
DEFINITIONS

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

“Articles” or “Articles of Association”	the articles of association of the Company adopted by resolutions of its Shareholders on 18 February 2005, and as amended at the 2006 AGM and assuming that the amendments passed at the extraordinary general meeting held on 20 March 2007 have become unconditional, and otherwise as amended from time to time, a summary of certain provisions of the current version of which is set out in Appendix IV to this document
“associate(s)”	has the meaning as ascribed to it in the Main Board Listing Rules
“Audit Committee”	the audit committee of the Board
“BDRC”	北京市發展和改革委員會 (Beijing Municipal Development and Reform Committee)
“Beijing Gaoya”	北京高雅華立科貿有限公司 (Beijing Gaoya Huali Kemao Company Limited), a company incorporated in the PRC and is one of the Promoters
“Beijing Jiazeng”	北京加增工貿有限公司 (Beijing Jiazeng Gongmao Company Limited), a company incorporated in the PRC and is one of the Promoters
“Beijing SASAC”	北京市人民政府國有資產監督管理委員會 (Beijing Municipal Government State-owned Assets Supervision and Administration Commission)
“Board”	the board of Directors
“Business Day”	a day that is not a Saturday, Sunday or a public holiday in Hong Kong
“CAGR”	compounded annual growth rate
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Chaopi Flavourings”	北京市朝批調味品有限責任公司 (Beijing Chaopi Flavourings Company Limited), a limited liability company incorporated in the PRC on 29 April 2001 and an approximately 52.63% held subsidiary of Chaopi Trading
“Chaopi Huaqing”	北京市朝批華清飲料有限責任公司 (Beijing Chaopi Huaqing Beverage Company Limited), a limited liability company incorporated in the PRC on 13 December 2000 and an approximately 53.43% held subsidiary of Chaopi Trading

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“Chaopi Huilong”	北京朝批滙隆商貿有限公司 (Beijing Chaopi Huilong Trading Company Limited), a limited liability company incorporated in the PRC on 8 February 2007 and an approximately 51.10% held subsidiary of Chaopi Trading
“Chaopi Jinglong”	北京朝批京隆油脂銷售有限公司 (Beijing Chaopi Jinglong Oil Sales Company Limited), a limited liability company incorporated in the PRC on 9 May 2005 and an approximately 54.23% held subsidiary of Chaopi Trading
“Chaopi Qingdao”	青島朝批錦隆商貿有限公司 (Qingdao Chaopi Jinlong Trading Company Limited), a limited liability company incorporated in the PRC on 28 September 2005 and a wholly owned subsidiary of Chaopi Trading
“Chaopi Shijiazhuang”	石家莊朝批鑫隆商貿有限公司 (Shijiazhuang Chaopi Xinlong Trading Company Limited), a limited liability company incorporated in the PRC on 12 September 2005 and a wholly owned subsidiary of Chaopi Trading
“Chaopi Shuanglong”	北京市朝批雙隆酒業銷售有限責任公司 (Beijing Chaopi Shuanglong Alcohol Sales Company Limited), a limited liability company incorporated in the PRC on 29 August 2002 and an approximately 59.00% held subsidiary of Chaopi Trading
“Chaopi Tianxing”	北京市朝批天興果菜有限責任公司 (Beijing Chaopi Tianxing Vegetables Company Limited), a limited liability company incorporated in the PRC on 31 July 2002 and owned as to approximately 35.48% by Chaopi Trading
“Chaopi Trading”	北京朝批商貿有限公司 (Beijing Chaopi Trading Company Limited), a limited liability company incorporated in the PRC on 31 May 2002 and an approximately 76.42% held subsidiary of the Company
“Chaopi Zhongde”	北京朝批中得商貿有限公司 (Beijing Chaopi Zhongde Trading Company Limited), a limited liability company incorporated in the PRC on 7 February 2007 and a 80.00% held subsidiary of Chaopi Trading
“Chaopi Ziguang”	北京朝批紫光商貿有限公司 (Beijing Chaopi Ziguang Trading Company Limited), a limited liability company incorporated in the PRC on 8 December 2003 and owned as to approximately 45.45% by Chaopi Trading

