares and H Shares to be held on Tuesday, 20 March 2007 at 4th Floor, Block No. 45, Xinyuan Street, Chaoyang District, Beijing, The People's Republic of China are set out in this circular. Whether or not you are able to attend the above meetings, please complete and return the relevant enclosed proxy form in accordance with the instructions printed thereon as soon as practicable and in any event by not less than 24 hours before the time appointed for the holding of the relevant meeting or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude you from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) should you so wish.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for a minimum period of seven days from the date of publication.

1 February 2007

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

EXPECTED TIMETABLE

Latest time for lodging transfers of the H Shares in order to be entitled to attend and vote at the EGM and the H Shares Class Meeting. 4:00 p.m., 27 February 2007

Closure of the registers of members of the Company for the determination of entitlements of the Shareholders to attend and vote at the EGM and the Class Meetings. From 28 February 2007 to 20 March 2007

Latest time for receiving reply slips for the EGM and the Class Meetings. 28 February 2007

Latest time for lodging forms of proxy in respect of the EGM 10:00 a.m., 19 March 2007

Latest time for lodging forms of proxy in respect of the H Shares Class Meeting. 10:30 a.m., 19 March 2007

Latest time for lodging forms of proxy in respect of the Domestic Shares Class Meeting 11:00 a.m., 19 March 2007

EGM. 10:00 a.m., 20 March 2007

H Shares Class Meeting 10:30 a.m. (*Note 1*), 20 March 2007

Domestic Shares Class Meeting. 11:00 a.m. (*Note 2*), 20 March 2007

Press announcement of the results of the EGM and the Class Meetings 21 March 2007

Shareholders should note that the above expected timetable is subject to change. Further announcements will be made in the event of any change to the above expected timetable.

Notes:

1. This meeting shall commence at 10:30 a.m. or, if later, as soon as practicable after the conclusion of the EGM.
2. This meeting shall commence at 11:00 a.m. or, if later, as soon as practicable after the conclusion of the H Shares Class Meeting.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Articles Amendments”	the amendments to be made to the Existing Articles at the EGM and the Class Meetings so as to conform them with the applicable laws, rules and regulations in the PRC and Hong Kong for the purposes of the Main Board Migration
“Board”	the board of directors of the Company
“Class Meeting(s)”	the Domestic Shares Class Meeting and/or the H Shares Class Meeting
“Company”	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 PRC, the H shares of which are listed on the GEM
“Company’s H-Share Registrar and Transfer Office”	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“CSRC”	中國證券監督管理委員會 (China Securities Regulatory Commission)
“Directors”	the directors of the Company
“Domestic Share(s)”	ordinary shares(s) issued by the Company, with a Renminbi-denominated par value of RMB1.00 each, which are subscribed for and paid up in RMB
“Domestic Shares Class Meeting”	the class meeting of the holders of Domestic Shares to be held for the purpose of approving the Voluntary Withdrawal, the Main Board Migration and the Articles Amendments, further details of which are contained in the notice convening the said meeting set out in this circular
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of approving the Voluntary Withdrawal, the Main Board Migration, the Articles Amendments and the General Mandate, further details of which are contained in the notice convening the said meeting set out in this circular
“Existing Articles”	the existing articles of association of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange

DEFINITIONS

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“General Mandate”	a mandate to be sought at the EGM authorising the Directors to issue Domestic Shares and/or H Shares for an amount not exceeding 20% of the aggregate nominal amount of the Domestic Shares and the H Shares, respectively in issue on the date of the EGM, further details of which are contained in the notice convening the EGM set out in this circular
“Greater Beijing Region”	the region covering the whole Beijing city and certain parts of its northern peripheral
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	the overseas listed foreign share(s) in the share capital of the Company which are listed on the GEM with a nominal value of RMB1.00 each, and which are subscribed for and traded in Hong Kong dollars
“H Shares Class Meeting”	the class meeting of the holders of H Shares to be held for the purpose of approving the Voluntary Withdrawal, the Main Board Migration and the Articles Amendments, further details of which are contained in the notice convening the said meeting set out in this circular
“Latest Practicable Date”	29 January 2007, being the latest practicable date prior to the printing of this circular for the purposes of ascertaining certain information contained herein
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of the GEM (excluding the options market) and which stock market continues to be operated by the Stock Exchange in parallel with the GEM. For the avoidance of doubt, the Main Board excludes the GEM
“Main Board Listing Committee”	the listing sub-committee of the directors of the Stock Exchange responsible for Main Board listing matters
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board Migration”	the proposed migration of listing of the H Shares from GEM to the Main Board

DEFINITIONS

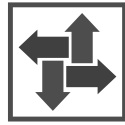
“PRC”	the People’s Republic of China, which for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	share(s) of the Company, including the Domestic Share(s) and the H Share(s), unless specified otherwise
“Shareholder(s)”	holders of the Share(s), including holder(s) of the Domestic Share(s) and the H Share(s), unless specified otherwise
“Sponsor”	DBS Asia Capital Limited, a licensed corporation under the SFO to engage in types 1, 4 and 6 of the regulated activities as defined under the SFO and a GEM approved sponsor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Takeovers Codes”	The Codes on Takeovers and Mergers and Share Repurchases
“Voluntary Withdrawal”	the proposed voluntary withdrawal of the listing of the H Shares from GEM
“HK\$” or “cents”	Hong Kong dollars or cents, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

* *For identification purpose only*

Unless otherwise specified, conversion of RMB into HK\$ in this circular is based on the exchange rate of RMB1 = HK\$1.003 for the purpose of illustration only. No representation is made and there is no assurance that RMB or HK\$ can be purchased or sold at such rate.

If there is any inconsistency between the Chinese of the entities mentioned in this circular and the English translation, the Chinese version shall prevail.

LETTER FROM THE BOARD



北京京客隆
商业集团股份有限公司
BEIJING JINGKELONG COMPANY LIMITED

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)

Executive Directors:

Wei Tingzhan
Li Jianwen
Li Chunyan
Liu Yuejin

Registered Office:

Block No. 45
Xinyuan Street
Chaoyang District
Beijing
PRC

Non-executive Directors:

Gu Hanlin
Li Shunxiang

Place of business in Hong Kong:

20th Floor
Alexandra House
16-20 Chater Road
Hong Kong

Independent Non-Executive Directors:

Fan Faming
Huang Jiangming
Chung Chi Kong

1 February 2007

To Shareholders

Dear Sir/Madam,

PROPOSAL TO SHAREHOLDERS TO APPROVE

**THE MIGRATION OF THE LISTING OF THE H SHARES FROM
THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

**AMENDMENTS TO ARTICLES OF ASSOCIATION AND THE GRANT OF
GENERAL MANDATE TO ISSUE SHARES**

AND

NOTICE OF GENERAL MEETINGS

1. INTRODUCTION

The Directors have resolved to convene the EGM and the Class Meetings on Tuesday, 20 March 2007 for the purpose of considering, among other things, (i) the Main Board Migration, (ii) the Voluntary Withdrawal and (iii) the Articles Amendments, which are required to be approved by special resolution at such meetings.

* *For identification purpose only*

LETTER FROM THE BOARD

2. REASONS FOR THE VOLUNTARY WITHDRAWAL AND THE MAIN BOARD MIGRATION

The Group is principally engaged in the wholesaling and retailing of daily consumer products in the Greater Beijing Region. The Group has grown and developed rapidly in terms of its distribution network and integration of its retail and wholesale functions as well as net profits in recent years. Its consolidated net profit attributable to Shareholders has increased significantly from approximately RMB38.87 million (equivalent to approximately HK\$38.99 million) for the year ended 31 December 2003 to approximately RMB75.10 million (equivalent to approximately HK\$75.33 million) for the year ended 31 December 2005. For the nine months ended 30 September 2006, the Company recorded an unaudited consolidated net profit attributable to Shareholders of approximately RMB88.58 million (equivalent to approximately HK\$88.85 million), representing an approximately 48.1% increase from the corresponding period in 2005 of approximately RMB59.82 million (equivalent to approximately HK\$60.00 million).

After reviewing the financial performance of the Group and taking into consideration the potential advantages of the Main Board Migration and the current favourable market conditions, the Directors have come to a view that a listing of the H Shares on the Main Board will enhance the profile of the Group, enable the Company to expand its shareholder base (in particular, in qualifying its securities to meet with more institutional investors' investment criteria), and facilitate an increase in the liquidity of the H Shares. The Directors believe that the listing of the H Shares on the Main Board of the Stock Exchange will be beneficial to the Group in terms of future growth, financing flexibility and business development.

