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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)**

**PRICE SENSITIVE INFORMATION**

**A SHARE ISSUE**

**FINANCIAL INFORMATION OF THE GROUP**

**PREPARED UNDER THE NEW PRC GAAP**

**AND**

**USE OF PROCEEDS FROM THE A SHARE ISSUE**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the announcements of the Company dated 28 February 2010, 4 May 2010 and 4 May 2011, respectively, and the circulars of the Company dated 19 March 2010 and 18 March 2011, respectively, in relation to the A Share Issue. The Company has submitted a draft of the Prospectus to the CSRC in connection with its application to proceed with the A Share Issue. The A Shares(if issued) will be issued pursuant to the authority granted to the Board at the EGM held on 4 May 2011.

The draft of the Prospectus containing the consolidated financial information of the Group for the Relevant Periods prepared under New PRC GAAP has been made available for viewing on the CSRC's website (www.csrc.gov.cn) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) after close of trading on the Hong Kong Stock Exchange on 10 October 2011. This announcement presents a summary of the consolidated financial information of the Group for the Relevant Periods prepared under the New PRC GAAP, and also sets out the use of proceeds from the A Share Issue which are considered price sensitive in nature under Rule 13.09(1).

**The A Share Issue is subject to approval by the CSRC. There is no assurance that the A Share Issue will proceed. Investors are advised to exercise caution in dealing in the H Shares. Pursuant to relevant laws, regulations and the requirements of regulatory authorities, further details in respect of the A Share Issue will be disclosed by the Company in the PRC newspapers or websites in line with the progress of the A Share Issue. The relevant information will be disclosed by the Company in Hong Kong simultaneously in accordance with the Listing Rules.**

## **1、 A SHARE ISSUE**

This announcement is made pursuant to Rule 13.09(1) of Listing Rules.

Reference is made to the announcements of the Company dated 28 February 2010 , 4 May 2010 and 4 May 2011, respectively, and the circulars of the Company dated 19 March 2010 and 18 March 2011, respectively, in relation to the A Share Issue. Unless otherwise defined, terms and expressions defined in the circular of the Company dated 18 March 2011 shall have the same meanings when used herein. The Company has submitted a draft of the prospectus to be issued by the Company in relation to the A Share Issue (a draft of which will be available for viewing on the CSRC's website (www.csrc.gov.cn) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) after close of trading on the Hong Kong Stock Exchange on 10 October 2011) (the "**Prospectus**") to the CSRC in connection with its application to proceed with the A Share Issue. The A Shares (if issued) will be issued

pursuant to the authority granted to the Board at the EGM held on 4 May 2011.

The draft of the Prospectus containing the consolidated financial information of the Group for the years ended 31 December 2008, 2009 and 2010 and the six months ended 30 June 2011 (the "**Relevant Periods**") prepared under The Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006, and other relevant accounting regulations as promulgated in the PRC (the "**New PRC GAAP**") has been made available for viewing on the CSRC's website ([www.csrc.gov.cn](http://www.csrc.gov.cn)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) after close of trading on the Hong Kong Stock Exchange on 10 October 2011. This announcement presents a summary of the consolidated financial information of the Group for the Relevant Periods prepared under the New PRC GAAP, and also sets out the use of proceeds from the A Share Issue which are considered price sensitive in nature under Rule 13.09(1).

The draft of the Prospectus is not, and is not intended to be, an offer of securities of the Company for sale in Hong Kong. The Prospectus has not been and will not be registered under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).

The A Share Issue, by way of public offering of the A Shares pursuant to the Prospectus, will comprise the issue of not more than 120,000,000 A Shares to qualified price consultation participants, and natural persons, legal persons and other investors which have maintained A share accounts with the Shanghai branch of China Securities Depository and Clearing Corporation Limited (except those who are prohibited by PRC laws and regulations and other regulatory requirements from participating in the A Share Issue). The A Share Issue will be conducted via a combination of placement through offline offering to target investors, and issue at fixed price for subscription by online fund, or such other method(s) as approved by CSRC. The issue price of the A Shares will be determined based on preliminary price consultations with participants in the price consultation process. The price submission by the price consultation participants to the Company in the said price consultation process is a market activity. It is expected that such price consultation participants will consider certain factors, including the earnings per Share of the Company according to its latest published financial results, the price earning ratio of other listed companies in the same industry and the

price earning ratio of other newly listed companies during the same period, etc. in submitting the price. Accordingly, the net proceeds of the A Share Issue cannot be confirmed at the date of this circular. Further announcement will be made upon determination of the issue price.

