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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: 814)

Executive Directors:

Mr. Wei Tingzhan
Mr. Li Jianwen
Ms. Li Chunyan
Mr. Liu Yuejin

Registered Office:

Block No. 45
Xinyuan Street
Chaoyang District
Beijing
PRC

Non-executive Directors:

Mr. Gu Hanlin
Mr. Li Shunxiang

Place of business in Hong Kong:

20th Floor
Alexandra House
18 Chater Road, Central
Hong Kong

Independent Non-executive Directors:

Mr. Choi Onward
Mr. Wang Liping
Mr. Chen Liping

To Shareholders

Dear Sir/Madam,

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the third extraordinary general meeting in 2012 (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 the Conference Room, 4th Floor, Block No. 45, Xinyuan Street, Chaoyang District, Beijing, the People's Republic of China at 9:00 a.m on Friday, 2 November 2012 for the purpose of considering the following matters:

AS SPECIAL RESOLUTIONS:

To consider and, if thought fit, pass the following resolutions as special resolutions:

1. **"THAT:**

- (1) the issue and listing of Domestic Corporate Bonds (the **"Corporate Bonds"**) with an aggregate principal amount of up to RMB750 million by the Company in the People's Republic of China (the **"PRC"**) (the **"Corporate**

* For identification purpose only

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Bonds Issue”), subject to the approval by the China Securities Regulatory Commission (中國證券監督管理委員會), for the purpose of reducing the financing costs and optimizing the debt structure of the Company, be and is hereby approved. Details of the Corporate Bonds Issue are set out as follows:

- (i) Size of the Corporate Bonds Issue: The aggregate principal amount of the Corporate Bonds Issue shall not be more than RMB750 million in a single or multiple tranches in the PRC.
- (ii) Maturity: The Corporate Bonds will have a term of maturity not exceeding 10 years and can be either single-term or multiple terms, and the size and maturity of the Corporate Bonds are subject to final determination according to market conditions prevailing at the time of issue.
- (iii) Use of proceeds: The proceeds of the Corporate Bonds Issue will provide the Company with a source of medium and long-term funding and will be used to adjust the Company’s debt structure and to repay part of bank loans and supplement the Company’s working capital.
- (iv) Arrangement as to Shareholders: There will not be any preferential placement of the whether or not to place Corporate Bonds to the Shareholders.
- (v) Underwriting: An underwriting syndicate organized by the lead underwriter will underwrite the Corporate Bonds.
- (vi) Listing: Application for the listing and trading of the Corporate Bonds shall be filed to the Shanghai Stock Exchange as soon as possible following the completion of the Corporate Bonds Issue. Subject to approval of regulatory authorities, the Corporate Bonds may also be listed and traded on such other stock exchanges as permitted by applicable laws.
- (vii) Measures for guarantee of repayment: The Company undertakes that in the circumstances of any expected failure to pay any amount of the principal or interest of the Corporate Bonds as scheduled or any failure to pay any amount of the principal or interest of the Corporate Bonds as scheduled when they fall due, it will take the relevant measures to guarantee the repayment as required by relevant laws and regulations, including but not limited to:
 - A. not to declare any profit distribution to Shareholders;
 - B. to postpone the implementation of capital expenditure projects such as material investment, merger or acquisition;
 - C. to reduce or discontinue the payment of salaries and bonuses of Directors and members of senior management; and
 - D. not to approve any transfer or secondment of the staff primarily responsible for the Corporate Bonds Issue;

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- (2) the board of directors of the Company (the “**Board**”) and its delegated persons (i.e. *Mr. Wei Tingzhan, Mr. Li Jianwen or Ms. Li Chunyan*) subject to the approval by the EGM be and are hereby authorized to deal with the matters relating to the Corporate Bonds Issue, including but not limited to the following:
- (i) to decide on specific matters relating to the issue and listing of the Corporate Bonds, including but not limited to the arrangements as to whether or not to issue in tranches and whether or not to issue multiple types of bonds and their terms, the arrangements in relation to the issue size and maturity of each tranche and each type, issue price, the duration and method of repayment of the principal and the interests, the matters as to whether any terms for repurchase and redemption will be in place, the pricing approach, the coupon interest rate, the details of use of proceeds, the measures for guaranteeing the repayment, the guarantee, the listing of bonds, the stock exchanges on which the bonds will be listed and the selection of qualified professional advisers in respect of the Corporate Bonds Issue in accordance with the relevant PRC laws, rules and regulations of relevant regulatory authorities and the resolutions approved at the EGM, and the prevailing market conditions;
 - (ii) to negotiate on behalf of the Company in relation to all matters regarding the issue and listing of the Corporate Bonds, to execute all relevant agreements and other documents, and to make proper disclosure of all relevant information;
 - (iii) to carry out all relevant procedures with respect to the approval of the issue and listing of the Corporate Bonds by the relevant regulatory authorities, and to make suitable adjustments to the plan of the issue and listing of the Corporate Bonds in accordance with the directions from the regulatory authorities(if any);
 - (iv) to take all necessary actions and deal with or make decisions on other matters relating to the issue and listing of the Corporate Bonds; and
- (3) the validity period of the authorization granted under paragraph (2) above in this resolution for 24 months commencing from the date of approval of this resolution at the EGM be and is hereby approved.”

