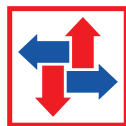

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Beijing Jingkelong Company Limited**, you should at once hand this circular together with the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



北京京客隆
商业集团股份有限公司
BEIJING JINGKELONG COMPANY LIMITED

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)

MAJOR TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 4 to 10 of this circular.

A notice convening the EGM to be held at the Company's conference room at 4th Floor, Block No. 45, Xinyuan Street, Chaoyang District, Beijing, the PRC on Monday, 11 January 2021 at 9:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

Whether or not you intend to be present at the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the H Share Registrar of the Company at Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (with respect to the holders of the H Shares) or the Company's secretary to the Board at 3rd Floor, Block No.45, Xinyuan Street, Chaoyang District, Beijing, the PRC (with respect to the holders of the Domestic Shares), no later than 24 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not prevent you from attending and voting at the relevant meeting or any adjournment thereof if you so wish.

23 December 2020

* For identification purposes only

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DEFINITIONS

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

“2020 Interim Report”	the interim report of the Company for the six months ended 30 June 2020 published on 18 September 2020;
“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the terms and conditions of the Agreement;
“Agreement”	the commodity house sale and purchase agreement dated 30 November 2020 entered into between the Purchaser and the Vendor;
“Asset Assessment Report”	an asset assessment report issued by Beijing Zhongqin Yongli Asset Appraisal Co., Ltd.* (北京中勤永勵資產評估有限責任公司), a qualified PRC-based assessment agency appointed by the Vendor, in respect of the value of the Property as at 31 May 2020, which was submitted to and approved by the State-owned Assets Supervision and Administration Commission of Chaoyang District People’s Government of Beijing Municipality* (北京市朝陽區人民政府國有資產監督管理委員會);
“Board”	the board of Directors;
“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 Stock Exchange;
“Condition”	has the meaning ascribed to it under the section headed “The Acquisition – The Agreement – Condition precedent” in the “Letter from the Board” contained in this circular;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	has the meaning ascribed to it under the section headed “The Acquisition – The Agreement – Consideration and basis of determination of Consideration” in the “Letter from the Board” contained in this circular;
“Director(s) “	the director(s) of the Company;
“Domestic Share(s)”	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) subscribed for or credited as fully paid in RMB;
“Domestic Shareholder(s)”	the holder(s) of the Domestic Share(s);

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Agreement and the transactions contemplated thereunder;
“Group”	the Company and its subsidiaries;
“H Share(s)”	the overseas-listed foreign ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Stock Exchange and traded in Hong Kong dollars;
“H Share Registrar”	Computershare Hong Kong Investor Services Limited;
“H Shareholder(s)”	the holder(s) of the H Share(s);
“HK Property Valuation”	has the meaning ascribed to it under the section headed “The Acquisition – The Agreement – Consideration and basis of determination of Consideration” in the “Letter from the Board” contained in this circular;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	21 December 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this circular only);
“Property”	a parcel of land and a three-storey commercial building erected thereon with a total gross floor area of approximately 10,762.04 square metres for wholesale and retail land uses, which is located at No. Bing 46, Kaifang Road, Huairou District, Beijing City, the PRC;
“Purchaser” or “Jingkelong Shouchao”	北京京客隆首超商業有限公司 (Beijing Jingkelong Shouchao Company Limited*), a direct wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;

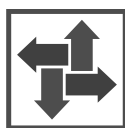
DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the share(s) of the Company, including the Domestic Share(s) and the H Share(s);
“Shareholder(s)”	the holder(s) of the Share(s), including the Domestic Shareholder(s) and the H Shareholder(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supervisor(s)”	the supervisor(s) of the Company;
“Vendor” or “Beijing Shoulian”	北京首聯商業集團有限公司 (Beijing Shoulian Company Limited*), a company established in the PRC with limited liability; and
“%”	per cent.

* *For identification purposes only*

If there is any inconsistency between the Chinese name of the entities mentioned in this circular and their English translation, the Chinese version shall prevail.

LETTER FROM THE BOARD



北京京客隆
商业集团股份有限公司
BEIJING JINGKELONG COMPANY LIMITED

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. Li Jianwen (Chairman)
Mr. Zhang Liwei
Ms. Li Chunyan
Mr. Li Shenlin

Registered office:

Block No. 45
Xinyuan Street
Chaoyang District
Beijing, PRC

Non-executive Directors:

Ms. Zhang Yan
Mr. Li Shunxiang

Principal place of business in Hong Kong:

17th Floor
One Island East
Taikoo Place
18 Westlands Road
Quarry Bay, Hong Kong

Independent Non-executive Directors:

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

Supervisors:

Ms. Liu Wenyu (Chairlady)
Ms. Niu Hongyan
Ms. Li Chunyi
Mr. Chen Zhong
Ms. Fu Yanjun
Mr. Yang Baoqun

23 December 2020

To: All shareholders of the Company

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

* For identification purposes only

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the announcement of the Company dated 30 November 2020.