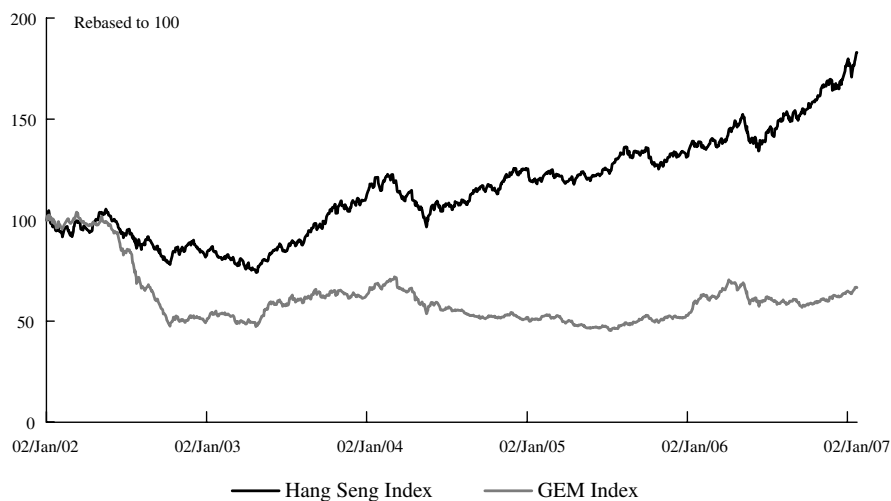
Accordingly, for the reasons stated above, the Directors have resolved to convene the EGM and the Class Meetings to approve, among other things, the Voluntary Withdrawal and the Main Board Migration.

If the Main Board Migration materialises, the listing of the H Shares on GEM will be withdrawn and the H Shares will become listed on the Main Board, which is a separate stock market from GEM. The following sets out certain information concerning the Main Board and GEM for Shareholders' information.

(i) ***Hang Seng Index for the Main Board and GEM Index of GEM in the past five years***

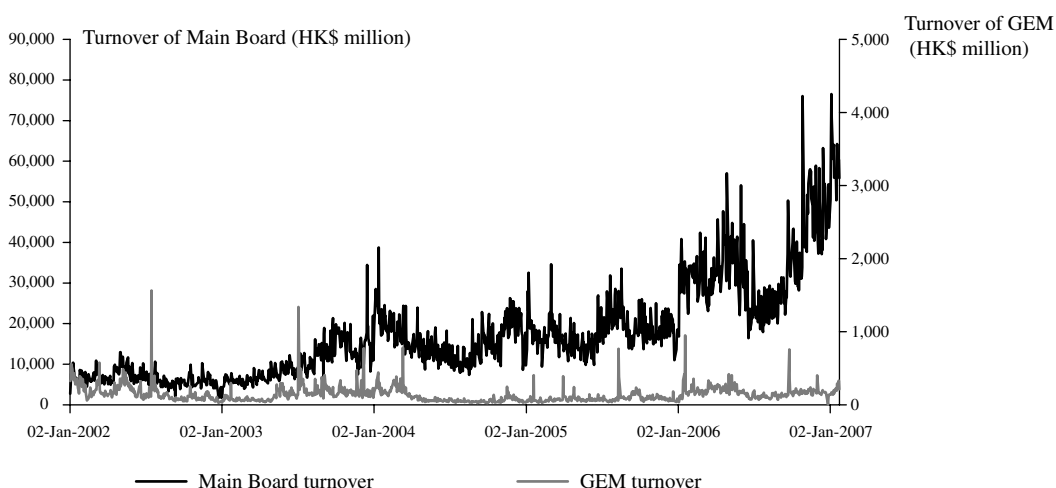
The chart below compares the share price performance of the constituent stocks of the Hang Seng Index of the Main Board against the constituent stocks of the GEM Index of GEM in the past five years. During that period, the Hang Seng Index had increased 82.98% where the GEM Index had decreased 33.36%.

LETTER FROM THE BOARD



(ii) *Turnover of the Main Board and the GEM in the past five years*

The chart below compares the turnover of the Main Board and the GEM in the past five years, which shows that the turnover on the Main Board consistently surpassed that of GEM over that period.



(iii) *Highlights of the Hong Kong Stock Market*

The table below shows the number of listed companies, the market capitalisation and the average daily turnover of both the Main Board and the GEM in the past ten years. In the third quarter of 2006, the market capitalisation of the Main Board was HK\$10,525.9 billion, which was approximately 135 times of the market capitalisation of the GEM of HK\$77.8 billion for the corresponding period. The average daily turnover of the Main Board in the third quarter of 2006 was HK\$26,120 million, which was approximately 193 times of the average daily turnover of the GEM of HK\$135 million for the corresponding period.

LETTER FROM THE BOARD

Highlights of the Hong Kong Stock Market

As at end	Main Board			GEM			Number of Trading Days
	Number of Listed Companies	Market Capitalisation (HK\$ billion)	Average Daily Turnover (HK\$ million)	Number of Listed Companies	Market Capitalisation (HK\$ billion)	Average Daily Turnover (HK\$ million)	
1996	583	3,476.0	5,672	n.a.	n.a.	n.a.	249
1997	658	3,202.3	15,465	n.a.	n.a.	n.a.	245
1998	680	2,661.7	6,887	n.a.	n.a.	n.a.	247
1999	701	4,727.5	7,757	7	7.2	144	247
2000	736	4,795.2	12,338	54	67.3	341	247
2001	756	3,885.3	8,025	111	61.0	162	243
2002	812	3,559.1	6,474	166	52.2	178	247
2003	852	5,477.7	10,265	185	70.2	154	248
2004	892	6,629.2	15,857	204	66.7	103	249
2005	934	8,113.3	18,211	201	66.6	90	247
2005							
Q3	907	7,543.9	20,527	202	72.3	117	64
Q4	934	8,113.3	18,624	201	66.6	87	62
2006							
Q1	940	9,331.8	30,792	201	84.2	204	62
Q2	948	9,758.4	33,893	200	82.0	194	59
Q3	954	10,525.9	26,120	198	77.8	135	65

Source: Hong Kong Stock Exchange and Clearing Limited

3. EFFECTS OF THE VOLUNTARY WITHDRAWAL AND THE MAIN BOARD MIGRATION

The Voluntary Withdrawal and the Main Board Migration will have no effect on the existing share certificates in respect of the H Shares which will continue to be good evidence of legal title and will not involve any transfer or exchange of the existing share certificates. The Directors propose no change to be made to the board lot size, trading currency of the H Shares and share registrar of the H Shares in connection with the Voluntary Withdrawal and the Main Board Migration. The H Shares will continue to be traded in board lots of 1,000 H Shares. **Please note that if and when the H Shares are listed on the Main Board, you may be required to sign a new client agreement with your stockbroker.**

LETTER FROM THE BOARD

Please also note that the continuing obligations of listed issuers under the Main Board Listing Rules and the GEM Listing Rules are not the same. (Note: An introduction to certain salient differences are set out below.) Under the GEM Listing Rules, the Company is required to publish its quarterly results on the internet website operated by the Stock Exchange. Upon the listing of the H Shares on the Main Board, the Company will cease the practice of quarterly reporting and will follow the relevant requirements of the Main Board Listing Rules which include, amongst other things, through paid announcements in newspapers generally circulated in Hong Kong, publish its interim results and annual results within three months and four months from the end of the relevant period or financial year-end, respectively. The Directors are of the view that the reporting requirements under the Main Board Listing Rules will provide investors and the Shareholders with sufficient information concerning the performance of the Group during the relevant period. The Directors also believe that the cessation of quarterly reporting would save significant publishing costs and other related expenses, and enable the Company's management to more time to other key aspects of the operation of the Group's business.

4. COMPARISON OF GEM AND MAIN BOARD

(a) Introduction

Prior to the establishment of the GEM, a great number of growth enterprises, particularly those emerging ones (i.e. enterprises that had good business ideas and growth potential but did not fulfil the profitability/track record requirements of the Main Board) were unable to obtain a listing on the Stock Exchange. The establishment of GEM was designed to bridge this gap.

(b) Similarities between GEM and Main Board

(i) Trading

Trading of equity securities on GEM and on the Main Board is carried out through the trading facilities of the Stock Exchange and are regulated by the Rules of the Exchange, which apply equally to trading in equity securities listed on GEM and the Main Board. Normal trading hours of the Stock Exchange are from 10:00 a.m. to 12:30 a.m. (being the morning session) and 2:30 p.m. to 4:00 p.m. (being the afternoon session) and they are the same for equity securities listed on GEM and the Main Board. (Note: There is also the pre-opening session, being trading hours from 9:30 a.m. to the commencement of the morning session at 10:00 a.m., the details of which are set out in the Rules of the Exchange.)

Settlement of trades for both GEM and Main Board listed equity securities are effected through the Central Clearing and Settlement System (also known as CCASS) operated by Hong Kong Securities Clearing Company Limited, which is a fellow subsidiary of the Stock Exchange.

LETTER FROM THE BOARD

Trading of equity securities on GEM and on the Main Board which are settled through CCASS incurs the same transaction levy of 0.004% (rounded to the nearest cent. and is charged on per side of the consideration of a transaction, and this levy is collected for the Hong Kong Securities and Futures Commission), trading fee of 0.005% (rounded to the nearest cent. and is charged on per side of the consideration of a transaction, and this fee is payable to the Exchange), and stamp duty at a rate of 0.1% (rounded up to the nearest dollar) on the value of the transaction on both the buyer and the seller.

(ii) Regulatory environment

Whether the Company's H Shares are listed on the GEM or the Main Board, acquisition, holding and disposal of the H Shares are subject to the requirements of the Takeovers Codes and Part XV of the SFO.

