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This announcement, for which the directors of 北京京客隆商業集團股份有限公司 (Beijing Jingkelong Company Limited) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and is not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*



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)

**PROPOSED VOLUNTARY WITHDRAWAL OF LISTING
ON THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED,
PROPOSED LISTING ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF INTRODUCTION,
PROPOSED REDUCTION OF THE MINIMUM NOTICE PERIOD
IN RESPECT OF THE PROPOSED WITHDRAWAL,
PROPOSED GRANT OF NEW GENERAL MANDATE AND
PROPOSED REVOCATION OF EXISTING GENERAL MANDATE,
AND
CLOSURE OF REGISTER OF MEMBERS**

The Company is proposing to list the H Shares on the Main Board by way of introduction. On 27 April 2007, the Board announced that an application for the Proposed Introduction was submitted to the Stock Exchange and the Stock Exchange was informed of the Company's intention to implement the Proposed Withdrawal subject to certain conditions. Immediately following the Proposed Withdrawal, the listing of the H Shares on the GEM will be withdrawn and the H Shares will be listed on the Main Board.

In connection with the Proposed Withdrawal and the Proposed Introduction, the Company proposes to seek shareholders' approval relating to the Proposed Withdrawal, the Proposed Introduction, the proposed reduction of the notice period for the Proposed Withdrawal under Rule 9.19(3) of the GEM Listing Rules, the proposed grant of the Share Issue Mandate and the proposed revocation of the Existing General Mandate. The Stock Exchange informed the Sponsor on 27 June 2007 that the Main Board Listing Committee had granted an approval in principle of the listing of, and permission to deal in, the H Shares on the Main Board. The Circular, containing the EGM Notice and the notices convening the separate Class Meetings will be despatched to the Shareholders on or about 29 June 2007. The Listing Document to be issued in connection with the Proposed Introduction will also be despatched to the Shareholders, for information purposes only, on or about 29 June 2007.

Warning:

There is no assurance that final permission will be obtained from the Stock Exchange for the Proposed Introduction. Shareholders and potential investors should be aware that the implementation of the Proposed Withdrawal and the Proposed Introduction are subject to the conditions set out below being fulfilled and thus may or may not become effective. Accordingly, the Proposed Withdrawal and the Proposed Introduction may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.

INTRODUCTION

On 27 April 2007, the Board announced that an application for the Proposed Introduction was submitted to the Stock Exchange and the Stock Exchange was informed of the Company's intention to implement the Proposed Withdrawal subject to certain conditions. The Stock Exchange informed the Sponsor on 27 June 2007 that the Main Board Listing Committee had granted an approval in principle of the proposed listing of the H Shares on the Main Board.

In connection with the Proposed Withdrawal and the Proposed Introduction, the Company proposes to seek its shareholders' approval relating to the Proposed Withdrawal, the Proposed Introduction, the proposed reduction of the notice period for the Proposed Withdrawal under Rule 9.19(3) of GEM Listing Rules, the proposed grant of the Share Issue Mandate and the proposed revocation of the Existing General Mandate. The Circular containing the EGM Notice and notices convening the separate Class Meetings will be despatched to the Shareholders on or about 29 June 2007.

THE PROPOSED WITHDRAWAL AND THE PROPOSED INTRODUCTION

On 27 April 2007, the Sponsor had on behalf of the Company submitted an advance booking form to the Stock Exchange for the listing of, and permission to deal in, on the Main Board 151,800,000 H Shares in issue.

The Stock Exchange informed the Sponsor on 27 June 2007 that the Main Board Listing Committee had granted an approval in principle of the listing of, and permission to deal in, the H Shares on the Main Board. Immediately following the Proposed Withdrawal, the listing of the H Shares on the GEM will be withdrawn and the H Shares as mentioned in the immediately preceding paragraph will be listed on the Main Board.