On 30 November 2020 (after trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Property at the total consideration of RMB101,735,130.

The purpose of this circular is to provide you with, among other things, (i) particulars of the Agreement and the transactions contemplated thereunder; and (ii) the notice of the EGM.

THE ACQUISITION

The Agreement

Date : 30 November 2020

Parties : (1) Jingkelong Shouchao, as purchaser; and
(2) Beijing Shoulian, as vendor

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Property to be acquired : Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Property free from encumbrances. The Property comprises a parcel of land and a three-storey commercial building with a total gross floor area of approximately 10,762.04 square metres for wholesale and retail land uses, which is located at No. Bing 46, Kaifang Road, Huairou District, Beijing City, the PRC and the land use right of which will expire on 25 September 2041. The Property is currently being leased by the Group from the Vendor to carry out the Group's supermarket operation, and save for such lease, based on the records of the relevant registry, there are no encumbrances or other third party rights registered against the Property.

LETTER FROM THE BOARD

Consideration and basis of determination of Consideration : The consideration (“**Consideration**”) for the Acquisition is RMB101,735,130.

As the Property is a state-owned asset and the transfer of which is subject to the relevant PRC laws and regulations, the Consideration is determined by reference to the asset assessment result, which is in the amount of RMB101,735,130 (inclusive of value-added tax), as stated in the Asset Assessment Report with a valuation date as at 31 May 2020 (which shall be the minimum transfer price of the Property). The Company further appointed Vigers Appraisal & Consulting Limited, an independent valuer, to conduct a valuation on the Property (the “**HK Property Valuation**”) as per the requirements of the Listing Rules, which valued the market value of the Property at RMB102,220,000 (inclusive of value-added tax) as at 31 October 2020 which is comparable to the abovementioned asset assessment result. The relevant valuation report of the HK Property Valuation is set out in Appendix III to this circular.

Based on the above, the Directors consider that the Consideration is fair and reasonable.

Condition precedent : Completion of the Acquisition is conditional upon the obtaining of the approval of the Shareholders to the Agreement and the transactions contemplated thereunder at the EGM and the compliance with other requirements of the Listing Rules (the “**Condition**”). The Condition is required to be fulfilled on or before 31 January 2021 (or such later date as may be agreed between the parties), failing which the Agreement shall be terminated.

Payment arrangement : Subject to the fulfillment of the Condition, the Consideration payable to the Vendor shall be settled in the following manner:

- (1) RMB40,694,040, being 40% of the Consideration, shall be paid in cash by the Purchaser to the Vendor within 10 business days after the Condition is fulfilled; and
- (2) RMB61,041,090, being the remaining 60% of the Consideration, shall be paid in cash within 10 business days following the completion of the property title transfer and registration procedures.

The Consideration will be funded by the Group’s internal resources.

LETTER FROM THE BOARD

INFORMATION OF THE PURCHASER

The principal business of the Group is the retail and wholesale distribution of daily consumer products. The Purchaser is principally engaged in the operation of supermarkets under the trade name of “Jingkelong* (京客隆)” in Beijing.

INFORMATION OF THE VENDOR

The Vendor is a state-owned enterprise principally engaged in property leasing. As at the Latest Practicable Date, the Vendor is ultimately owned by the State-owned Assets Supervision and Administration Commission of Chaoyang District People’s Government of Beijing Municipality* (北京市朝陽區人民政府國有資產監督管理委員會).

REASONS FOR AND BENEFITS OF THE ACQUISITION

Huairou District is a district under the jurisdiction of Beijing Municipality, and is located at the foot of the southern side of Yanshan Mountain and in the northeast of Beijing Municipality. Bordering Miyun District to the east, Shunyi District and Changping District to the south, Yanqing District to the west, and Chicheng County, Fengning Manchu Autonomous County and Luanping County of Hebei Province to the north, this district has a total area of 2,122.8 square kilometers, making it the second largest district in Beijing in terms of area. The urban area of Huairou District is 50 kilometers away from the downtown of Beijing, 32 kilometers away from the Beijing Capital Airport, and 170 kilometers away from Tianjin Port, and is accessible by expressways. After the completion of the Huairou section of the Beijing-Chengde Expressway, Huairou District has been brought under the coverage of Beijing’s half-hour economic circle. In recent years, Huairou has been rated as a National Model City for Greening, a National Ecological Demonstration Zone, a National Sanitation Zone, and a National Comprehensive Experimental Zone for Sustainable Development, demonstrating greater advantages of its geographical location.