The spirit of the principal ongoing regulatory and compliance regime of the GEM Listing Rules and the Main Board Listing Rules in the areas below are substantially the same, although GEM has been established as a market designed to accommodate companies to which a higher investment risk may be attached. The said areas are as follows:

- Continuing obligations of listed issuers in relation to:
 - general disclosure obligations including those relating to the immediate release of information which is expected to be price sensitive
 - response to enquires made of the issuer by the Stock Exchange concerning unusual movements in the price or trading volume of its listed securities
 - compliance with the prescribed minimum percentage of listed securities in public hands
 - pre-emptive rights, being circumstances under which the directors of listed issuer must obtain the consent of shareholders in general meeting prior to allotting, issuing or granting securities
 - disclosure of financial information

(Note: The above requirements are set out in chapter 13 of and appendix 16 to the Main Board Listing Rules and chapters 17 and 18 of the GEM Listing Rules)

- Corporate governance practices being followed by listed issuers (Note: These requirements are set out in appendix 14 to the Main Board Listing Rules and appendix 15 to the GEM Listing Rules)
- Securities transactions by directors of listed issuers (Note: These requirements are set out in appendix 10 to the Main Board Listing Rules and chapter 5 of the GEM Listing Rules)

LETTER FROM THE BOARD

- Notifiable transactions (Note: These requirements are set out in chapter 14 of the Main Board Listing Rules and chapter 19 of the GEM Listing Rules) and connected transactions (Note: These requirements are set out in chapter 14A of the Main Board Listing Rules and Chapter 20 of the GEM Listing Rules)
- Undertaking share repurchases (Note: These requirements are set out in rule 10.06 of the Main Board Listing Rules and rule 13.09 of the GEM Listing Rules)

(c) Salient differences between GEM and Main Board, and the GEM Listing Rules and Main Board Listing Rules

The following is a summary containing the salient differences between the GEM Listing Rules and the Main Board Listing Rules. The information contained in the following summary can also be found in the website of the Stock Exchange or from the GEM Listing Rules and the Main Board Listing Rules. The following summary only sets out the salient differences between the GEM Listing Rules and the Main Board Listing Rules and are not meant to be exhaustive.

(i) Governing structure of the Main Board and GEM

	Main Board	GEM
Governance of listing matters	<ul style="list-style-type: none">• Main Board Listing Committee	<ul style="list-style-type: none">• GEM Listing Committee
Appeal	<ul style="list-style-type: none">• Listing (Review) Committee• Listing Appeals Committee	<ul style="list-style-type: none">• GEM Listing (Review) Committee• Listing Appeals Committee (which is the same committee as that for the Main Board)

LETTER FROM THE BOARD

(ii) *Continuing obligations of the Main Board and GEM listed issuers*

	Main Board	GEM
Appointment of compliance adviser	<ul style="list-style-type: none">An issuer must appoint a compliance adviser acceptable to the Stock Exchange for the period commencing on its listing date and ending on publication of financial results for the first full financial year after listing. (Rule 3A.19 of the Main Board Listing Rules)	<ul style="list-style-type: none">An issuer must appoint a compliance adviser acceptable to the Stock Exchange for the period commencing on its listing date and ending on publication of financial results for the second full financial year after listing. (Rule 6A.19 of the GEM Listing Rules)
Fundamental change in the nature of business	<ul style="list-style-type: none">Within the first 12 months after listing, an issuer may not effect any acquisition or disposal which would result in a fundamental change in its principal business activities as described in its prospectus. However, the Stock Exchange may grant a waiver from this requirement if the circumstances are exceptional and prior independent shareholders' approval is obtained (but the controlling shareholders are not allowed to vote on the relevant resolution). (Rules 14.89 and 14.90 of the Main Board Listing Rules)	<ul style="list-style-type: none">Other than with the prior approval of independent shareholders, an issuer may not, during the remaining financial year in which its listing on GEM occurs and the two financial years thereafter, effect any fundamental change in its principal business activities or that of its group. (Rule 17.25 of the GEM Listing Rules)

LETTER FROM THE BOARD

(iii) Definition of connected person

	Main Board	GEM
Definition of connected person	<ul style="list-style-type: none">The concept of management shareholder does not exist in the Main Board Listing Rules, accordingly the definition of connected person does not include management shareholder (Rule 14A.11 of the Main Board Listing Rules)	<ul style="list-style-type: none">Management shareholder is defined as “any person who is (or group of persons who together are) entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the issuer and who is (or are) able, as a practicable matter, to direct or influence the management of the issuer”. Accordingly, a transaction between a GEM listed issuer and a management shareholder is required to comply with the disclosure and shareholders’ approval requirements in chapter 20 of the GEM Listing Rules.

(iv) Restrictions on disposal of shares

	Main Board	GEM
Escrow and non-disposal arrangements for securities	<ul style="list-style-type: none">A controlling shareholder (or its group) of the issuer shall not in the period ending on the date which is six months from the listing date (the “Initial Period”), dispose of or encumber (save where permitted under the Main Board Listing Rules) any of those securities of the issuer in respect of which it (or its group) is shown by the listing document to be the beneficial owner(s), and that in the six month period after the Initial Period such controlling shareholder (and its group) shall not dispose of or encumber (save where permitted under the Main Board Listing Rules) any of those aforesaid securities such that immediately after such disposal or the exercise or enforcement of the right relating to the said encumbrance such controlling shareholder (and its group) would cease to be a controlling shareholder. (Rule 10.07(1) of the Main Board Listing Rules)	<ul style="list-style-type: none">The GEM Listing Rules require every initial management shareholder to place his shares in escrow with an escrow agent for a period ending 12 months after the listing date or (in the case where the relevant shareholder’s shares represent no more than 1% of the total issued shares) ending six months after the listing date, and undertake (save where permitted under the GEM Listing Rules) not to dispose of or encumber interest in such shares during such relevant period (Rule 13.16 of the GEM Listing Rules)The GEM Listing Rules require every significant shareholder to place his shares in escrow with an escrow agent for a period ending six months after the listing date, and undertake (save where permitted under the GEM Listing Rules) not to dispose of or encumber interest in such shares during such period (Rule 13.17 of the GEM Listing Rules) <p><i>Note:</i> The Company has applied for and obtained a waiver from GEM in relation to the physical escrow of</p>

LETTER FROM THE BOARD

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| <ul style="list-style-type: none"> • The Main Board Listing Rules do not have requirements relating to placing of securities in escrow | <p>shares requirements under Rules 13.16(1) and 13.17(1) of the GEM Listing Rules. The terms of and conditions attached to such waiver are set out in the prospectus of the Company dated 12 September 2006.</p> |
|---|--|

(v) *Further issues of securities within six months of listing*

	Main Board	GEM
Further issues of securities	<ul style="list-style-type: none"> • Save for some exceptions stated in the Main Board Listing Rules, no further securities of the listed issuer may be issued within six months from the date of its listing (Rule 10.08 of the Main Board Listing Rules) 	<ul style="list-style-type: none"> • The GEM Listing Rules' requirements in this respect are the same as those in the Main Board Listing Rules except that the GEM Listing Rules contain an additional exception, namely, that an issue of shares and convertible securities is permitted during the relevant period where such issue (i) is for the purpose of an acquisition of assets which would complement the listed issuer's focused line of business and the acquisition will not constitute a major transaction, a very substantial acquisition or a reverse takeover, (ii) will not result in a change in control of the listed issuer (or a controlling shareholder ceasing to be a controlling shareholder after the issue), and (iii) is subject to the approval of the issuer's shareholders in the manner described in the GEM Listing Rules (Rule 17.29 of the GEM Listing Rules)

(vi) *Quarterly financial reporting requirement*

	Main Board	GEM
Publication of quarterly accounts and reports	<ul style="list-style-type: none"> • No requirements on quarterly reporting under the Main Board Listing Rules 	<ul style="list-style-type: none"> • Listed issuer are required to prepare and publish quarterly accounts and in respect of each of the first three and nine month periods of each financial year not later than 45 days after the end of each such period. (Rule 18.66 of the GEM Listing Rules)

LETTER FROM THE BOARD

(vii) *News dissemination requirements of the Main Board and the GEM listed issuers*

	Main Board	GEM
Principal publication channel	<ul style="list-style-type: none"> • Announcements must be published in newspapers and on the Stock Exchange's website 	<ul style="list-style-type: none"> • Announcements need only be published on the GEM website

(viii) *Annual listing fees for listed issuers on the Main Board and the GEM*

	Main Board			GEM	
	Nominal value of listed equity securities <i>(HK\$ Million)</i>	Annual listing fee <i>(HK\$)</i>		Nominal value of listed equity securities <i>(HK\$ Million)</i>	Annual listing fee <i>(HK\$)</i>
Not exceeding:	200	145,000	Not exceeding:	100	100,000
	300	172,000		2,000	150,000
	400	198,000			
	500	224,000			
	750	290,000			
	1,000	356,000			
	1,500	449,000			
	2,000	541,000			
	2,500	634,000			
	3,000	726,000			
	4,000	898,000			
	5,000	1,069,000			
Over:	5,000	1,188,000	Over:	2,000	200,000

Note 1: Where an issuer has shares with a nominal value of less than HK\$0.25, then for the purpose of calculating the annual listing fee, the nominal value of each share is deemed to be HK\$0.25.