WAIVER FROM STRICT COMPLIANCE WITH THE MINIMUM NOTICE PERIOD IN RESPECT OF THE PROPOSED WITHDRAWAL

Pursuant to Rule 9.19 of the GEM Listing Rules, an issuer that has an alternative listing on another regulated, regularly operating, open stock exchange or securities market recognized for this purpose by the Stock Exchange, may not voluntarily withdraw its listing on GEM unless:

- (i) the prior approval of the shareholders of the issuer has been obtained by way of an ordinary resolution passed at a duly convened meeting of the shareholders of the issuer;
- (ii) the prior approval of holders of H Shares and Domestic Shares has been obtained at the separate Class Meetings; and
- (iii) the issuer has given its shareholders and holders of H Shares and holders of Domestic Shares at least three months' notice of the proposed withdrawal of listing.

In connection with the Proposed Withdrawal, the Company has applied to, and the GEM Listing Committee has granted, a waiver from strict compliance with the minimum three months' notice requirement under Rule 9.19(3) of the GEM Listing Rules, subject to the fulfillment of the following conditions:

- (i) the prior approval of the Shareholders for the reduction in the notice period shall have been obtained;
- (ii) in respect of the H Shares, there is no change in the board lot size, the share certificates, the share registrar and the trading currency in connection with the proposal to transfer its listing status; and
- (iii) there is no other fact that leads the Stock Exchange to believe that the reduced notice period is not feasible.

Accordingly, the EGM and the separate Class Meetings will be convened to seek the approval of the Shareholders for, amongst other things, the Proposed Withdrawal and the proposed reduction in the notice period for the Proposed Withdrawal. After Shareholders' approval shall have been obtained, a notice of the Proposed Withdrawal will be published at least five clear Business Days prior to the Effective Date.

The Directors consider that it is in the best interests of the Shareholders and the Company as a whole that the notice period for the Proposed Withdrawal be reduced so that the Proposed Withdrawal and the Proposed Introduction can be carried out as soon as practicable after obtaining the relevant approvals from the Shareholders at the EGM and the Class Meetings as well as from the CSRC.

CONDITIONS OF THE PROPOSED WITHDRAWAL AND THE PROPOSED INTRODUCTION

The implementation of the Proposed Withdrawal and the Proposed Introduction are conditional upon, amongst other things:

- (i) the Main Board Listing Committee granting approval for the listing of, and permission to deal in, the H Shares on the Main Board and the GEM Listing Committee granting approval for the Proposed Withdrawal;
- (ii) the CSRC granting approval for the listing of the H Shares on the Main Board;
- (iii) the passing of the relevant resolutions at the EGM and the separate Class Meetings (as the case may be) to approve, amongst other things, the Proposed Withdrawal, the Proposed Introduction and the reduction of the notice period as referred to in condition (v) below;
- (iv) the publication of a notice of the Proposed Withdrawal after obtaining the approval of Shareholders referred to in condition (iii) above not less than five clear Business Days prior to the Effective Date;
- (v) the GEM Listing Committee granting a waiver for the reduction of the notice period for the Proposed Withdrawal from a minimum of three months under Rule 9.19(3) of the GEM Listing Rules to at least five clear business days from the date on which the Shareholders shall have approved the Proposed Withdrawal at the EGM and the separate Class Meetings and the fulfillment of such waiver by the Company; and
- (vi) 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 fulfillment of all conditions which may be attached to such consents.

The GEM Listing Committee has approved the Proposed Withdrawal subject to the fulfilment of the following conditions:–

- (1) the Main Board Listing Committee granting approval for the listing of, and permission to deal in, the H Shares in issue on the Main Board;
- (2) the CSRC and other PRC authorities, as appropriate, granting approval for the Proposed Withdrawal and the listing of the H Shares on the Main Board;
- (3) the GEM Listing Committee granting the waiver with regard to the minimum notice period for the Proposed Withdrawal;
- (4) the passing of special resolutions at an extraordinary general meeting and the separate class meetings of the holders of H Shares and Domestic Shares to approve, amongst other things, the Proposed Withdrawal, the listing of the H Shares on the Main Board and the reduction of the minimum notice period for the Proposed Withdrawal; and

- (5) the publication of a notice of the Proposed Withdrawal after the approval of the shareholders of the Company for the Proposed Withdrawal.