2. “**THAT:**

- (1) the Board be and is hereby generally granted a general mandate, subject to the registration and approval by the National Association of Financial Market Institutional Investors of the PRC (中國銀行間市場交易商協會), to issue Asset Backed Note(s) (the “**ABN**”) in PRC (“**ABN Issue(s)**”). The particulars of ABN Issue(s) are set out as follows:
- (i) registration amount and issue size: the registration amount and issue size is up to RMB800 million (inclusive);
 - (ii) maturity of issue: not exceeding 3 years (inclusive);

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- (iii) issue cost: the consolidated issue cost in average not higher than the base interest rate of the three year term bank loans prescribed by the People's Bank of China;
 - (iv) method of issuance: private issue, multiple registrations and multiple tranches;
 - (v) target subscribers: qualified investors in the inter-bank market of the PRC;
 - (vi) use of proceeds: including but not limited to the replacement of part of bank loans and supplementing working capital of the Beijing Chaopi Trading Company Limited and its subsidiaries (collectively the "Group") and etc; and
- (2) the Board (or any committee thereof), taking into consideration the requirement of the Company and other market conditions, be and is hereby generally and unconditionally authorised to:
- (i) determine the terms and conditions of and other matters relating to the ABN Issue(s) (including but not limited to the determination of the final principal amount, term, interest rate, lead underwriter, method of underwriting, target subscriber(s) and use of the proceeds of the ABN Issue(s));
 - (ii) do all such acts which are necessary and incidental to the ABN Issue(s) (including but not limited to the securing of approvals, make necessary commitment, the determination of selling arrangements and the preparation of the relevant application documents); and
 - (iii) take all such steps which are necessary for the purposes of or incidental to executing the ABN (including but not limited to the execution of all requisite documentation and the disclosure of the relevant information in accordance with the applicable laws) and to the extent that any of the abovementioned acts and steps have already been undertaken by the Board (or any committee thereof) in connection with the ABN Issue(s) and/or the ABN, such acts and steps be hereby approved, confirmed and ratified."

3. **"THAT:**

the following amendments (the "**Amendments to the Articles of Association**") to the existing articles of association of the Company (the "**Articles of Association**") be and are hereby approved, and any one Director be and is hereby authorised to do all such things as are necessary in respect of or incidental to the Amendments to the Articles of Association pursuant to the requirements (if any) of the relevant authorities of the PRC (including but not limited to all applications, filings and registrations with the relevant authorities):

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to insert “home appliances” after the words “electronic products” on the sixth line of Article 12 of the Articles of Association relating to the scope of business of the Company. (*Note (I)*)”

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

Beijing, The People’s Republic of China
17 September 2012

Notes:

- (A) The Company will not process registration of transfers of the H shares of the Company (“**H Shares**”) from Saturday, 13 October 2012 to Friday, 2 November 2012 (both days inclusive). Holders of H Shares whose names appear on the register of H Shares kept at Computershare Hong Kong Investor Services Limited (“**the Company’s H-Share Registrar**”) at 4:30 p.m., the close of business on Friday, 12 October 2012 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, not later than 4:30 p.m. on Friday, 12 October 2012. The address of the Company’s H-Share Registrar is as follows:

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

The Company will not process registration of transfers of the domestic shares of the Company (“**Domestic Shares**”) from Saturday, 13 October 2012 to Friday, 2 November (both days inclusive). Holders of Domestic Shares whose names appear on the register of shareholders of the Company at the close of business on Friday, 12 October 2012 are entitled to attend and vote at the EGM. Holders of Domestic Shares should contact the secretary to the board of directors (“**Secretary to the Board**”) 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 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 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 20 days before the EGM (i.e. on or before Saturday, 13 October 2012).

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 Saturday, 13 October 2012).

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

3rd Floor
Block No.45, Xinyuan Street
Chaoyang District, Beijing
The People’s Republic of China
Telephone No.: 86(10) 6460 3046
Facsimile No.: 86(10) 6461 1370

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- (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 his 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 by personal delivery or by post to the Company’s H-Share Registrar, Computershare Hong Kong Investor Services Limited (address: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong), such that the same shall be received by the Company’s H-Share Registrar 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 (D) and (E) 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 by personal delivery or by post such that the same shall be received by 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.
- (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) The Amendments to the Articles of Association are proposed for the purpose of broadening the scope of business of the Company. Please note that the proposed Amendments to the Article of Association are written in Chinese and there is no official translation in respect thereof. The translation into English language of this notice is for reference only. In case of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

As at the date of this notice, the executive directors of the Company are Mr. Wei Tingzhan, Mr. Li Jianwen, Ms. Li Chunyan and Mr. Liu Yuejin; the non-executive directors are Mr. Gu Hanlin and Mr. Li Shunxiang; and the independent non-executive directors are Mr. Wang Liping, Mr. Chen Liping and Mr. Choi Onward.