Note 2: For secondary listings on the Main Board, the annual listing fee is normally 25% of the fees listed above.

LETTER FROM THE BOARD

5. REQUIREMENTS UNDER PRC REGULATIONS

Under the relevant PRC laws and regulations, a company incorporated in the PRC which intends to have its shares listed on an overseas stock exchange is required to comply with 《關於企業申請境外上市有關問題的通知》 (the Notice Regarding Issues Relating to Applications by Enterprises for the Listing of Their Shares Overseas) (the “Notice”) issued by the CSRC. The Notice is applicable to the Main Board Migration. Under the Notice, Shareholders’ approval in relation to, among others, the Main Board Migration must be obtained prior to the submission of the relevant application to the CSRC. Upon obtaining the CSRC’s notice of acceptance of application, the Company will then be in a position to make a formal application to the Stock Exchange in relation to the Main Board Migration and to GEM for the Voluntary Withdrawal. Further general meeting of Shareholders and the respective class meetings of the holders of the Domestic Shares and the H Shares will be convened to approve, among others, the Main Board Migration and the Voluntary Withdrawal after the hearing meeting held by the Main Board Listing Committee in respect of the listing of H Shares on the Main Board.

6. AMENDMENT OF ARTICLES OF ASSOCIATION

In view of the proposed Main Board Migration and Voluntary Withdrawal and for the purposes of complying with the Main Board Listing Rules and the relevant laws and regulations in the PRC, special resolutions will also be proposed at the EGM and the Class Meetings to approve, on a conditional basis, the necessary amendments to the Existing Articles so as conform them with the relevant laws, rules and regulations in the PRC and Hong Kong. Subject to the passing of the relevant special resolutions at the EGM and the Class Meetings, the Articles Amendments will take effect subject to the Main Board Migration and the Voluntary Withdrawal becoming unconditional and the listing of the H Shares on the Main Board. Accordingly, the Articles Amendments will not become effective if the Company does not proceed with the Main Board Migration and the Voluntary Withdrawal. Prior to the Articles Amendments becoming effective, the Existing Articles will continue to be in force.

The Articles Amendments seek to provide consequential amendments to the Existing Articles as a result of the Main Board Migration. The Articles Amendments will become effective on the date of the listing of the H Shares on the Main Board.

7. GENERAL MANDATE

The general mandate granted by the Shareholders to issue Shares will expire shortly after the conclusion of the EGM and the Class Meetings on 29 March 2007, the Directors have resolved to seek Shareholders’ approval at the EGM to grant the Directors a new general mandate to issue Domestic Shares and H Shares.

8. THE EGM AND THE CLASS MEETINGS

Shareholders should note that the approvals of (i) the Voluntary Withdrawal, (ii) the Main Board Migration, and (iii) the Articles Amendments at the EGM and Class Meetings are conditions precedent to the Company making an application to the CSRC.

LETTER FROM THE BOARD

Therefore, for the purpose of (1) enabling the Company to make an application to the CSRC for the Main Board Migration, as well as complying with the requirements of the GEM Listing Rules with respect to the Voluntary Withdrawal, and (2) seeking the General Mandate, the Directors have resolved to convene the EGM and the Class Meetings for the Shareholders to consider and approve (i) the Main Board Migration, (ii) the Voluntary Withdrawal, (iii) the Articles Amendments, and (iv) the General Mandate (as the case may be and detailed in the relevant notices convening the EGM and the Class Meetings contained in this circular).

Shareholders should note that the relevant approvals to be sought at the EGM and the Class Meetings is for the sole purpose of enabling the Company to make the relevant application to the CSRC. The Main Board Migration and the Voluntary Withdrawal will also be conditional on, among other things, the following:

- (i) the granting of the relevant approval by the CSRC and other relevant PRC authorities in connection with the Main Board Migration;
- (ii) the issue of a circular and listing document containing, among other things, further information for the purposes of the Voluntary Withdrawal and the Main Board Migration after the hearing held by the Main Board Listing Committee for the listing of the H Shares on the Main Board;
- (iii) the approval of the Voluntary Withdrawal pursuant to the GEM Listing Rules;
- (iv) the publication of a notice of the Voluntary Withdrawal as required by the GEM Listing Rules (subject to any waiver that may be granted by GEM);
- (v) the Main Board Listing Committee granting approval for the listing of and permission to deal in the H Shares on the Main Board;
- (vi) the passing of a special resolution by the Shareholders at an extraordinary general meeting to be convened to approve the Main Board Migration and the Voluntary Withdrawal after the hearing meeting held by the Main Board Listing Committee in respect of the listing of the H Shares on the Main Board; and
- (vii) the passing of a special resolution by the holders of the Domestic Shares and the H Shares at the respective class meetings to approve the Main Board Migration and the Voluntary Withdrawal after the hearing meeting held by the Main Board Listing Committee in respect of the listing of the H Shares on the Main Board.

Preparations relating to the Voluntary Withdrawal and the Main Board Migration are at a preliminary stage and no applications relating thereto have been made to the Stock Exchange or the CSRC. The Company will make further announcements, as and when it deemed necessary or appropriate, to keep the Shareholders informed on the progress of the Main Board Migration and the Voluntary Withdrawal.

LETTER FROM THE BOARD

9. CLOSURE OF REGISTER OF MEMBERS

Shareholders whose names appear on the register of members of the Company as at the end of 27 February are entitled to attend and vote at the EGM and/or the Class Meetings (as the case may be). The register of members of the Company will be closed from 28 February 2007 to 20 March 2007, both days inclusive, during which no transfer of Shares will be effected. In order to be eligible to attend the EGM and the Class Meetings and to vote thereat as Shareholders, all transfers of H Shares together with the relevant share certificates must be delivered to the Company's H-Share Registrar and Transfer Office no later than 4:00 p.m. on 27 February 2007. All transfers of Domestic Shares together with the relevant documents must be delivered to the Company's legal address at 4th Floor, Block No. 45, Xinyuan Street, Chaoyang District, Beijing, PRC no latter than 4:00 p.m. on 27 February 2007.

10. POLL PROCEDURE

Set out below is the procedure by which Shareholders and the chairman of any Shareholders' meeting may demand a poll pursuant to article 72 of the Existing Articles, subject to the requirements under the GEM Listing Rules:

"At any general meeting of shareholders, a resolution shall be decided on a show of hands unless a poll is demanded before or after any vote by show of hands by:

- (1) the chairman of the meeting;
- (2) at least two shareholders, who possess the right to vote, present in person or by proxy;
or
- (3) any shareholder or shareholders present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all shareholders having the right to attend and vote at the meeting.

Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact, without having to prove the number or proportion of the votes recorded in favour of or against such resolution, that the resolution has been carried.

A demand for a poll may be withdrawn by the person who makes the demand."

11. RECOMMENDATION

The Board is of the view that the Main Board Migration, the Voluntary Withdrawal, the Articles Amendments and the granting of General Mandate are in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the special resolutions to be proposed at the EGM and the Class Meetings.

LETTER FROM THE BOARD

Also contained in this circular are the notices convening the respective EGM and the Class Meetings to be held on on Tuesday, 20 March 2007 at 4th Floor, Block No. 45, Xinyuan Street, Chaoyang District, Beijing, PRC. Special resolutions will be proposed at the EGM and the Class Meetings to approve, among other things, the Main Board Migration, the Voluntary Withdrawal and the Articles Amendments.

If you intend to attend the EGM and the relevant Class Meeting, please complete and return the relevant reply slip enclosed herewith in accordance with the instructions printed thereon as soon as possible such that the reply slip will be received by the Company (with respect to the holders of Domestic Share) and the Company's H-Share Registrar and Transfer Office (with respect to the H Shares) on or before 28 February 2007.

The forms of proxy for use at the respective EGM and Class Meetings are also enclosed herewith. Whether or not you are able to attend the EGM and/or the relevant Class Meeting, you are requested to complete and return the enclosed form of proxy to the Company (in the case of proxy form for the holders of Domestic Shares) or the Company's H-Share Registrar and Transfer Office in Hong Kong (in the case of proxy forms for the holders of H Shares) in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the holding of the EGM and the relevant Class Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and/or the relevant Class Meeting or any adjournment thereof should you so wish.

Warning:

Preparations relating to the Main Board Migration and the Voluntary Withdrawal are at a preliminary stage and no applications relating thereto have been made to the CSRC or the Stock Exchange. Subject to the issuance of the notice of acceptance of application by the CSRC, the Company will then make a formal application to GEM and the Stock Exchange in relation to the Main Board Migration and the Voluntary Withdrawal.

Shareholders should note that special resolutions to be proposed at the EGM and the Class Meetings in relation to the Main Board Migration, the Voluntary Withdrawal and the Articles Amendments are solely for the purpose of obtaining the approvals from Shareholders and thereby enabling the Company to make an application to the CSRC for the Main Board Migration.