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“Chaoyang Auxillary”	北京市朝陽副食品總公司 (Beijing Chaoyang Auxillary Food Company), a state-owned enterprise under the jurisdiction of SASAC of Chaoyang District and the controlling shareholder of the Company and one of the Promoters. After the completion of the Chaoyang Auxillary State Owned Assets Restructuring in June 2004, the principal business of Chaoyang Auxillary is investment holding in the Company, Tengyuan and Beijing Chaofu Labour Society (北京市朝富勞務服務社), and provision of property management and property leasing to the Group and Independent Third Parties, including the properties leased to the Group as disclosed in the “Connected Transactions” section in this document
“Chaoyang Auxillary State Owned Assets Restructuring”	the restructuring undergone by Chaoyang Auxillary to segregate its operating/performing assets from its non-operating/non-performing assets, and rationalising its various business units and holding structure, details of which are set out in the section headed “History and Development and Reorganisation” in this document
“China Chain Operators Research Report”	二零零四年中國連鎖經營企業經營狀況分析報告 (the 2004 China Chain Operators Research Report) published in May 2005 by 中國連鎖經營協會 (the China Chain Store and Franchise Association), an Independent Third Party
“Class Meetings”	the respective class meetings of the holders of the H Shares and holders of the Domestic Shares to be held at 4th Floor, Block No. 45, Xinyuan Street, Chaoyang District, Beijing, The People’s Republic of China respectively on 14 August 2007 or any adjournment thereof
“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 with limited liability on the Effective Date, formerly known as Jingkelong Shang Sha and then as Jingkelong Supermarket, and was then converted into a joint stock limited company with effect from the Effective Date. Where the context refers to any time prior to the Effective Date, the Company shall mean Jingkelong Supermarket and its businesses which contributed to, and became of, the Company
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended and in force from time to time
“Company Law”	中華人民共和國公司法 (the Company Law of the PRC) enacted by the Standing Committee of the 8th National People’s Congress on 29 December 1993, and which became effective on 1 July 1994, as amended, supplemented or otherwise modified and in force from time to time

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“CSRC”	中國證券監督管理委員會 (the China Securities Regulatory Commission), a regulatory body responsible for the supervision and regulation of the PRC’s securities markets
“DBS Asia” or “Sponsor”	DBS Asia Capital Limited, a corporation licensed under the SFO to engage in types 1, 4, and 6 of the regulated activities (as defined under the SFO)
“Director(s)”	the director(s) of the Company
“Distribution Centre(s)”	the wholesale distribution centre(s) operated by the Group
“Distribution Outlet(s)”	Retail Outlet(s) and Distribution Centre(s)
“Domestic Share(s)”	ordinary share(s) in the capital of the Company, with a RMB denominated par value of RMB1.00 each, which were subscribed by domestic shareholders and credited as fully paid up in RMB, which shall include the State-owned Domestic Shares
“Effective Date”	1 November 2004, the date on which the Company was converted into a joint stock limited company
“Extraordinary General Meeting”	an extraordinary general meeting of the Company to be held at 4th Floor, Block No. 45, Xinyuan Street, Chaoyang District, Beijing, the People’s Republic of China on 14 August 2007 or any adjournment thereof
“GDP”	gross domestic product
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing”	the listing of the H Shares on GEM, the commencement of which took place on 25 September 2006
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time
“Greater Beijing Region”	the region covering the whole Beijing city and certain parts of Northern China peripheral to Beijing
“Group”	the Company and its subsidiaries or, where the context so requires in respect of the period before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company or some or any of them, as the case may be
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRSs”	Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards

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“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas listed foreign share(s) of nominal value RMB1.00 each in the share capital of the Company, which are subscribed for and traded in HK\$
“Independent Third Party” or “Independent Third Parties”	a person or company who/which is not a director, supervisor, promoter, chief executive or substantial shareholder of the Company or any of its subsidiaries or any of their respective associates
“Individual Promoters”	16 PRC individuals, namely Li Shunxiang, Yang Baoqun, Liu Yanli, Xia Wensheng, Gao Jiaqiang, Gu Hanlin, Wei Tingzhan, Dai Jing, Bai Xianrong, Chen Limin, Zhao Weili, Li Jianwen, Gao Jingsheng, Tian Junying, Qu Xinhua and Li Chunyan, all of them being promoters of the Company
“Introduction”	the proposed listing of the H Shares on Main Board by way of an introduction pursuant to Main Board Listing Rules
“Jin Chaoyang”	北京金朝陽商貿國有資本運營公司 (Beijing Jin Chaoyang State-owned Capital Trading Company), a company incorporated on 1 July 1993 in the PRC as a state-owned enterprise. Pursuant to the notice issued in 2004 by the People’s Government of Chaoyang District titled 《關於區國資委監管範圍及監管方式的通知》 (Notice in relation to the scope and methods of supervision by district SASAC), Jin Chaoyang, Chaoyang Auxillary and the Company were listed as entities within the jurisdiction of the SASAC of Chaoyang District. Jin Chaoyang is an Independent Third Party principally engaged in the administration and management of state-owned assets entrusted by the regional government into the trading system of the Chaoyang District
“Jingkelong Chain”	北京京客隆超市連鎖有限公司 (Beijing Jingkelong Supermarket Chain Company Limited), a limited liability company incorporated in the PRC on 5 July 2006 and a wholly-owned subsidiary of the Company
“Jingkelong Langfang”	北京京客隆(廊坊)有限公司 (Beijing Jingkelong (Langfang) Company Limited), a limited liability company incorporated in the PRC on 26 April 2000 and a 80% held subsidiary of the Company
“Jingkelong Shang Sha”	京客隆商廈 (Beijing Jingkelong Shang Sha), a State-owned enterprise incorporated in the PRC whose establishment in the PRC was approved by Administration for Industry and Commerce of Chaoyang District, Beijing on 12 May 1994 and the predecessor of Jingkelong Supermarket