**The A Share Issue is subject to approval by the CSRC. There is no assurance that the A Share Issue will proceed. Investors are advised to exercise caution in dealing in the H Shares. Pursuant to relevant laws, regulations and the requirements of regulatory authorities, further details in respect of the A Share issue will be disclosed by the Company in the PRC newspapers or websites in line with the progress of the A Share Issue. The relevant information will be disclosed by the Company in Hong Kong simultaneously in accordance with the Listing Rules.**

## **2. FINANCIAL INFORMATION OF THE GROUP PREPARED UNDER THE NEW PRC GAAP**

Subject to CSRC's approval, the Prospectus will be published in the PRC in Chinese only and will contain information about the business and financial information of the Group, including consolidated balance sheets and the consolidated income statement for the Relevant Periods. Pursuant to Zheng Jian Fa [2006] 136 "Notice concerning bettering the financial accounting and disclosure under the New PRC GAAP" issued by the CSRC, the Company is required to prepare the financial statements for the Relevant Periods(the "**Financial Statements**") in accordance with the New PRC GAAP. In addition, pursuant to the "Interpretation of China Accounting Standards No. 1" issued by the Ministry of Finance on 16 November 2007, for the purpose of the Financial Statements, the Group has retrospectively applied, throughout the Relevant Periods, the accounting policies in accordance with the New PRC GAAP.

To ensure the timely release of information which has not been previously made available to Shareholders or the public before, this announcement presents a summary of the consolidated financial information of the Group for the Relevant Periods prepared under the New PRC GAAP, and also sets out the use of proceeds from the A Share Issue which are considered

price sensitive in nature under Rule 13.09(1) of the listing Rules.

To ensure the timely release of information which has not been previously made available to Shareholders or the public before, this announcement presents the consolidated financial information of the Group for the Relevant Periods prepared under New PRC GAAP, and also sets out the use of proceeds from the Proposed A Share Issue which are considered price sensitive in nature under Rule 13.09(1) of the listing Rules.

**Consolidated Financial Information of the Group for the Relevant Periods Prepared under the New PRC GAAP as Disclosed in the Prospectus**

Sections (A) and (B) as set out below are the summary of the consolidated financial information of the Group for the Relevant Periods prepared in accordance with the Group's accounting policies under the New PRC GAAP audited by Ernst & Young Hua Ming Certified Public Accountants, the Company's PRC reporting accountants.

Section (C) as set out below shows the reconciliation for consolidated financial statements of the Group between the Hong Kong Financial Reporting Standards (the "**HKFRS**") and the New PRC GAAP. Ernst & Young has audited the Group's consolidated financial statement prepared under HKFRS for the year ended 31 December 2008, 2009 and 2010.

**(A) Consolidated income statement of the Group for the years ended 31 December 2008, 2009 and 2010 and for the six months ended 30 June 2011 under the New PRC GAAP:**

	<b>Six Months Ended 30 June 2011 RMB</b>	<b>2010 RMB</b>	<b>Year Ended 31 December 2011 RMB</b>	<b>2010 RMB</b>
<b>REVENUE</b>	4,370,643,191	7,915,407,541	7,092,190,926	6,998,929,504
Less: Cost of sales	3,469,947,852	6,429,676,838	5,785,864,095	5,781,936,797
Taxes and surcharges	26,922,994	18,769,395	13,784,245	13,234,822
Selling and distribution costs	552,607,651	880,269,731	744,742,778	669,769,885
Administrative expenses	116,821,637	213,020,333	226,943,204	195,456,564
Finance costs	50,717,780	69,813,625	63,434,954	72,215,773
Assets impairment losses	-	-311,708	-153,462	-1,429,591
Add: Investment income	837,434	-	-	146,311
Including: Share of profit of associates	-	-	-	146,311
<b>Operating profit</b>	154,462,711	304,169,327	257,575,112	267,891,565
Add: Non-operating income	14,024,382	6,996,111	10,008,415	15,655,031
Less: Non-operating expenses	941,649	6,154,798	14,019,027	7,949,687
Including: Loss on Disposal of non-current assets	462,257	4,949,215	13,048,126	1,240,110
<b>PROFIT BEFORE TAX</b>	167,545,444	305,010,640	253,564,500	275,596,909
Less: Income tax	41,206,036	76,510,005	65,049,324	76,580,602
<b>Net Profit</b>	126,339,408	228,500,635	188,515,176	199,016,307
Attributable to:				
Equity holders of the parent	102,968,976	180,501,487	147,782,012	152,090,983
Minority interests	23,370,432	47,999,148	40,733,164	46,925,324
<b>EARNING PER SHARE</b>	0.25	0.44	0.36	0.37
Basic	0.25	0.44	0.36	0.37
Other comprehensive income	114,000	1,920,000	2,222,250	-2,595,000
<b>Total comprehensive income</b>	126,453,408	230,420,635	190,737,426	196,421,307
Including:				
Total comprehensive income attributable to owners of the Company	103,082,976	182,421,487	150,004,262	149,495,983
Total comprehensive income attributable to minority interests	23,370,432	47,999,148	40,733,164	46,925,324