Shareholders and potential investors should be aware that the implementation of the proposed Main Board Migration and the Voluntary Withdrawal are subject to, among others, the granting of relevant approvals by the CSRC, GEM and the Stock Exchange (as the case may be), together with other conditions and regulatory requirements that may be required to be fulfilled by the Company, and thus the Main Board Migration and the Voluntary Withdrawal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the H Shares.

By Order of the Board,
Beijing Jingkelong Company Limited
Wei Tingzhan
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. DISCLOSURE OF INTERESTS

Directors', Supervisors' and chief executive's interests in Shares, underlying Shares and debentures

As at the Latest Practicable Date, the interests and positions of the Directors, Supervisors and chief executive of the Company in the shares, debentures or underlying shares of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or, which were required pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, or sections 324 and 347 of Part XV of the SFO, to be notified to the Company and the Stock Exchange, are as follows:

Long positions in the Domestic Shares:

	Type of interest	Number of Domestic Shares	Approximate percentage of total issued Domestic Shares (%)	Approximate percentage of total issued share capital (%)
Wei Tingzhan	Personal	1,417,237	0.61	0.37
Li Jianwen	Personal	1,354,712	0.58	0.35
Li Chunyan	Personal	208,417	0.09	0.05
	Beneficiary	187,575 (<i>Note 1</i>)	0.08	0.05
Liu Yuejin	Beneficiary	375,151 (<i>Note 2</i>)	0.16	0.10
Gu Hanlin	Personal	1,417,237	0.61	0.37
Li Shunxiang	Personal	5,210,428	2.24	1.35
Yang Baoqun	Personal	1,042,086	0.48	0.27
Qu Xinhua	Personal	833,669	0.36	0.22
Wang Shuying	Beneficiary	375,151 (<i>Note 3</i>)	0.16	0.10

Notes:

1. These 187,575 Domestic Shares are held by 山西信託投資有限責任公司 (Shanxi Trust Investment Company Limited) as trust property, the beneficiary of which is Li Chunyan.
2. These 375,151 Domestic Shares are held by 山西信託投資有限責任公司 (Shanxi Trust Investment Company Limited) as trust property, the beneficiary of which is Liu Yuejin.
3. These 375,151 Domestic Shares are held by 山西信託投資有限責任公司 (Shanxi Trust Investment Company Limited) as trust property, the beneficiary of which is Wang Shuying.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors or chief executive of the Company nor their associates had any interest and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required pursuant to rules 5.46 to 5.67 of the GEM Listing Rules or sections 324 and 347 of Part XV of the SFO, to be notified to the Company and the Stock Exchange.

Sponsor's interests

Neither the Sponsor nor any of its directors, employees or, associates (as referred to in Note 3 to GEM Listing Rule 6.35) has any interests in the securities of the Company or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any member of the Group. The Company has been informed by the Sponsor, that none of the Sponsor or, its directors, employees, associates (as referred to in GEM Listing Rule 6.36) has any competing interest.

Pursuant to the compliance advisor agreement dated 30 March 2006 and entered into between the Company and the Sponsor, the Sponsor has been appointed as the compliance adviser of the Company for the remainder of the year ended 31 December, 2006 and for the period of two years thereafter until 31 December, 2008 and the Sponsor is entitled to receive an agreed amount of fee for its provision of services.

Directors' and Supervisors' interest in any asset acquired, disposed of or leased

As at the Latest Practicable Date, none of the Directors and Supervisors has any material interest, direct or indirect, in any asset which, since 30 June 2006, being the date to which the latest audited consolidated financial statements of the Group have been made up, had been acquired or disposed of by or leased to any member of the Group or was proposed to be acquired or disposed of by or leased to any member of the Group.

Directors' and Supervisors' service contracts*(a) Executive Directors*

Each of the executive Directors has entered into an employment agreement with the Company pursuant to which they have agreed to act as executive Directors for a term of three years with effect from 1 November 2004. The particulars of these agreements are in all material respects identical and are set out below:

- (i) each of the executive Directors is entitled to a fixed basic salary, a performance based salary (subject to clawback based on the Company's gross profit for the relevant year), a discretionary bonus (based on the Company's gross profit for the relevant year) and other allowance and benefits in kind under applicable PRC law and regulations; and
- (ii) the aggregate fixed annual salary (annualized on the basis of current monthly salary) of the four executive Directors is RMB1,320,000.

(b) *Non-executive Directors and independent non-executive Directors*

Each of the non-executive Directors has entered into an appointment letter with the Company pursuant to which they have agreed to act as non-executive Directors for a term of three years with effect from 1 November 2004. The terms of the appointment letters of the non-executive Directors are identical in all material respects. In view of the non-executive nature of their appointments, they do not receive any director's fee.

Each of the independent non-executive Directors has entered into an appointment agreement with the Company pursuant to which they have agreed to act as independent non-executive Directors with effect from 7 January 2005 (in the case of Fan Faming and Huang Jiangming) and from 27 July 2005 (in the case of Chung Chi Kong), in each case until 31 October 2007. The terms of the appointment agreements of the independent non-executive Directors are identical in all material respects and they are entitled to receive a fixed director's fee. The aggregate fixed annual salary (annualized on the basis of current monthly salary) of the three independent non-executive Directors is approximately RMB160,000.

(c) *Supervisors*

Each of the Supervisors has entered into an appointment letter or agreement with the Company pursuant to which they agreed to act as Supervisors with effect from 1 November 2004 (in the case of Chen Jie, Qu Xinhua, and Yang Baoqun); from 7 January 2005 (in the case of Chen Zhong and Chen Xianghong); and from 23 February 2006 (in the case of Wang Shuying), in each case until 31 October 2007. The terms of the appointment agreements of the Supervisors are identical in all material respects save that:

- (i) Yang Baoqun does not receive any supervisor's fee;
- (ii) each of Chen Zhong and Chen Xianghong receives a fixed supervisor's fee; and
- (iii) each of Chen Jie, Qu Xinhua and Wang Shuying (being internal employee supervisors) receives a fixed basic salary, a performance based salary (subject to clawback based on the Company's gross profit for the relevant year), a discretionary bonus (based on the Company's gross profit for the relevant year) and other allowance and benefits in kind under the applicable PRC laws and regulations.

Save as disclosed above, none of the Directors has or is proposed to have a service contract with the Company or any of its subsidiaries in the capacity of a director which is not determinable by the Group within one year without the payment of compensation other, than statutory compensation.

Directors' and Supervisors' interests in contracts

None of the Directors and Supervisors is materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group.

Substantial Shareholders

So far as is known to the Directors, Supervisors or chief executive of the Company, as at the Latest Practicable Date, the following persons (other than a Director, Supervisor or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Type of interests	Number of shares	Approximate percentage of Domestic Shares	Approximate percentage of H Shares	Approximate percentage of total registered capital
北京市朝陽副 食品總公司 (Beijing Chaoyang Auxillary Food Company)	Beneficial owner (Long position)	170,169,808	73.09%	–	44.24%
山西信託投資 有限責任公司 (Shanxi Trust Investment Company Limited)	Trustee (Long position)	26,635,710 (Note)	11.44%	–	6.93%
UOB Asset Management Limited	Investment Manager (Long position)	18,592,000	–	12.25%	4.83%
Fidelity International Limited	Investment Manager (Long position)	9,308,000	–	6.13%	2.42%

Note: These 26,635,710 Domestic Shares are trust property, the beneficiaries of which are 122 employees and officers of the Company.

Save as disclosed above, so far as is known to the Directors, Supervisors or chief executive of the Company, no other person (not being a Director, Supervisor or chief executive of the Company) had, or were deemed or taken to have any interest, or short position, in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company and the Stock Exchange, under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial position or trading prospects of the Group since 30 June 2006, the date to which the latest audited financial statements of the Group were made up.

4. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance known to the Directors was pending or threatened by or against the Company or any of its subsidiaries.

5. MISCELLANEOUS

- (i) The legal address of the Company is at Block No. 45, Xinyuan Street, Chaoyang District, Beijing, The People's Republic of China.
- (ii) The place of business of the Company in Hong Kong is at 20th Floor, Alexandra House, 16-20 Chater Road, Hong Kong.
- (iii) The Company's H-Share Registrars and Transfer Office in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (iv) The joint company secretaries of the Company are Mr. Keung Siu Fai, CPA and Ms. Li Chunyan. The qualified accountant of the Company is Mr. Keung Siu Fai, CPA. The compliance officer of the Company is Ms. Li Chunyan.
- (v) In the event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of 北京京客隆商業集團股份有限公司 (Beijing Jingkelong Company Limited*) (the “**Company**”) will be held at 4th Floor, Block No. 45, Xinyuan Street, Chaoyang District, Beijing, The People’s Republic of China on Tuesday, 20 March 2007 at 10:00 a.m. for the purpose of considering and, if thought fit, with or without modification, passing the following special resolutions:

SPECIAL RESOLUTIONS

1. “**THAT** conditional upon (1) the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and/or the listing sub-committee of the board of directors of the Stock Exchange with responsibility for GEM granting a withdrawal of the listing all the H shares of RMB1.00 each in the share capital of the Company (“**H Shares**”) then in issue from GEM (the “**Proposed Withdrawal**”); (2) the listing sub-committee of the board of directors of the Stock Exchange and/or the Stock Exchange granting approval of the listing of, and permission to deal in, all the H Shares then in issue on the main board (the “**Main Board**”) of the Stock Exchange (the “**Proposed Introduction**”); (3) the China Securities Regulatory Commission granting approval of the Proposed Introduction; and (4) the obtaining of all other relevant consents (if any) which are required in connection with the implementation of the Proposed Withdrawal and the Proposed Introduction and the fulfillment of all conditions which may be attached to such consents, the Proposed Withdrawal and the Proposed Introduction be and are hereby approved and confirmed; the listing of the H Shares on GEM shall cease with effect from such date and time as the directors of the Company (the “**Directors**”) may designate; and any Director and/or the company secretary of the Company be and is hereby authorised generally (i) to make any application and submission, do all such acts and things, execute any document and take all such steps for and on behalf of the Company as he/she may deem necessary, desirable or expedient to effect and implement the foregoing and (ii) to attend to and handle all other necessary procedures and registrations relating to or as a result of the Proposed Withdrawal and/or the Proposed Introduction.”