EFFECTS OF THE PROPOSED WITHDRAWAL AND THE PROPOSED INTRODUCTION

Subject to the fulfillment of the conditions set out in the immediately preceding paragraph, it is expected that dealings in the H Shares on GEM will cease at 9:30 a.m. on the Effective Date and dealings in the H Shares on the Main Board will commence at 9:30 a.m. on the Effective Date. The Company will make an announcement after the EGM and the respective Class Meetings to publish the results of the EGM and the respective Class Meetings and other information on the Proposed Withdrawal and the trading arrangements of the H Shares with respect to the Proposed Withdrawal and the Proposed Introduction. The Company will also issue a notice of the Proposed Withdrawal from the date on which the Shareholders shall have approved the Proposed Withdrawal at the EGM and the respective Class Meetings.

The Proposed Withdrawal and the Proposed Introduction 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 the share registrar of the H Shares in connection with the Proposed Withdrawal and the Proposed Introduction. 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 stockbrokers.**

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. 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, 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 following the reporting requirements under the Main Board Listing Rules will provide investors and the Shareholders with a high degree of transparency and a more complete picture of 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 management to devote greater management time to key aspects of the operation of the Company's business.

REASONS FOR THE PROPOSED WITHDRAWAL AND THE PROPOSED INTRODUCTION

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 equity holders of the parent 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 and to approximately RMB99.58 million (equivalent to approximately HK\$99.88 million) for the year ended 31 December 2006.

Since the listing of the H Shares on GEM in September 2006, the Group has experienced significant growth and has established strong market positions in its business. For the three months ended 31 March 2007, the Company recorded an unaudited consolidated net profit attributable to equity holders of the parent of approximately RMB43.30 million (equivalent to approximately HK\$43.43 million), representing an approximately 19.3% increase from the corresponding period in 2006 of approximately RMB36.31 million (equivalent to approximately HK\$36.42 million).

For details of the Group's business development and financial position since the date of the Prospectus, Shareholders are requested to refer to the Introduction Document. Nevertheless, the Directors believe that the listing of the H Shares on the Main Board will help to enhance the profile of the Group and increase the trading liquidity of the H Shares. The Directors consider that the listing of the H Shares on the Main Board will be beneficial to the future growth and business development of, and accord financing flexibility to, the Group. No change in the business of the Group is contemplated by the Directors following the Proposed Introduction.

The Proposed Introduction will involve no issue of new H Shares by the Company.

EXPECTED TIMETABLE

Despatch of the Listing Document, Shareholder's circular and the related notices of the Extraordinary General Meeting and the Class Meetings and the related forms of proxy and reply slips to the Shareholders in relation to the Proposed Withdrawal and the Proposed Introduction. Friday, 29 June 2007

Latest time for lodging transfers of the H Shares in order to be entitled to attend and vote at the Extraordinary General Meeting and the H Shares Class Meeting 4:30 p.m., Tuesday, 24 July 2007

Closure of the registers of members of the Company for the determination of entitlements of the Shareholders to attend and vote at the Extraordinary General Meeting From Wednesday, 25 July 2007 to Tuesday, 14 August 2007

Latest time for receiving reply slips for the Extraordinary General Meeting and the Class Meetings 4:30 p.m., Wednesday, 25 July 2007

Latest time for lodging forms of proxy in respect of the Extraordinary General Meeting 10:00 a.m., Monday, 13 August 2007

Latest time for lodging forms of proxy
in respect of the H Shares Class 10:30 a.m., Monday, 13 August 2007

Latest time for lodging forms of proxy in respect of
the Domestic Shares Class Meeting 11:00 a.m., Monday, 13 August 2007

Extraordinary General Meeting 10:00 a.m., Tuesday, 14 August 2007

H Shares Class Meeting 10:30 a.m. (*Note 1*),
Tuesday, 14 August 2007

Domestic Shares Class Meeting 11:00 a.m. (*Note 2*),
Tuesday, 14 August 2007

Announcement of the results of the
Extraordinary General Meeting and the Class Meetings
in South China Morning Post (in English)
and Hong Kong Economic Times (in Chinese)
and on the GEM website Wednesday, 15 August 2007