Since 2016, the Company has leveraged the advantages of its physical store resources to introduce the internet digital technology to integrate online and offline businesses. In particular, against the backdrop of the COVID-19 pandemic this year, the Company made use of its advantages in online and offline integrated operations to cater for the consumers’ demand for contactless (無接觸式) shopping to the greatest extent, which contributed to the remarkable increase in the passenger flow and sales of its online business. The “Internal Circulation (內循環)” era has ushered in a new period full of strategic opportunities for the domestic markets, and driven by the new business normal, new business backdrop and new development model of online and offline integration, the development of online business is derived from and also relies upon offline resources. Online resources are unlimited, while the resources of offline store outlets are limited and scarce. The Property has been leased by the Group from the Vendor since January 2009 for the Group’s supermarket operation therein as one of the offline hypermarkets, and the Group intends to continue its occupancy of the Property for the same purpose after the completion of the Acquisition. The Acquisition will further increase the proportion of the Group’s self-owned properties, consolidate the resources of offline stores and secure the premises of which the Purchaser operates its supermarket, thereby contributing to the business development of the Group.

LETTER FROM THE BOARD

Based on the above, the Directors are of the view that the Acquisition has been entered into on normal commercial terms and that the terms of the Agreement are fair and reasonable and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE ACQUISITION

Upon completion of the Acquisition, the Consideration (exclusive of value-added tax) will be recognised as the fair value of the Property and thus no amount will be recognised as a gain on bargain purchase, hence no material impact on the earnings of the Group is expected.

Based on the financial position of the Group as at 30 June 2020 and the other existing information available to the Company, the Property will be recognised as a fixed asset of the Group and it is expected that upon completion of the Acquisition, there will be no material impact on the total assets of the Group as the increase in fixed assets of RMB100.12 million (being the fair value of the Property of RMB96.9 million and taking into account the relevant stamp duty payable under the PRC laws) and the increase in current assets of RMB4.86 million (being the amount of the deductible value-added tax determined with reference to the fair value of the Property and the professional fees attributable to the Acquisition) will be offset by the full payment of the Consideration and the other estimated transaction costs such as the said stamp duty and professional fees. No changes in the total liabilities of the Group are expected as the Acquisition will be fully funded by the Group's internal resources.

Details of the estimated effect of the Acquisition on the assets and liabilities of the Group is set out in Appendix II to this circular.

APPLICATION FOR WAIVER FROM STRICT COMPLIANCE WITH RULE 14.67(6)(b)(i) OF THE LISTING RULES

Notwithstanding the fact that the Property is occupied by the Group for its own use in its ordinary and usual course of business and that holding the Property for such use itself will not generate any identifiable income stream for the Group, having considered that the Property had been leased by the Vendor to the Purchaser for rental income since January 2009 and prior to the completion of the Acquisition, the Stock Exchange would regard the Property as a revenue-generating asset with an identifiable income stream within the ambit of Rule 14.67(6)(b) of the Listing Rules and therefore the disclosure requirements thereunder are applicable to the Acquisition.

In order to prepare the required profit and loss statement and valuation (where available) for the three preceding financial years and the stub period as required under Rule 14.67(6)(b)(i) of the Listing Rules (i.e. the three financial years ended 31 December 2017, 2018 and 2019 and the six months ended 30 June 2020, collectively the “**Relevant Period**”) on the identifiable net income stream and valuation of the Property (the “**P&L Statement**”), the Company and its auditor need to have access to the underlying books and records as regards to the Property from which the necessary information is to be extracted. Despite the Company's request, the Vendor has not granted the Company access to the Vendor's underlying books and records for the Relevant Period concerning the Property given that those books and records contain other information which is confidential and not relevant to the Acquisition.

LETTER FROM THE BOARD

Furthermore, as the Property is acquired by the Group as the self-consumed premises of which the Group carries out its supermarket operation rather than for revenue-generating purpose, the amount of the rental income of the Property for the Relevant Period is irrelevant to the Group's possible income after the Acquisition. Valuations on the Property had been carried out by two separate professional valuers in determining the Consideration, and the asset assessment result as stated in the Asset Assessment Report and the full text of the valuation report of the HK Property Valuation have both been disclosed in this circular. Hence, the Company is of the view that the inclusion of the P&L Statement will not add much value to the Shareholders in accessing the value of the Property.