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“Jingkelong Supermarket”	北京京客隆超市連鎖集團有限公司(Beijing Jingkelong Supermarket Chain Group Company Limited), a State-owned holding enterprise incorporated in the PRC whose establishment in the PRC was approved by Beijing Administration for Industry and Commerce on 20 May 2002 and the predecessor of the Company. Prior to 6 December 2002, the name of Jingkelong Supermarket was 北京京客隆超市連鎖有限公司 (Beijing Jingkelong Supermarket Chain Company Limited)
“km”	kilometre(s)
“Latest Practicable Date”	25 June 2007, being the latest practicable date prior to the printing of this document for ascertaining certain information contained in this document
“Listing Committee”	the listing committee of the board of directors of the Stock Exchange
“Logistics Centre(s)”	the retail logistics centre(s) operated by the Group
“m”	metre(s)
“Macau”	the Macau Special Administrative Region of the PRC
“Mandatory Provisions”	到境外上市公司章程必備條款 (the Mandatory Provisions for the Articles of Association of Companies Seeking a Listing Outside the PRC) promulgated on 27 August 1994 by the Securities Commission and the SCRES, as amended, supplemented or otherwise modified from time to time
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM which continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Main Board Listing”	the listing of the H Shares on the Main Board
“Main Board Listing Date”	the date on which dealings in the H Shares shall first commence on Main Board (currently expected to be 3 October 2007)
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Main Board Migration”	the proposed migration of the listing of the H Shares from GEM to Main Board, which is the subject matter of the Introduction
“Nomination Committee”	nomination committee of the Board

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“NSSF Council”	全國社會保障基金理事會 (The National Social Security Fund Council of the PRC), an organisation authorised by the State Council and is responsible for the administration of the State’s national social security fund
“PBOC”	中國人民銀行 (the People’s Bank of China), the central bank of the PRC
“Placing”	the placing of 85,800,000 H Shares at HK\$4.50 per H Share as referred to in the Prospectus in connection with the GEM Listing
“POS system”	point of sale system, being an electronic cash register system used in retail environments
“PRC” or “China”	the People’s Republic of China which, for the purposes of this document, excludes Hong Kong, Macau and Taiwan
“PRC GAAP”	generally accepted accounting principles in the PRC
“Promoters”	Chaoyang Auxillary, Shanxi Trust, Beijing Gaoya, Beijing Jiazeng, Tianjin Jinganghua and the Individual Promoters, all of them being promoters of the Company
“Promoter Shares”	the Domestic Shares held by the Promoters
“Promoters’ Agreement”	the promoters’ agreement dated 12 August 2004 entered into by the Promoters in relation to, among other matters, the rights and obligations of the Promoters in connection with capital injection and the conversion into and establishment of the Company as a joint stock limited company
“Proposed Withdrawal”	the proposed withdrawal of dealings of the H Shares on GEM
“Prospectus”	the prospectus issued by the Company on 12 September 2006 in connection with the Placing and Public offer
“Public Offer”	the public offer of 66,000,000 H Shares at HK\$4.50 per H Share as referred to in the Prospectus in connection with the GEM Listing
“Reorganisation”	the corporate reorganisation which the Group underwent in preparation for the GEM Listing, details of which are set out in the paragraph headed “The Reorganisation” in Appendix V to this document
“Retail Outlet(s)”	any hypermarket(s), supermarket(s), convenience store(s) and/or community shopping centre(s) of the Group whether directly-operated or franchised