**(B) Consolidated balance sheet of the Group as at 31 December 2008, 2009 and 2010 and at 30 June 2011 under the New PRC GAAP:**

	<b>30 June</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>
Cash and cash equivalents	683,670,283	596,498,825	465,810,255	573,414,604
Entrusted loan	-	50,000,000	50,000,000	50,000,000
Investment of Trade				
receivables	150,098,630	-	-	-
Trade receivables	806,405,436	1,185,689,117	1,198,390,060	970,086,202
Prepayments	323,622,159	276,723,008	253,635,557	169,850,569
Other receivables	60,043,624	64,633,390	56,146,737	23,926,703
Inventory	937,626,481	997,356,468	785,251,232	710,080,421
Available-for-sale financial				
Assets matured within one				
year	-	-	-	50,000,000
Other current assets	53,294,207	55,484,391	30,207,427	25,284,703
<b>Total current assets</b>	<b>3,014,760,820</b>	<b>3,226,385,199</b>	<b>2,839,441,268</b>	<b>2,572,643,202</b>
Available-for-sale investment	7,005,000	6,853,000	4,293,000	1,085,000
Long term equity investment	-	42,000,000	-	-
Investment properties	64,220,931	7,325,949	7,793,052	7,782,687
Fixed assets	1,196,075,392	1,159,146,184	1,155,821,137	1,064,898,659
Construction in progress	97,314,256	205,043,073	122,059,496	134,431,681
Intangible assets	207,059,270	96,871,157	95,600,507	83,131,875
Goodwill	86,673,788	90,203,937	-	-
Long-term deferred expenses	614,772,836	533,800,336	453,258,911	396,583,983
Deferred tax assets	16,754,079	12,172,475	-	-
<b>Total non-current assets</b>	<b>2,289,875,552</b>	<b>2,153,416,111</b>	<b>1,838,826,103</b>	<b>1,687,913,885</b>
<b>TOTAL ASSETS</b>	<b>5,304,636,372</b>	<b>5,379,801,310</b>	<b>4,678,267,371</b>	<b>4,260,557,087</b>
Short-term loans	1,421,823,879	1,185,000,000	1,525,980,000	964,138,172
Bills payable	74,426,092	87,312,105	152,110,915	42,151,200
Trade payables	728,247,924	978,200,002	879,095,966	756,824,283
Advances from customers	306,868,449	376,867,833	288,257,721	271,316,230
Payroll and benefits payable	11,605,829	11,287,888	19,972,652	25,605,007
Dividends payable	55,666,034	1,503,931	-	-