In light of the above, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, on the condition that this circular must contain details of such waiver and the alternative disclosure submitted by the Company. As alternative disclosure, the Company discloses (i) a summary of the existing lease of the Property; (ii) the following monthly recurring expenses estimated to be incurred by the Group for the Property after the Acquisition; and (iii) the valuation report on the Property:

	Estimated monthly recurring expenses (RMB)
Property tax and land use tax ^(Note 1)	30,833
Insurance ^(Note 2)	<u>1,817</u>
Total	<u><u>32,650</u></u>

Notes:

1. The estimated property tax is calculated according to the provisions under the Provisional Regulations of the People's Republic of China on Real Estate Tax and other applicable PRC tax laws with reference to the intended use status of the Property after the Acquisition; and the estimated land use tax is calculated according to the Interim Regulations of the People's Republic of China on Urban and Town Land Use Tax with reference to the land area occupied by the Property and the applicable local land use tax rate.
2. Based on the premium calculation and the actual insurance coverage applied to the similar properties currently held by the Group.

The full text of the valuation report of the Property as at 31 October 2020, which also includes a summary of the existing lease of the Property, is set out in Appendix III to this circular.

LISTING RULE IMPLICATION

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

EGM

The EGM will be held at the Company's conference room at 4th Floor, Block No. 45, Xinyuan Street, Chaoyang District, Beijing, the PRC on Monday, 11 January 2021 at 9:00 a.m., to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder.

The notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular. To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder or any of their respective close associates has any material interest in the transactions contemplated under the Agreement. As such, no Shareholder will be required to abstain from voting in favour of the resolution proposed at the EGM to approve the Agreement and the transactions contemplated thereunder at the EGM.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM or any adjournment thereof, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the H Share Registrar of the Company at Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (with respect to the holders of the H Shares) or the Company's secretary to the Board at 3rd Floor, Block No.45, Xinyuan Street, Chaoyang District, Beijing, the PRC (with respect to the holders of the Domestic Shares), not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not prevent you from attending and voting at the relevant meeting or any adjournment thereof if you so wish.

RECOMMENDATIONS

The Directors, including the independent non-executive Directors, are of the view that the terms of the Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By order of the Board
Beijing Jingkelong Company Limited
Li Jianwen
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2017, 2018 and 2019 are disclosed in the following documents which have been published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (<http://www.jkl.com.cn>):

- the Company's annual report for the year ended 31 December 2017 published on 9 April 2018 (pages 99 to 304) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0409/ltn201804091222.pdf>)
- the Company's annual report for the year ended 31 December 2018 published on 8 April 2019 (pages 107 to 336) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0408/ltn20190408636.pdf>)
- the Company's annual report for the year ended 31 December 2019 published on 29 April 2020 (pages 116 to 348) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0429/2020042901239.pdf>)

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 October 2020, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the total borrowings of the Group amounted to RMB3,869,044,037, including bank loans of RMB2,283,104,471, bonds payable of RMB400,310,656, total lease liabilities of RMB1,185,628,910 (including those in the sum of RMB219,900,921 which will be due within one year), of which:

Item	As of 31 October 2020 RMB
Accounts receivable secured loan (unguaranteed)	111,040,027
Guaranteed loan (unsecured)	1,527,775,356
Unsecured loan (unguaranteed)	591,960,000
Pledged loan	44,083,356
Undue interest payable	8,245,732
Total bank loans	2,283,104,471
Corporate bonds	400,310,656
Total bonds payable	400,310,656
Non-current lease liabilities	965,727,989
Lease liabilities due within one year	219,900,921
Total lease liabilities	1,185,628,910

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the close of business on 31 October 2020, the Group did not have any other outstanding mortgages, charges or pledges, debentures or other debt securities (including those authorised or otherwise created but unissued), term loans, loan capital, other borrowings or other similar indebtedness (including bank loans and overdrafts, hire purchase commitments, acceptance liabilities or acceptance credits), finance leases or any guarantees or other material contingent liabilities.

The Directors confirm that there are no material changes in the indebtedness or contingent liabilities of the Group since 31 October 2020.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group principally engages in the retail and wholesale distribution of daily consumer products in the region covering the Beijing city and certain parts of its periphery.

In the first half of 2020, due to the rigid demand for daily consumer product arising from the impact of the COVID-19 pandemic and the change in consumer behaviour in relation thereto (e.g. from eating out to cooking at home), both retail and wholesale business segments of the Group continued to perform solidly. As disclosed in the Company's 2020 Interim Report, for the six months ended 30 June 2020, the retail principal operating income of the Group increased by approximately 19.1% compared to the last corresponding period, with a store sales growth of 20.41% as compared to the last corresponding period; whereas the wholesale principal operating income of the Group increased by approximately 1.8% as compared to the last corresponding period.