* *For identification purpose only*

NOTICE OF EGM

2. “**THAT** conditional upon the listing of the H Shares (as defined in the special resolution numbered 1 set out in the notice containing this resolution) on the main board (the “**Main Board**”) of The Stock Exchange of Hong Kong Limited, the following amendments (the “**Articles Amendments**”) shall be made to the existing articles of association of the Company (the “**Existing Articles**”), with effect from the date on which dealings in the H Shares on the Main Board commences:

(1) the first sentence of clause 6 of the Existing Articles shall be deleted in its entirety and replaced by the following:

“These articles of association have been amended at the extraordinary shareholders’ meetings of the Company held on 20 March 2007 and will become effective after the approval (if necessary) of the relevant authorities of the government have been obtained, the listing status of the Company on the growth enterprise market of the Hong Kong stock exchange has been withdrawn and the listing of the Company on the main board of the Hong Kong stock exchange commences; these articles will also need to be filed with Chinese companies registration authority.”;

(2) the references to “App 3 refers to appendix 3 to the 《listing rules of the growth enterprise market》 of the Hong Kong stock exchange” in the Existing Articles shall be replaced with “App 3 refers to appendix 3 to the 《securities listing rules》 of the Hong Kong stock exchange”; the references to “App 11c refers to section C of appendix 11 to the 《listing rules of the growth enterprise market》 of the Hong Kong stock exchange” in the Existing Articles shall be replaced with “App 13d refers to section D of appendix 13 to the 《securities listing rules》 of the Hong Kong stock exchange”; and all references to “App 11c” in the Existing Articles shall be replaced with “App 13d”; and

(3) the reference to “App 3 para 1(4)” in the note to clause 41 of the Existing Articles shall be deleted,

and the directors of the Company (the “**Directors**”) be and are hereby authorised to do such other acts and things, enter into all such transactions and arrangements, execute such other documents and/or deeds and/or take all such steps, which in their opinion may be necessary, desirable or expedient, to further amend the Existing Articles and/or to amend the Articles Amendments, as the Directors may deem appropriate and necessary for the purpose of complying with the requirements of or made by the relevant authorities or regulatory bodies of the People’s Republic of China and/or Hong Kong in connection with the Proposed Withdrawal (as defined in the special resolution numbered 1 contained in the notice of which this special resolution forms part) or the Proposed Introduction (as defined in the special resolution numbered 1 contained in the notice of which this special resolution forms part).”

NOTICE OF EGM

3. “THAT:

(1) the board of directors of the Company (the “**Board**”) be and is hereby authorized and granted an unconditional general mandate (“**General Mandate**”) to separately or concurrently allot, issue and deal with additional Domestic Shares and/or H Shares and to make or grant offers, agreements and/or options in respect thereof, subject to the following conditions:

(a) the General Mandate shall not extend beyond the Relevant Period save that the Board may during the Relevant Period make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;

(b) the aggregate nominal amount of the Domestic Shares and the H Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Board (otherwise than pursuant to any scrip dividend scheme (or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend), any share option scheme, a Rights Issue or any separate approval of the shareholders of the Company) shall not exceed:

(i) 20 per cent. of the aggregate nominal amount of the Domestic Shares in issue; and

(ii) 20 per cent. of the aggregate nominal amount of the H Shares in issue,

respectively, in each case as at the date of passing of this resolution; and

(c) the Board will only exercise its power under the General Mandate in accordance with the Company Law of the People’s Republic of China (the “**PRC**”) and the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and/or the Listing Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (as the case may be) (as each of them may be amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained;

NOTICE OF EGM

and, for the purposes of this resolution:

“**Domestic Share(s)**” mean ordinary domestic share(s) in the share capital of the Company which are subscribed and/or paid for in Renminbi;

“**H Share(s)**” mean overseas listed foreign invested shares (being ordinary shares) in the share capital of the Company which are subscribed and/or paid for in Hong Kong dollars or foreign currency other than Renminbi;

“**Relevant Period**” means the period from the date of passing this resolution until the earlier of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of this resolution, unless, by special resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or
- (b) the expiry of the period within which the next annual general meeting is required by the articles of association of the Company or any applicable law to be held; or
- (c) the passing of a special resolution of the Company in a general meeting revoking or varying the authority set out in this resolution;

“**Rights Issue**” means the allotment or issue of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company (excluding, as the Board may decide, for such purpose any shareholder who is resident in a place where such offer is not permitted under the law or regulation of that place) entitled to such offer, pro rata (apart from fractional entitlements) to their then existing holdings of shares;

- (2) contingent on the Board resolving to exercise the General Mandate and/or issue shares pursuant to paragraph (1) of this resolution, the Board be and is hereby authorised:
 - (a) to approve, execute and do, or procure to be executed and done all such documents, deeds and matters which it may consider necessary in connection with the exercise of the General Mandate and/or the issue of shares, including but not limited to the time, price, quantity and place for such issue, to make all necessary applications to the relevant authorities, and to enter into underwriting agreement(s) or any other agreement(s);

NOTICE OF EGM

- (b) to determine the use of proceeds and to make all necessary filings and registration with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdictions (as appropriate); and
 - (c) to increase the registered capital of the Company and make all necessary amendments to the articles of association of the Company to reflect such increase and to register the increased capital with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdictions (as appropriate) as so to reflect the new capital and/or share capital structure of the Company; and
- (3) the general mandate to issue domestic shares and/or H shares of the Company granted pursuant to a special resolution passed at the general meeting of the Company held on 30 March 2006 be and is hereby revoked.”

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

Beijing, 1 February 2007
The People's Republic of China

Notes:

- (A) The Company will not process registration of transfers of the H shares of the Company (“**H Shares**”) from 28 February 2007 to 20 March 2007 (both days inclusive). Holders of H Shares whose names appear on the register of H Shares kept at Computershare Hong Kong Investor Services Limited at the end of 27 February 2007 are entitled to attend and vote at the EGM following completion of the registration procedures.

To qualify for attendance and voting at the EGM, documents on transfers of H Shares, accompanied by the relevant share certificates, must be lodged with the Company's H-Share Registrar and Transfer Office not later than 4:00 p.m. on 27 February 2007. The address of the Company's H-Share Registrar and Transfer Office is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-16, 17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

The Company will not process registration of transfers of domestic shares of the Company (“**Domestic Shares**”) from 28 February 2007 to 20 March 2007 (both days inclusive). Holders of Domestic Shares whose names appear on the register of Shares of the Company at the end of 27 February 2007 are entitled to attend and vote at the EGM. Holders of Domestic Shares should contact the secretary to the board (“**Secretary to the Board**”) of directors of the Company (whose contact details are set out in note (B) below) for details concerning registration of transfers of Domestic Shares.

NOTICE OF EGM

- (B) Holders of H Shares and Domestic Shares who intend to attend the EGM should complete and return the reply slip for attending the EGM in person.

Holders of H Shares should complete and return the reply slip to the Company's H-Share Registrar and Transfer Office by facsimile at (852) 2865 0990 or by post to (or by depositing it at) its address set out in note (A) above such that the reply slip shall be received by the Company's H-Share Registrar and Transfer Office 20 days before the EGM (i.e. on or before 28 February 2007).

Holders of Domestic Shares should complete and return the reply slip, by personal delivery, by facsimile or by post, to the Secretary to the Board such that the reply slip shall be received by the Secretary to the Board 20 days before the EGM (i.e. on or before 28 February 2007).