	<b>30 June</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>	<b>RMB</b>
Tax payable	-158,947,852	-119,373,427	- 32,980,257	28,738,303
Other Payables	155,036,816	172,401,885	157,323,875	107,770,430
Debentures payable	499,733,333	498,733,333	-	370,000,000
Long-term borrowings				
repayable within one year	200,000,000	-	50,000,000	44,375,000
Other current liabilities	35,762,433	28,352,089	22,463,584	40,821,485
<b>Total current liabilities</b>	<b>3,330,222,937</b>	<b>3,220,285,639</b>	<b>3,062,224,456</b>	<b>2,651,740,110</b>
Long-term borrowings	230,000,000	430,000,000	6,000,000	56,000,000
Deferred income tax liabilities	12,469,897	12,284,422	11,668,579	11,600,944
Other non-current liabilities	13,493,536	12,475,386	11,566,666	9,933,332
<b>Total non-current liabilities</b>	<b>255,963,433</b>	<b>454,759,808</b>	<b>29,235,245</b>	<b>77,534,276</b>
<b>Total liabilities</b>	<b>3,586,186,370</b>	<b>3,675,045,447</b>	<b>3,091,459,701</b>	<b>2,729,274,386</b>
Share capital	412,220,000	412,220,000	412,220,000	412,220,000
Capital reserve	616,481,966	616,367,966	617,917,828	615,695,578
Surplus reserves	104,768,860	104,768,860	89,397,873	73,222,478
Retained profits	379,724,805	359,199,829	268,921,157	223,880,740
<b>Total equity attributable to equity holders of the parent</b>	<b>1,513,195,631</b>	<b>1,492,556,655</b>	<b>1,388,456,858</b>	<b>1,325,018,796</b>
<b>Minority interests</b>	<b>205,254,371</b>	<b>212,199,208</b>	<b>198,350,812</b>	<b>206,263,905</b>
<b>Total shareholder's equity</b>	<b>1,718,450,002</b>	<b>1,704,755,863</b>	<b>1,586,807,670</b>	<b>1,531,282,701</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>5,304,636,372</b>	<b>5,379,801,310</b>	<b>4,678,267,371</b>	<b>4,260,557,087</b>



**(C) Reconciliation for consolidated financial statements of the Group between HKFRS and the New PRC GAAP:**

**Profit attributable to owners of the parent:**

	Six Months Ended 30 June	Year Ended 31 December		
	2011	2010	2011	2010
	RMB	RMB	RMB	RMB
Prepared under the new PRC GAAP	102,968,976	180,501,487	147,782,012	152,090,983
Difference arises from acquisition of shares of minority shareholders ( <i>Note</i> )	-	-	-	4,667,057
Prepared under HKFRS	102,968,976	180,501,487	147,782,012	156,758,040

*Note: The Company and other investors invested RMB 147,135,000 and RMB 28,865,000, respectively, in Beijing Chaopi Trading Company Limited ("Chaopi Trading") on 16 December 2008 after approval by the Beijing Administration for Industry and Commerce. The percentage of equity interest held by the Company in Chaopi Trading increased from 76.42% to 79.85%. The difference between investment cost and the Company's share of Chaopi Trading's net assets is RMB 4,667,057, which was classified as reserves under the New PRC GAAP. However, it was classified as other income under HKFRS.*

**Net assets**

There was no significant difference between the net assets of the Group prepared under HKFRS and the New PRC GAAP as at 31 December 2008, 2009 and 2010 and 30 June 2011.

**3. USE OF PROCEEDS OF THE A SHARE ISSUE**

The Company will use the entire proceeds from the A Share Issue in the following production activities:

(a) Development of retail network with an estimated investment amount of approximately RMB 738,780,000:

(i) establishing 12 new directly-operated shopping centers, hypermarkets, supermarkets and convenience stores in suitable locations of Beijing and Langfang, Hebei Province with the Group's existing self-owned or leased properties; and

(ii) decorating and upgrading 3 selected existing retail outlets, and improving their shopping environment and competitiveness; and

(b) Upgrading and expanding the Group's logistics centre with an estimated investment amount of approximately RMB 157,450,000:

establishing a new central staple processing kitchen logistics centre, upgrading the vegetable processing workshop of the existing live and fresh produce centre, and upgrading and enhancing the convenience store distribution system of the constant temperature logistic centre, to enhance the overall operating ability of the distribution system and satisfy the demand of goods distribution for the development of the retail outlets.

In the event that the Proceeds exceed the requirements of the aforesaid projects, such surplus will be applied as working capital of the Group, whereas in the event that the Proceeds are insufficient for the requirement of the aforesaid projects, any shortfall will be raised by the Group itself. Before receiving the Proceeds, the Group will finance the above activities with its existing funds and bank loans based on the progress of the individual projects. Upon receiving the Proceeds, the same will be applied in such projects instead of the Group's existing funds and the bank loans for financing such projects will be repaid.

For more details of the A Share Issue, please refer to the draft of the Prospectus which will be made available for viewing on the CSRC's website ([www.csrc.gov.cn](http://www.csrc.gov.cn)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) after close of trading on the Hong Kong Stock Exchange on 10 October 2011

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*By Order of the Board*  
**Beijing Jingkelong Company Limited**  
**Li Bo**  
Company Secretary

Beijing, the PRC

10 October 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*