In the second half of 2020, the Political Bureau meeting of the Central Committee clearly stated that it is necessary to accelerate the formation of a new development pattern with the domestic cycle as the core and with both international and domestic dual cycles promoting each other. The Group will conduct in-depth analysis of internal and external environmental changes and consumption trends, take high-quality "goods + services" as the core foundation coupled with modern smart technology, and proceed with consumer demand as the starting point to improve management ability and market competitiveness. In terms of retail business, the Group will continue to speed up the introduction and marketing of new products, expand the development categories of self-owned brand and customised products, and improve customers' recognition of the Group's own-branded products by establishing a solid supply chain system; continue to strengthen the construction of fresh produce bases and continue to adhere to "simplicity, standardization and specialization", the principle of management and administration, from planting to transportation and sales; develop new vegetable bases to achieve a seamless connection from the place of origin to the table; and continue to increase the upgrading and transformation of existing stores, optimise the commodities mix in the stores and the operating capability of online and offline integrated, in order to further refine and deepen the Group's community commercial sphere service to remain attractive to its customer base. In terms of wholesale business, based on the established supply chain platform, the Group will establish strategic synergy with partners to jointly reduce logistics costs and improve logistics service levels, continue the construction of the Fangshan automated three-dimensional warehouse logistics project, complete the second phase of warehouse area planning and the system upgrading, and strive to build a modern logistics base based on the full-warehouse operation model and supported by technological innovation. With the high-quality products and services and strong logistics support, the Group will continuously improve its long-term stable competitiveness and enhance its ability to serve customers.

4. WORKING CAPITAL SUFFICIENCY

The Directors, after due and careful consideration, are of the opinion that, after taking into account of the Group's existing cash and bank balances, other internal resources available, available credit facilities and also the effect of the Acquisition, the Group will have sufficient working capital for its present requirements and for at least 12 months from the date of publication of this circular in the absence of unforeseen circumstance.

5. MATERIAL ADVERSE CHANGE

The Directors confirmed that, as at the Latest Practicable Date, there has been no material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up.

The following is the text of a report, prepared for the purpose of incorporation in this circular, received from the reporting accountants of the Company, Da Hua Certified Public Accountants (Special General Partnership) (大華會計師事務所(特殊普通合伙)):

**REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE UNAUDITED
PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

Da Hua He Zi [2020] No.009217

To: Beijing Jingkelong Company Limited:

We report on the Unaudited Pro Forma Financial Information (the “**Unaudited Pro Forma Financial Information**”) of Beijing Jingkelong Company Limited under the heading of “Unaudited Pro Forma Financial Information of the Group” in Appendix II to the Circular (the “**Circular**”) issued on 23 December 2020 by Beijing Jingkelong Company Limited (“**Jingkelong Limited**”) in connection with the acquisition concerning proposed acquisition of the property, which is located at No. Bing 46, Kaifang Road, Huairou District, Beijing City, held by Beijing Shoulian Company Limited (“**Shoulian Limited**”) by payment of cash to Shoulian Limited.

The Unaudited Pro Forma Financial Information was prepared by the directors of Jingkelong Limited for illustrative purposes only, to provide information about how the acquisition might have affected on the relevant financial information of Jingkelong Limited and its subsidiaries (hereinafter collectively referred to as the “**Jingkelong Group**”). The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Appendix II to this circular.

I. DIRECTOR'S RESPONSIBILITY ON THE PRO FORMA FINANCIAL INFORMATION

It is the responsibility solely of the directors of Jingkelong Limited to prepare the Unaudited Pro Forma Financial Information in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Accounting Guideline 7 (“**Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

II. REPORTING ACCOUNTANTS' RESPONSIBILITY

It is our responsibility to form an opinion, as required by Rule 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information. We do not accept any responsibility for any report previously given by us on any financial information used in preparing the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued the by HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 30 June 2020 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether: (1) The related pro forma adjustments give appropriate effect to those criteria; and (2) The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. OPINION

In our opinion:

1. The Unaudited Pro Forma Financial Information has been properly compiled by the directors of Jingkelong Limited on the basis stated; and
2. Such basis is consistent with the accounting policies of the Jingkelong Limited; and
3. The adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

**Da Hua Certified Public Accountants
(Special General Partnership)**

Beijing, China

Chinese certified public accountant:

Liu Xuechuan

Chinese certified public accountant:

Zhang Junyi

23 December 2020

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS
AND LIABILITIES OF THE GROUP

