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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)**

**PAYMENT OF FINAL DIVIDEND FOR THE YEAR ENDED 31  
DECEMBER 2010**

Reference is made to the announcement of Beijing Jingkelong Company Limited (the "Company") dated 10 June 2011. Unless defined otherwise, terms used herein shall have the same meanings as those defined in the said announcement.

The Company will pay final cash dividends of RMB20.0 cents per Share (tax inclusive) for the year ended 31 December 2010. The payment shall be made to Shareholders, whose names appear on the Company's registers of Domestic Shareholders and H Shareholders as at the end of Friday, 20 May 2011, and is expected to be paid to the Shareholders on or before 30 June 2011.

For distribution of the final cash dividends, cash dividends for Domestic Shareholders will be distributed and paid in Renminbi, while cash dividends for H Shareholders will be declared in Renminbi but paid in Hong Kong dollars (based on the average of the exchange rates for Renminbi to Hong Kong dollars as announced by the People's Bank of China for the five working days prior to 10 June 2011, the date of convening

the AGM at which the payment of the said final dividends was approved by the Shareholders).

The average of the exchange rates for Renminbi to Hong Kong dollars as announced by the People's Bank of China for the five working days prior to 10 June 2011 is RMB0.833378 to HK\$1.00. Accordingly, the amount of final dividend payable per H Share is approximately HK\$0.239987 (tax inclusive).

Pursuant to the "Enterprise Income Tax Law of the PRC" and the "Detailed Rules for the implementation of the Enterprise Income Tax Law of the PRC", implemented since 1 January 2008, when the Company distributes the final cash dividends for the year ended 31 December 2010 to non-resident enterprise holders of H Shares (including HKSCC Nominees Limited, corporate nominees or trustees, and other entities or organizations that are considered as non-resident enterprise Shareholders) whose names appear on the register of H Shareholders as at the end of 20 May 2011, the Company has an obligation to withhold and pay 10% enterprise income tax. Accordingly, the final dividend per H Share after deduction of enterprise income tax for non-resident enterprise holders of H Shares in Hong Kong dollars is approximately HK\$0.215988. The Company will withhold and pay the 10% enterprise income tax strictly in accordance with the relevant laws and requirements of the PRC and strictly based on the Company's register of its H Shareholders as at the end of 20 May 2011. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from the delay in, or inaccurate determination of, the status of the Shareholders or any disputes over the mechanism of withholding of enterprise income tax.

The Circular on the Questions Concerning Tax on the Profits Earned by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners from the Transfer of Stocks (Stock Rights) and on Dividend Income (Guo Shui Fa [1993] No.

45) (《關於外商投資企業、外國企業和外籍個人取得股票（股權）轉讓收益和股息所得稅收問題的通知》（國稅發[1993] 45號)) (the “Circular”), which provides that the income from dividends (bonuses) gained by foreign enterprises and individual foreigners who hold B-shares or overseas shares from China's domestic enterprises which issue B-shares or overseas shares, is temporarily exempt from enterprise income tax and individual income tax, and so the individual foreigners who were the holders of H shares were temporarily exempted from PRC individual income tax for the dividends (bonus) paid by domestic enterprises which issued such H shares, was repealed under the Announcement on the List of Fully and Partially Invalid and Repealed Tax Regulatory Documents (State Administration of Taxation Announcement No. 2 of 2011) (《關於公佈全文失效廢止、部份條款失效廢止的稅收規範性檔目錄的公告》（國家稅務總局公告2011年第2號）) issued by the State Administration of Taxation on 4 January 2011. Therefore, the Circular can no longer be the basis for the individual shareholders who hold the Company's H shares and whose names appear on the register of members of H shares of the Company (the “Individual H Shareholders”) to be exempted from the PRC individual income tax when the Company distributes the final dividends for the year ended 31 December 2010. Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and the Implementation Regulations of the Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Individual H Shareholders shall pay individual income tax at a tax rate of 20% upon their receipt of the distribution of dividends from the Company, which shall be withheld and paid by the Company on behalf of the Individual H Shareholders.

Having considered the time required for collecting information from the Individual H Shareholders and obtaining the relevant PRC tax authorities' confirmation, the Board hereby announces that, in order to ensure the Company's compliance with relevant laws and regulations while following the previously announced timetable for the payment of dividends by the Company, the Company will temporarily withhold 20% of the final dividends to be distributed to the Individual H Shareholders, when the

Company distributes the final dividends for the year ended 31 December 2010 to the Individual H Shareholders. Accordingly, the final dividend per H Share after deduction of individual income tax for Individual H Shareholders in Hong Kong dollars is approximately HK\$0.1919896.

After the competent tax authorities have confirmed or issued the relevant regulations about such individual income tax withheld by the Company, the Company will publish an update announcement if there is any progress (as and when necessary).

Shareholders are recommended to consult their taxation advisors regarding the owning and disposing of H shares of the Company about tax effects.

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

Beijing, the PRC  
21 June 2011

*As at the date of this announcement, 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.*

*\* For identification purpose only*