Notice of the Proposed Withdrawal on or before Wednesday, 15 August 2007

The CSRC granting approval for the listing of the
H Shares on the Main Board on or before Monday, 24 September 2007

Announcement in respect of the CSRC
granting approval for the listing of the H Shares
on the Main Board on or before Tuesday, 25 September 2007

Last day of dealings of the H Shares on GEM. Tuesday, 2 October 2007

Proposed Withdrawal effective from 9:30 a.m., Wednesday, 3 October 2007

Dealings in the H Shares on the
Main Board to commence on 9:30 a.m., Wednesday, 3 October 2007

Shareholders should note that the above expected timetable is subject to change. Further announcement 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 Extraordinary General Meeting.
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.

FINANCIAL INFORMATION ON THE GROUP

Liquidity and capital resources

The Group has historically met its working capital and other capital requirements principally from cash provided by operations, while raising the remainder of its requirements primarily through bank and other borrowings and equity market.

The following table presents certain selected cash flow data of the Group for the three years ended 31 December 2006.

Cash flows

	Years ended 31 December		
	2004	2005	2006
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net cash inflow from operating activities	42,243	96,559	134,351
Net cash outflow from investing activities	(120,750)	(239,487)	(544,507)
Net cash inflow from financing activities	60,655	186,804	729,705
Cash and cash equivalents at the end of the year	176,865	220,741	540,290

The Group has cash and cash equivalents of approximately RMB540.29 million as at 31 December 2006, and reported a net cash inflow from operating activities of approximately RMB134.35 million during the year ended 31 December 2006. The capital commitments as at 31 December 2006 related primarily to the construction and acquisition of property, plant and equipment. The Group continuously manages its liquidity situation to ensure that it is adequate to meet its expansion plans.

Capital commitments

	Group and Company		
	As at 31 December		
	2004	2005	2006
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contracted, but not provided for	65,403	38,788	84,864
Authorized, but not contracted for	—	—	16,307
	<u>65,403</u>	<u>38,788</u>	<u>101,171</u>

Indebtedness

Borrowings

As at the close of business on 30 April 2007, the Group had outstanding borrowings of RMB826.5 million, comprising (i) secured short-term bank loans of RMB237.0 million, (ii) unsecured short term bank loans of RMB140.0 million, of which RMB20.0 million loans were entrusted loans from a commercial entity, an independent third party, (iii) secured current portion of long-term bank loans of approximately RMB28.6 million, (iv) secured long-term bank loans of approximately RMB110.9 million, (v) secured current portion of long-term borrowings of RMB210.0 million, and (vi) unsecured long-term borrowings of RMB100 million. The Group's borrowings are bearing interest at commercial rates ranging from 5.25% to 6.39% per annum.

Commitments

As at 31 December 2006, the Group had capital expenditure commitments of approximately RMB101.2 million.

Except as described above, the Group did not have any outstanding loan capital, mortgages, charges, bank overdrafts, finance leases or hire purchase commitments, guarantee indemnities or other material contingent liabilities at the close of business on 31 December 2006.

Contingent liabilities

As at 30 April 2007, the Group had no material contingent liabilities.

Working capital

The Directors after due and careful enquiry are of the opinion that, taking into consideration the financial resources available to the Group including its internally generated funds, the Group has sufficient working capital in the next 12 months commencing on the date of the Listing Document.

Net tangible assets

The following statement shows the Group's net tangible assets as at 31 December 2006, which has been derived based on the audited consolidated net assets of the Group as at 31 December 2006 as shown in the accountants' report of the Group set out in appendix I to the Listing Document.