The contact details of the Secretary to the Board are as follows:

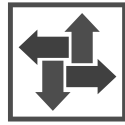
4th Floor
Block No.45, Xinyuan Street
Chaoyang District, Beijing
The People's Republic of China
Telephone No.: 86(10) 64603046
Facsimile No.: 86(10) 64611370

- (C) Each holder of H Shares entitled to attend and vote at the EGM may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the EGM on its behalf. A proxy need not be a shareholder of the Company ("**Shareholder**"). With respect to any Shareholder who has appointed more than one proxy, the proxy holders may only vote on a poll.
- (D) Holders of H Shares must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant Shareholder or by a person duly authorised by the relevant Shareholder in writing (a "**power of attorney**"). If the form of proxy is signed by the person authorised by the relevant Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorisation (if any) must be notarised. If a corporate Shareholder appoints a person other than its legal representative to attend the EGM on its behalf, the relevant form of proxy must be affixed with the company seal/chop of the corporate Shareholder or duly signed by its director or any other person duly authorised by that corporate shareholder as required by the articles of association of the Company.
- (E) To be valid, the form of proxy and the relevant notarised power of attorney (if any) and other relevant documents of authorisation (if any) as mentioned in note (D) above must be delivered to the Company's H-Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited (address: Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong), not less than 24 hours before the time appointed for the EGM.
- (F) Each holder of Domestic Shares who is entitled to attend and vote at the EGM may also, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the EGM on his behalf. A proxy need not be a Shareholder. Notes (C) and (D) above also apply to the holders of Domestic Shares, except that, to be valid, the form of proxy and the relevant power of attorney (if any) and other relevant documents of authorisation (if any) must be delivered to the Secretary to the Board not less than 24 hours before the time appointed for the EGM. The address of the Secretary to the Board is stated in note (B) above.
- (G) A Shareholder or his proxy should produce proof of identity when attending the EGM. If a corporate Shareholder's legal representative or any other person authorised by the board of directors or other governing body of such corporate Shareholder attends the EGM, such legal representative or other person shall produce his proof of identity, and proof of designation as legal representative and the valid resolution or authorisation document of the board of directors or other governing body of such corporate Shareholder (as the case may be) to prove the identity and authorisation of that legal representative or other person.

NOTICE OF EGM

- (H) The EGM is expected to last for not more than half a day. Shareholders who attend the EGM shall bear their own travelling and accommodation expenses.
- (I) As the Company is a PRC incorporated company and its official articles of association are in the Chinese language, the proposed amendments to the Company's articles of association set out in the English version of this notice are an unofficial English language translation (the "**English Translation**") of the official proposed amendments in the Chinese language as set out in the Chinese version of this notice (the "**Official Amendments**"). Accordingly, in the event of any inconsistency between the English Translation and the Official Amendments, the Official Amendments shall prevail.

NOTICE OF H SHARES CLASS MEETING



北京京客隆
商业集团股份有限公司
BEIJING JINGKELONG COMPANY LIMITED

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)

NOTICE OF CLASS MEETING OF THE HOLDERS OF H SHARES

NOTICE IS HEREBY GIVEN THAT a class meeting (the “**H Shares Class Meeting**”) of the holders of overseas listed foreign invested shares (“**H Shares**”) in the share capital of 北京京客隆商業集團股份有限公司 (Beijing Jingkelong Company Limited) (the “**Company**”) will be held at 4th Floor, Block No. 45, Xinyuan Street, Chaoyang District, Beijing, The People's Republic of China on Tuesday, 20 March 2007 at 10:30 a.m. for the purpose of considering and, if thought fit, with or without modification, passing the following special resolutions:

SPECIAL RESOLUTIONS

1. “**THAT** conditional upon (1) the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and/or the listing sub-committee of the board of directors of the Stock Exchange with responsibility for GEM granting a withdrawal of the listing all the H shares of RMB1.00 each in the share capital of the Company (“**H Shares**”) then in issue from GEM (the “**Proposed Withdrawal**”); (2) the listing sub-committee of the board of directors of the Stock Exchange and/or the Stock Exchange granting approval of the listing of, and permission to deal in, all the H Shares then in issue on the main board (the “**Main Board**”) of the Stock Exchange (the “**Proposed Introduction**”); (3) the China Securities Regulatory Commission granting approval of the Proposed Introduction; and (4) the obtaining of all other relevant consents (if any) which are required in connection with the implementation of the Proposed Withdrawal and the Proposed Introduction and the fulfillment of all conditions which may be attached to such consents, the Proposed Withdrawal and the Proposed Introduction be and are hereby approved and confirmed; the listing of the H Shares on GEM shall cease with effect from such date and time as the directors of the Company (the “**Directors**”) may designate and any Director and/or the company secretary of the Company be and is hereby authorised generally (i) to make any application and submission, do all such acts and things, execute any document and take all such steps for and on behalf of the Company as he/she may deem necessary, desirable or expedient to effect and implement the foregoing and (ii) to attend to and handle all other necessary procedures and registrations relating to or as a result of the Proposed Withdrawal and/or the Proposed Introduction.”

* *For identification purpose only*

NOTICE OF H SHARES CLASS MEETING

2. “**THAT** conditional upon the listing of the H Shares (as defined in the special resolution numbered 1 set out in the notice containing this resolution) on the main board (the “**Main Board**”) of The Stock Exchange of Hong Kong Limited, the following amendments (the “**Articles Amendments**”) shall be made to the existing articles of association of the Company (the “**Existing Articles**”), with effect from the date on which dealings in the H Shares on the Main Board commences:

(1) the first sentence of clause 6 of the Existing Articles shall be deleted in its entirety and replaced by the following:

“These articles of association have been amended at the extraordinary shareholders’ meetings of the Company held on 20 March 2007 and will become effective after the approval (if necessary) of the relevant authorities of the government have been obtained, the listing status of the Company on the growth enterprise market of the Hong Kong stock exchange has been withdrawn and the listing of the Company on the main board of the Hong Kong stock exchange commences; these articles will also need to be filed with Chinese companies registration authority.”;

(2) the references to “App 3 refers to appendix 3 to the 《listing rules of the growth enterprise market》 of the Hong Kong stock exchange” in the Existing Articles shall be replaced with “App 3 refers to appendix 3 to the 《securities listing rules》 of the Hong Kong stock exchange”; the references to “App 11c refers to section C of appendix 11 to the 《listing rules of the growth enterprise market》 of the Hong Kong stock exchange” in the Existing Articles shall be replaced with “App 13d refers to section D of appendix 13 to the 《securities listing rules》 of the Hong Kong stock exchange”; and all references to “App 11c” in the Existing Articles shall be replaced with “App 13d”; and

(3) the reference to “App 3 para 1(4)” in the note to clause 41 of the Existing Articles shall be deleted,

and the directors of the Company (the “**Directors**”) be and are hereby authorised to do such other acts and things, enter into all such transactions and arrangements, execute such other documents and/or deeds and/or take all such steps, which in their opinion may be necessary, desirable or expedient, to further amend the Existing Articles and/or to amend the Articles Amendments, as the Directors may deem appropriate and necessary for the purpose of complying with the requirements of or made by the relevant authorities or regulatory bodies of the People’s Republic of China and/or Hong Kong in connection with the Proposed Withdrawal (as defined in the special resolution numbered 1 contained in the notice of which this special resolution forms part) or the Proposed Introduction (as defined in the special resolution numbered 1 contained in the notice of which this special resolution forms part).”

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

Beijing, 1 February 2007
The People’s Republic of China

NOTICE OF H SHARES CLASS MEETING

Notes:

- (A) The Company will not process registration of transfers of the H shares of the Company (“**H Shares**”) from 28 February 2007 to 20 March 2007 (both days inclusive). Holders of H Shares whose names appear on the register of H Shares kept at Computershare Hong Kong Investor Services Limited at the end of 27 February 2007 are entitled to attend and vote at the H Shares Class Meeting following completion of the registration procedures.

To qualify for attendance and voting at the H Shares Class Meeting, documents on transfers of H Shares, accompanied by the relevant share certificates, must be lodged with the Company’s H-Share Registrar and Transfer Office not later than 4:00 p.m. on 27 February 2007. The address of the Company’s H-Share Registrar and Transfer Office is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-16, 17th Floor, Hopewell Centre
183 Queen’s Road East
Hong Kong

- (B) Holders of H Shares who intend to attend the H Shares Class Meeting should complete and return the reply slip to the Company’s H-Share Registrar and Transfer Office by facsimile at (852) 2865 0990 or by post to (or by depositing it at) its address set out in note (A) above such that the reply slip shall be received by the Company’s H-Share Registrar and Transfer Office 20 days before the H Shares Class Meeting (i.e. on or before 28 February 2007).
- (C) Each holder of H Shares entitled to attend and vote at the H Shares Class Meeting may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the H Shares Class Meeting on its behalf. A proxy need not be a shareholder of the Company (“**Shareholder**”). With respect to any Shareholder who has appointed more than one proxy, the proxy holders may only vote on a poll.
- (D) Holders of H Shares must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant Shareholder or by a person duly authorised by the relevant Shareholder in writing (a “**power of attorney**”). If the form of proxy is signed by the person authorised by the relevant Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorisation (if any) must be notarised. If a corporate Shareholder appoints a person other than its legal representative to attend the H Shares Class Meeting on its behalf, the relevant form of proxy must be affixed with the company seal/chop of the corporate Shareholder or duly signed by its director or any other person duly authorised by that corporate shareholder as required by the articles of association of the Company.
- (E) To be valid, the form of proxy and the relevant notarised power of attorney (if any) and other relevant documents of authorisation (if any) as mentioned in note (D) above must be delivered to the Company’s H-Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited (address: Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong), not less than 24 hours before the time appointed for the H Shares Class Meeting.
- (F) A Shareholder or his proxy should produce proof of identity when attending the H Shares Class Meeting. If a corporate Shareholder’s legal representative or any other person authorised by the board of directors or other governing body of such corporate Shareholder attends the H Shares Class Meeting, such legal representative or other person shall produce his proof of identity, and proof of designation as legal representative and the valid resolution or authorisation document of the board of directors or other governing body of such corporate Shareholder (as the case may be) to prove the identity and authorisation of that legal representative or other person.
- (G) The H Shares Class Meeting is expected to last for not more than half a day. Shareholders who attend the H Shares Class Meeting shall bear their own travelling and accommodation expenses.