Amount unit: RMB

Item	Unaudited consolidated statement of assets and liabilities of the group as at 30 June 2020	Pro forma adjustments	Unaudited pro forma adjusted consolidated statement of assets and liabilities of the group as at 30 June 2020
	Note III, 1	Note III, 2	
Current assets:			
Cash and bank balances	964,255,730	(104,978,738)	859,276,992
Notes receivable	1,481,000		1,481,000
Accounts receivable	1,305,738,516		1,305,738,516
Prepayments	932,960,869		932,960,869
Other receivables	257,236,890		257,236,890
Inventories	1,313,278,700		1,313,278,700
Other current assets	138,859,177	4,858,115	143,717,292
Total current assets	4,913,810,882		4,813,690,259
Non-current assets:			
Other non-current financial assets	65,818,449		65,818,449
Investment properties	174,568,917		174,568,917
Fixed assets	880,542,885	100,120,623	980,663,508
Construction in progress	140,203,730		140,203,730
Right-of-use assets	1,120,276,475		1,120,276,475
Intangible assets	288,537,794		288,537,794
Goodwill	86,673,788		86,673,788
Long-term prepaid expenses	305,563,574		305,563,574
Deferred tax assets	23,243,830		23,243,830
Other non-current assets	182,300,480		182,300,480
Total non-current assets	3,267,729,922		3,367,850,545
TOTAL ASSETS	8,181,540,804		8,181,540,804

APPENDIX II**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP***Amount unit: RMB*

Item	Unaudited consolidated statement of assets and liabilities of the group as at 30 June 2020	Pro forma adjustments	Unaudited pro forma adjusted consolidated statement of assets and liabilities of the group as at 30 June 2020
	Note III, 1	Note III, 2	
Current liabilities:			
Short-term borrowings	2,237,571,822		2,237,571,822
Notes payable	421,304,859		421,304,859
Accounts payable	960,150,904		960,150,904
Contract liabilities	282,510,804		282,510,804
Payroll payable	12,101,256		12,101,256
Taxes payable	92,285,380		92,285,380
Other payables	323,642,301		323,642,301
Including: Interest payable	2,565,894		2,565,894
Dividends payable	44,544,400		44,544,400
Non-current liabilities due within one year	219,202,069		219,202,069
Other current liabilities	55,998,322		55,998,322
Total current liabilities	4,604,767,717		4,604,767,717
Non-current liabilities:			
Bonds payable	410,114,998		410,114,998
Leases liabilities	965,340,783		965,340,783
Deferred income	36,785,270		36,785,270
Deferred tax liabilities	14,207,295		14,207,295
Total non-current liabilities	1,426,448,346		1,426,448,346
TOTAL LIABILITIES	6,031,216,063		6,031,216,063
Shareholders' equity:			
Share capital	412,220,000		412,220,000
Capital reserves	605,043,091		605,043,091
Other comprehensive income	309,414		309,414
Surplus reserves	160,727,215		160,727,215
Undistributed profits	553,455,536		553,455,536
Total equity attributable to shareholders of the parent company	1,731,755,256		1,731,755,256
Minority interests	418,569,485		418,569,485
TOTAL SHAREHOLDERS' EQUITY	2,150,324,741		2,150,324,741
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,181,540,804		8,181,540,804

**NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP****I. GENERAL INFORMATION OF THE ACQUISITION**

According to the resolution passed at the the eleventh session of the sixth meeting of the Board of Beijing Jingkelong Company Limited (hereinafter the “**Company**”), the Company proposed to acquire the property (the “**Property**”), which is located at No. Bing 46, Kaifang Road, Huairou District, Beijing City, held by Beijing Shoulian Company Limited (“**Shoulian Limited**”) by payment of cash to Shoulian Limited. Pursuant to the agreement between the Group (the Company and its subsidiaries hereinafter collectively referred to as the “**Group**”) and Shoulian Limited, the consideration of this transaction is RMB101,735,130.

II. PREPARATION BASIS OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Unaudited Pro Forma Financial Information was prepared for the Acquisition proposed to be conducted by the Group.

The above is the unaudited pro forma financial information of the Group for illustration purposes (the “**Unaudited Pro Forma Financial Information**”). This statement was prepared under the basis set out in the Rule 4.29 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the basis set out below to illustrate the impact on the Group when the Acquisition of the Property was done (assuming the Acquisition is completed on 30 June 2020).

The Unaudited Pro Forma Financial Information has been prepared using accounting policies consistent with that of the Group, as set out in the Group’s 2020 Interim Report.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only and is based on a number of assumptions, estimates, uncertainties and currently available information. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not reflect the true picture of the financial position of the Group had the property acquisition been completed at 30 June 2020 or at any future date.