Net tangible assets of the Group as at 31 December 2006 (<i>Note 1</i>)	<u><u>RMB982,629,000</u></u>
Net tangible asset value per share (<i>Note 2</i>)	<u><u>RMB2.555</u></u>

Notes:

1. The net tangible assets of the Group as at 31 December 2006 is arrived at based on the Group's audited consolidated net assets of approximately RMB1,074,645,000 and deducting intangible assets and minority interests of approximately RMB2,344,000 and RMB89,672,000, respectively from the Accountants' Report set out in the section headed "Accountants' Report" in appendix I to the Listing Document.
2. The net tangible asset value per Share has been arrived at based on the 384,620,000 Shares in issue at the date of the Listing Document as if such Shares were outstanding through the financial year ended 31 December 2006.

No material change

The Directors have confirmed that there has been no material change in the Group's contingent liabilities and the Group's indebtedness since 30 April 2007.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In view of the proposed Main Board Migration and Proposed Withdrawal and for the purposes of complying with the Main Board Listing Rules and the relevant laws and regulations in the PRC, special resolutions were proposed at the extraordinary general meeting and class meetings of Shareholders held on 20 March 2007 to approve, on a conditional basis, the necessary amendments to the Articles so as conform them with the relevant laws, rules and regulations in the PRC and Hong Kong. The relevant special resolutions were passed at the said shareholders' meetings. The said amendments to the Articles will take effect subject to the Main Board Migration and the Proposed Withdrawal becoming unconditional and the listing of the H Shares on the Main Board. Accordingly, the said amendments to the Articles will not become effective if the Company does not proceed with the Main Board Migration and the Proposed Withdrawal. The said amendments to the Articles will only become effective subject to and on the date of the listing of the H Shares on the Main Board.

GENERAL MANDATE

In connection with the Proposed Introduction on the Main Board, special resolution will be proposed at the EGM to grant to the Directors the Share Issue Mandate. The Share Issue Mandate will continue to have effect after the Main Board Migration and expire upon the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the passing of a special resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by the relevant resolutions. The relevant resolutions relating to the Share Issue Mandate are set out as resolution number 2 in the EGM Notice.

CLOSURE OF REGISTERS OF MEMBERS

Shareholders whose names appear on the registers of members of the Company as at the end of Tuesday, 24 July 2007 are entitled to attend and vote at the Extraordinary General Meeting and/or the Class Meetings (as the case may be). The registers of members of the Company will be closed from Wednesday, 25 July 2007 to Tuesday, 14 August 2007, both days inclusive, during which no transfer of Shares will be effected. In order to be eligible to attend the Extraordinary General Meeting 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 4:30 p.m. on Tuesday, 24 July 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 later than 4:00 p.m. on Tuesday, 24 July 2007.

THE EXTRAORDINARY GENERAL MEETING AND THE CLASS MEETINGS

As stated above, the shareholders' meetings held on 20 March 2007 were convened to pass the relevant resolutions for the purpose of, inter alia, enabling the Company to make the relevant application to the CSRC for the Main Board Migration. Accordingly, in compliance with the GEM Listing Rules, the Extraordinary General Meeting and the Class Meetings are required for the purpose of the Proposed Withdrawal and the Main Board Migration. In addition, rule 9.19(3) of the GEM Listing Rules requires that an issuer may not voluntarily withdraw its listing on GEM unless it has given its shareholders at least three months' notice of the proposed withdrawal. The said three month period runs from the date of the relevant shareholders' approval, which, for the purpose of the Proposed Withdrawal, means the date of the Extraordinary General Meeting. The Company has applied to the GEM Listing Committee for a waiver of the strict compliance with the said notice requirement of rule 9.19(3) of the GEM Listing Rules, and the GEM Listing Committee has granted such a waiver on the condition that the Shareholders at the Extraordinary General Meeting pass a resolution shortening such notice requirement. Accordingly, in addition to the special resolution for approving the Proposed Withdrawal and the Main Board Migration, an ordinary resolution will also be proposed at the Extraordinary General Meeting to shorten the aforesaid notice requirement.

Shareholders should note that in addition to the relevant approvals to be sought at the Extraordinary General Meeting and the Class Meetings, the Main Board Migration and the Proposed Withdrawal are also conditional on the Main Board Listing Committee granting approval for the listing of and permission to deal in the H Shares on the Main Board.

The Company will make further announcement, as and when it deems necessary or appropriate, to keep the Shareholders informed on the progress of the Main Board Migration and the Proposed Withdrawal.