NOTICE OF H SHARES CLASS MEETING

- (H) As the Company is a PRC incorporated company and its official articles of association are in the Chinese language, the proposed amendments to the Company's articles of association set out in the English version of this notice are an unofficial English language translation (the "**English Translation**") of the official proposed amendments in the Chinese language as set out in the Chinese version of this notice (the "**Official Amendments**"). Accordingly, in the event of any inconsistency between the English Translation and the Official Amendments, the Official Amendments shall prevail.

NOTICE OF DOMESTIC SHARES CLASS MEETING



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)

NOTICE OF CLASS MEETING OF THE HOLDERS OF DOMESTIC SHARES

NOTICE IS HEREBY GIVEN THAT a class meeting (the “**Domestic Shares Class Meeting**”) of the holders of domestic shares of 北京京客隆商業集團股份有限公司 (Beijing Jingkelong Company Limited) (the “**Company**”) will be held at 4th Floor, Block No. 45, Xinyuan Street, Chaoyang District, Beijing, The People's Republic of China on Tuesday, 20 March 2007 at 11:00 a.m. for the purpose of considering and, if thought fit, with or without modification, passing the following special resolutions:

SPECIAL RESOLUTIONS

1. “**THAT** conditional upon (1) the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and/or the listing sub-committee of the board of directors of the Stock Exchange with responsibility for GEM granting a withdrawal of the listing all the H shares of RMB1.00 each in the share capital of the Company (“**H Shares**”) then in issue from GEM (the “**Proposed Withdrawal**”); (2) the listing sub-committee of the board of directors of the Stock Exchange and/or the Stock Exchange granting approval of the listing of, and permission to deal in, all the H Shares then in issue on the main board (the “**Main Board**”) of the Stock Exchange (the “**Proposed Introduction**”); (3) the China Securities Regulatory Commission granting approval of the Proposed Introduction; and (4) the obtaining of all other relevant consents (if any) which are required in connection with the implementation of the Proposed Withdrawal and the Proposed Introduction and the fulfillment of all conditions which may be attached to such consents, the Proposed Withdrawal and the Proposed Introduction be and are hereby approved and confirmed; the listing of the H Shares on GEM shall cease with effect from such date and time as the directors of the Company (the “**Directors**”) may designate and any Director and/or the company secretary of the Company be and is hereby authorised generally (i) to make any application and submission, do all such acts and things, execute any document and take all such steps for and on behalf of the Company as he/she may deem necessary, desirable or expedient to effect and implement the foregoing and (ii) to attend to and handle all other necessary procedures and registrations relating to or as a result of the Proposed Withdrawal and/or the Proposed Introduction.”

* *For identification purpose only*

NOTICE OF DOMESTIC SHARES CLASS MEETING

2. “**THAT** conditional upon the listing of the H Shares (as defined in the special resolution numbered 1 set out in the notice containing this resolution) on the main board (the “**Main Board**”) of The Stock Exchange of Hong Kong Limited, the following amendments (the “**Articles Amendments**”) shall be made to the existing articles of association of the Company (the “**Existing Articles**”), with effect from the date on which dealings in the H Shares on the Main Board commences:

(1) the first sentence of clause 6 of the Existing Articles shall be deleted in its entirety and replaced by the following:

“These articles of association have been amended at the extraordinary shareholders’ meetings of the Company held on 20 March 2007 and will become effective after the approval (if necessary) of the relevant authorities of the government have been obtained, the listing status of the Company on the growth enterprise market of the Hong Kong stock exchange has been withdrawn and the listing of the Company on the main board of the Hong Kong stock exchange commences; these articles will also need to be filed with Chinese companies registration authority.”;

(2) the references to “App 3 refers to appendix 3 to the 《listing rules of the growth enterprise market》 of the Hong Kong stock exchange” in the Existing Articles shall be replaced with “App 3 refers to appendix 3 to the 《securities listing rules》 of the Hong Kong stock exchange”; the references to “App 11c refers to section C of appendix 11 to the 《listing rules of the growth enterprise market》 of the Hong Kong stock exchange” in the Existing Articles shall be replaced with “App 13d refers to section D of appendix 13 to the 《securities listing rules》 of the Hong Kong stock exchange”; and all references to “App 11c” in the Existing Articles shall be replaced with “App 13d”; and

(3) the reference to “App 3 para 1(4)” in the note to clause 41 of the Existing Articles shall be deleted,

and the directors of the Company (the “**Directors**”) be and are hereby authorised to do such other acts and things, enter into all such transactions and arrangements, execute such other documents and/or deeds and/or take all such steps, which in their opinion may be necessary, desirable or expedient, to further amend the Existing Articles and/or to amend the Articles Amendments, as the Directors may deem appropriate and necessary for the purpose of complying with the requirements of or made by the relevant authorities or regulatory bodies of the People’s Republic of China and/or Hong Kong in connection with the Proposed Withdrawal (as defined in the special resolution numbered 1 contained in the notice of which this special resolution forms part) or the Proposed Introduction (as defined in the special resolution numbered 1 contained in the notice of which this special resolution forms part).”

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

Beijing, 1 February, 2007
The People’s Republic of China

NOTICE OF DOMESTIC SHARES CLASS MEETING

Notes:

- (A) The Company will not process registration of transfers of domestic shares of the Company (“**Domestic Shares**”) from 28 February 2007 to 20 March 2007 (both days inclusive). Holders of Domestic Shares whose names appear on the register of Shares of the Company at the end of 27 February 2007 are entitled to attend and vote at the Domestic Shares Class Meeting. Holders of Domestic Shares should contact the secretary to the board (the “**Secretary to the Board**”) of directors of the Company (whose contact details are set out in note (B) below) for details concerning registration of transfers of Domestic Shares.
- (B) Holders of Domestic Shares who intend to attend the Domestic Shares Class Meeting should complete and return the reply slip, by personal delivery, by facsimile or by post, to the Secretary to the Board such that the reply slip shall be received by the Secretary to the Board 20 days before the Domestic Shares Class Meeting (i.e. on or before 28 February 2007).

The contact details of the Secretary to the Board are as follows:

4th Floor
Block No.45, Xinyuan Street
Chaoyang District, Beijing
The People’s Republic of China
Telephone No.: 86(10) 64603046
Facsimile No.: 86(10) 64611370

- (C) Each holder of Domestic Shares entitled to attend and vote at the Domestic Shares Class Meeting may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the Domestic Shares Class Meeting on its behalf. A proxy need not be a shareholder of the Company (“**Shareholder**”). With respect to any Shareholder who has appointed more than one proxy, the proxy holders may only vote on a poll.
- (D) Holders of Domestic Shares must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant Shareholder or by a person duly authorised by the relevant Shareholder in writing (a “**power of attorney**”). If the form of proxy is signed by the person authorised by the relevant Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorisation (if any) must be notarised. If a corporate Shareholder appoints a person other than its legal representative to attend the Domestic Shares Class Meeting on its behalf, the relevant form of proxy must be affixed with the company seal/chop of the corporate Shareholder or duly signed by its director or any other person duly authorised by that corporate shareholder as required by the articles of association of the Company.
- (E) To be valid, the form of proxy and the relevant notarised power of attorney (if any) and other relevant documents of authorisation (if any) as mentioned in note (D) above must be delivered to the Secretary to the Board not less than 24 hours before the time appointed for the Domestic Shares Class Meeting. The address of the Secretary to the Board is stated in note (B) above.
- (F) A Shareholder or his proxy should produce proof of identity when attending the Domestic Shares Class Meeting. If a corporate Shareholder’s legal representative or any other person authorised by the board of directors or other governing body of such corporate Shareholder attends the Domestic Shares Class Meeting, such legal representative or other person shall produce his proof of identity, and proof of designation as legal representative and the valid resolution or authorisation document of the board of directors or other governing body of such corporate Shareholder (as the case may be) to prove the identity and authorisation of that legal representative or other person.

NOTICE OF DOMESTIC SHARES CLASS MEETING

- (G) The Domestic Shares Class Meeting is expected to last for not more than half a day. Shareholders who attend the Domestic Shares Class Meeting shall bear their own travelling and accommodation expenses.

- (H) As the Company is a PRC incorporated company and its official articles of association are in the Chinese language, the proposed amendments to the Company's articles of association set out in the English version of this notice are an unofficial English language translation (the "**English Translation**") of the official proposed amendments in the Chinese language as set out in the Chinese version of this notice (the "**Official Amendments**"). Accordingly, in the event of any inconsistency between the English Translation and the Official Amendments, the Official Amendments shall prevail.