The Unaudited Pro Forma Financial Information should be read in conjunction with the other financial information contained in this circular.

III. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

1. The unaudited consolidated statement of assets and liabilities of the Group as at 30 June 2020 is extracted from the unaudited consolidated balance sheets to be consistent with the Group’s 2020 Interim Report.

2. Payment of consideration

The Group intends to finance the Acquisition through internal resources solely.

The adjustment represents (i) the consideration of acquiring the Property amounting to RMB101,735,130; (ii) transaction costs and related taxes amounting to RMB3,003,608; and (iii) professional fee directly attributable to the Acquisition amounting to RMB240,000.

Consideration of the Property	Note	RMB
Consideration	i	101,735,130
Transaction costs and related taxes	ii	3,003,608
Professional fee	iii	<u>240,000</u>
Total		<u><u>104,978,738</u></u>

Note i:

The consideration is RMB101,735,130 for the Acquisition.

Note ii:

The amount represents estimated transaction costs of approximately RMB3,003,608 payable by the Group in connection with the Acquisition, which included deed tax and stamp duty for the Acquisition.

Note iii:

The amount represents estimated professional fee of RMB240,000 payable by the Group in connection with the Acquisition, which included the reporting accountants fee and other professional fees for the Acquisition.

No other adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2020.

Vigers Appraisal & Consulting Limited
International Assets Appraisal Consultants

27th Floor, Standard Chartered Tower
Millennium City 1
388 Kwun Tong Road
Kowloon
Hong Kong



23 December 2020

The Directors
Beijing Jingkelong Company Limited
Block No. 45,
Xinyuan Street,
Chaoyang District,
Beijing City,
the PRC

Dear Sirs,

In accordance with your instructions for us to value the property interest to be acquired by Beijing Jingkelong Company Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) in the People’s Republic of China (“**the PRC**”), we confirm that we have carried out an inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of such property interests as at 31 October 2020 (“**valuation date**”) for the purpose of incorporation in the circular.

Our valuation is our opinion of the market value of the property interest which we would define market value as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

In valuing the property interest, we have valued on the basis of capitalization of net rental income derived from the existing tenancy with allowance for the reversionary income potential of the property.

Our valuation has been made on the assumption that the owner sells the property interest on the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the property interest. In addition, no forced sale situation in any manner is assumed in our valuation.

We have not caused title searches to be made for the property interest at the relevant government bureau in the PRC. We have been provided with certain extracts of title documents relating to the property interest. However, we have not inspected the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us. In undertaking our valuation for the property interest, we have relied on the legal opinion (the “**PRC legal opinion**”) provided by the Company’s PRC legal adviser, Beijing Yingfusi Law Firm.

We have relied to a considerable extent on information provided by the Company and have accepted advice given to us by the Company on such matters as planning approvals or statutory notices, easements, tenure, occupation, lettings, site and floor areas and in the identification of the property and other relevant matter. We have also been advised by the Company that no material facts had been concealed or omitted in the information provided to us. All documents have been used for reference only.

All dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Company and are approximations only. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out a structural survey nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the property are free from defect. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interest nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Our valuation is prepared in accordance with the HKIS Valuation Standards 2017 published by The Hong Kong Institute of Surveyors (HKIS) and the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

Unless otherwise stated, all money amounts stated are in Renminbi (RMB). The exchange rate used in valuing the property interest in the PRC as at 31 October 2020 was HK\$1=RMB0.863. There has been no significant fluctuation in the exchange rate for Renminbi against Hong Kong Dollars (HK\$) between that date and the date of this letter.

We enclose herewith the valuation certificate.

Yours faithfully,
For and on behalf of
Vigers Appraisal & Consulting Limited
Raymond Ho Kai Kwong
Registered Professional Surveyor (GP)
MRICS MHKIS MSc(e-com)
China Real Estate Appraiser
Managing Director

Note: Mr. Raymond Ho Kai Kwong, Chartered Surveyor, MRICS MHKIS MSc(e-com), has over thirty one years' experiences in undertaking valuations of properties in Hong Kong SAR and has over twenty five years' experiences in valuations of properties in the PRC and Asia Pacific regions.