RECOMMENDATION

The Board considers that the Proposed Introduction, the Proposed Withdrawal, the proposed reduction in the notice period for the Proposed Withdrawal, the proposed revocation of the Existing General Mandate and the proposed grant of the Share Issue Mandate to be in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the EGM and the separate Class Meetings.

DEFINITIONS

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

“associate(s)”	has the meaning given to it by the Main Board Listing Rules
“Board”	The board of Directors
“Business Day”	a day on which licensed banks are open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities
“Chaoyang Auxillary”	the controlling shareholder 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”	China Securities Regulatory Commission
“Director(s)”	the director(s) 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 Proposed Withdrawal and the Main Board Migration

“Effective Date”	expected to be on 3 October 2007, the date on which the Proposed Withdrawal and the Proposed Introduction become effective
“EGM Notice”	the notice convening the EGM
“Existing General Mandate”	the general mandate to issue Shares granted to the Directors pursuant to the relevant resolution passed at the annual general meeting of the Company held on 18 May 2007
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held for the purpose of approving the Proposed Withdrawal and the Main Board Migration further details of which are contained in the notice convening the said meeting set out in this circular
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	The listing committee of the Stock Exchange on GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time
“Group”	the Company and its subsidiaries (as defined in the GEM Listing Rules)
“Greater Beijing Region”	the region covering the whole Beijing city and certain parts of its northern peripheral
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	the overseas listed foreign invested shares with a nominal value of RMB1.00 each in the registered share capital of the Company, which are subscribed for and traded in Hong Kong dollar
“Latest Practicable Date”	25 June 2007, being the latest practicable date prior to the publishing of this announcement for the purpose of ascertaining certain information contained in this announcement
“Listing Committee”	the listing committee of the board of directors of the Stock Exchange
“Listing Document”	the listing document to be dated on or about 29 June 2007 to be issued by the Company in connection with the Proposed Introduction

“Main Board Listing Committee”	The listing committee of the Stock Exchange
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or, otherwise modified from time to time, and any applicable practice notes, supplementary guidance or other regulations issued by the Stock Exchange
“Main Board Migration”	the proposed migration of listing of the H Shares from GEM to the Main Board
“H Shares Class Meeting”	the class meeting of the holders of H Shares to be held for the purpose of approving the Proposed Withdrawal and the Main Board Migration, further details of which are contained in the notice convening the said meeting set out in this circular
“HK\$” or “cents”	Hong Kong dollars or cents, the lawful currency of Hong Kong
“Introduction Document”	the document to be dated on or about 29 June 2007 to be issued by the Company for the Proposed Introduction
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Introduction”	the proposed listing of the H Shares on the Main Board by way of introduction pursuant to the Main Board Listing Rules
“Proposed Withdrawal”	the proposed voluntary withdrawal of the listing of the H Shares on GEM
“Prospectus”	the prospectus of the Company dated 12 September 2006
“Supervisor(s)”	the supervisor(s) of the Company
“RMB”	Renminbi, the lawful currency for the time being of the PRC
“Share(s)”	Domestic Share(s) and/or H Share(s), as the case may be

“Shareholder(s)”	holder(s) of the Shares
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate amount of Domestic Shares in issue and 20% of the aggregate nominal amount of the H Shares in issue as at the date of the passing of the relevant special resolution as set out in the EGM Notice
“Sponsor”	DBS Asia Capital Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	Per cent.
“2006 AGM”	the annual general meeting of the Company held on 18 May 2007

Unless otherwise specified, conversion of RMB into HK\$ in this announcement 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 announcement and the English translation, the Chinese version shall prevail.

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

Hong Kong, 27 June 2007

As at the date of this announcement, the executive Directors of the Company are Wei Tingzhan, Li Jianwen, Li Chunyan and Liu Yuejin; the Non-Executive Directors are Gu Hanlin and Li Shunxiang; and the Independent Non-executive Directors are Fan Faming, Huang Jiangming and Chung Chi Kong.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting.

* *for identification purpose only*