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“Remuneration Committee”	remuneration committee of the Board
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of the PRC
“SAFE”	中華人民共和國國家外匯管理局 (the State Administration for Foreign Exchange of the PRC)
“SASAC”	國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the State Council)
“SCRES”	中國國家經濟體制改革委員會 (the State Commission for Restructuring the Economic System of the PRC), which was dissolved in March 1998, and its successor, 中華人民共和國國家發展和改革委員會 (the National Development and Reform Commission), responsible for matters relating to the restructuring of the economic system in the PRC
“Securities Commission”	中國國務院證券委員會 (the Securities Commission of the State Council of the PRC), a regulatory body established in October 1992 responsible for overseeing the PRC securities markets from a macro-perspective and which was rescinded in March 1998 pursuant to a resolution of the State Council whilst its functions were assumed by CSRC thereafter
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanxi Trust”	山西信託投資有限責任公司 (Shanxi Trust Investment Company Limited), a company incorporated in the PRC and is one of the Promoters
“Share(s)”	Domestic Share(s) and/or H Share(s) of RMB1.00 each in the share capital of the Company, as the case may be
“Shareholder(s)”	the holder(s) of Share(s)
“Shou Lian”	北京首聯商業集團有限公司 (Beijing Shou Lian Group Enterprises Company), a limited liability company established in the PRC
“Special Regulations”	國務院關於股份有限公司境外募集股份及上市的特別規定 (the PRC Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies), issued by the State Council on 4 August 1994, as amended, supplemented or otherwise modified from time to time
“sq.m.”	square metre(s)

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“State” or “PRC Government”	the government of the PRC
“State Council”	中華人民共和國國務院 (the State Council of the PRC)
“State-owned Domestic Share(s)”	Domestic Share(s) from time to time held by Chaoyang Auxillary, and comprise 170,169,808 Domestic Shares representing approximately 44.24% of the existing share capital of the Company immediately after the GEM Listing
“State Restructuring Commission”	中華人民共和國國務院經濟體制改革辦公室 (the State Council Office for Restructuring the Economic System of the PRC)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning given to it by the Main Board Listing Rules, which as at the date of this document means Chaoyang Auxillary
“Supervisor(s)”	member(s) of the supervisory committee of the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Tengyuan”	北京市騰遠興業汽車服務有限公司 (Beijing City Tengyuan Xingye Vehicle Service Limited Company), a company incorporated in the PRC and an approximately 62.73% held subsidiary of the Company prior to the disposal on 22 June 2004, and the Company ceased to have any interest therein with effect from 23 June 2004
“Tianjin Jinganghua”	天津市金港華建築藝術裝飾工程有限公司 (Tianjin Jinganghua Jianzhu Art Decoration Work Company Limited), a company incorporated in the PRC and is one of the Promoters
“Track Record Period”	the periods comprising the three financial years ended 31 December 2004, 2005 and 2006
“US”	the United States of America
“US dollars” or “US\$”	United States dollars, the lawful currency of the US
“VPN”	virtual private network, being a private communications network often used by companies or organisations to communicate confidentially over a public network
“WTO”	the World Trade Organisation
“Xinyang Tongli”	北京欣陽通力商業設備有限公司 (Beijing Xinyang Tongli Commercial Facilities Company Limited), a limited liability company incorporated in the PRC on 31 May 2002 and an approximately 52.03% held subsidiary of the Company

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“Xi You”	北京西單友誼集團 (Beijing Xi Dan You Yi Group), a PRC state-owned enterprise
“Yiyuantang”	北京嘉事朝陽醫藥有限公司 (Beijing Jiashi Chaoyang Medicine Company Limited) (formerly known as 北京一元堂醫藥連鎖有限公司 (Beijing Yiyuantang Medicine Chain Company Limited)), a company incorporated in the PRC and an approximately 70.13% held subsidiary of the Company prior to 8 July 2003, and an approximately 35.07% held associate of the Company during the period from 8 July 2003 to 22 June 2004, and the Company ceased to have any interest therein with effect from 23 June 2004
“2006 AGM”	the annual general meeting of the Company held on 18 May 2007
“%”	per cent.

For ease of reference, the names of the PRC-incorporated or PRC-established companies, institutions and entities have been included in this document in both the Chinese and English languages. In the event of any inconsistency, the Chinese name prevails.

Unless otherwise specified in this document, amounts denominated in RMB have been converted, for the purpose of illustration only, into Hong Kong Dollars at a rate of HK\$1.003 = RMB1.00. No representation is made that any amounts in HK\$ or RMB could have been or could be converted at the above rate or at any other rates or at all.