VALUATION CERTIFICATE

Property interest to be acquired by the Group in the PRC for owner-occupation and investment

Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2020
The land and a commercial building erected thereon located at No. Bing 46 Kaifang Road, Huairou District, Beijing City, the PRC	<p>The property comprises a parcel of land with a site area of approximately 6,666 sq.m. and a 3-storey commercial building erected thereon completed in 2000.</p> <p>The building has a total gross floor area of approximately 10,762.04 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 25 September 2041 for wholesale and retail land uses.</p>	<p>The property has been leased by 北京首聯商業集團有限公司 (Beijing Shoulian Company Limited) to the Company for a term of 20 years from 1 January 2009 to 31 December 2028 at an annual rent of RMB3,000,000.</p>	<p>RMB97,350,000</p> <p>(equivalent to approximately HK\$112,804,000)</p> <p>(See Note 6 below)</p>

Notes:

1. According to a State-owned Land Use Rights Certificate (Document No.: Jing Huai Guo Yong (2011 Chu) No. 00117), the land use rights of the property having a site area of approximately 6,666 sq.m. have been granted to 北京首聯商業集團有限公司 (Beijing Shoulian Company Limited) for a term expiring on 25 September 2041 for wholesale and retail land uses.
2. According to a Building Ownership Rights Certificate (Document No.: X Jing Fang Quan Zheng Huai Zi No. 015585), the building ownership rights of the building of the property having a total gross floor area of approximately 10,762.04 sq.m. are vested in 北京首聯商業集團有限公司 (Beijing Shoulian Company Limited) for commercial uses.
3. The PRC legal opinion states, inter alia, the following:
 - (i) 北京首聯商業集團有限公司 (Beijing Shoulian Company Limited) has legally obtained the Building Ownership Rights Certificate of the building and the State-owned Land Use Rights Certificate of the land of the property.
 - (ii) The property is free from any pledges, seizures and third party encumbrances.

4. The status of title and grant of major approvals and permits in accordance with the PRC legal opinion and information provided by the Company are as follows:
 - (i) State-owned Land Use Rights Certificate Yes
 - (ii) Building Ownership Rights Certificate Yes
5. The property was inspected by Ms. Li Shuang, China Real Estate Appraiser, on 24 November 2020.
6. For reference purpose, the value of the property including value-added tax (5%) as at the valuation date is RMB102,220,000 (equivalent to approximately HK\$118,447,000).
7. In the course of our valuation, we have considered the rental comparables of similar properties located in the same district. The daily unit rents are ranging from RMB3.4 to 4.5/sq.m. We have adopted a daily unit rent of about RMB3.9/sq.m. and a capitalization rate of 5.5%.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules 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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors', chief executive's and Supervisors' interests in securities

As at the Latest Practicable Date, the interests and short positions of the Directors, chief executives and Supervisors in the Shares, underlying Shares and debentures of the Company notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (as if it were applicable also to the Supervisors of the Company) were as follows:

Long positions in the Domestic Shares

Name	Capacity	Number of Domestic Shares held	Approximate percentage of total issued Domestic Shares (%)	Approximate percentage of total issued Shares (%)
Li Jianwen	Beneficial owner	2,022,579	0.88	0.49
Zhang Liwei	Beneficial owner	150,000	0.07	0.04
Li Chunyan	Beneficial owner	505,992	0.22	0.12
Li Shenlin	Beneficial owner	430,100	0.19	0.10
Li Shunxiang	Beneficial owner	5,210,428	2.26	1.26
Liu Wenyu	Beneficial owner	365,151	0.16	0.09
Niu Hongyan	Beneficial owner	70,000	0.03	0.02
Li Chunyi	Beneficial owner	50,000	0.02	0.01
Yang Baoqun	Beneficial owner	1,042,086	0.45	0.25

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, the chief executive nor the Supervisors had an interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations that was recorded in the register required to be kept pursuant to section 352 of the SFO, or as otherwise notified to the Company pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers.

Substantial Shareholders' interests in securities

The register of substantial Shareholders maintained by the Company pursuant to section 336 of the SFO (including interests filed with the Stock Exchange) shows that as at the Latest Practicable Date, the following persons (other than the Directors, the chief executive and the Supervisors) had the following interests and short positions (if any) in the shares and underlying shares of the Company:

Long positions in the Domestic Shares

Name	Capacity	Number of Domestic Shares held	Approximate percentage of total issued Domestic Shares (%)	Approximate percentage of total issued Shares (%)
Beijing Chaofu State-owned Assets Administration Company Limited* (北京朝富國有資產管理有限公司)	Beneficial owner	167,409,808	72.77	40.61

Long positions in the H Shares

Name	Nature of Interest	Number of H Shares held	Approximate percentage of total issued H Shares (%)	Approximate percentage of total issued Shares (%)
China Galaxy International Asset Management (Hong Kong) Co., Limited	Investment manger	20,084,000	11.03	4.87
China Galaxy International SPC (acting for and on behalf of China Galaxy Value Fund I SP)	Investment manager	20,084,000	11.03	4.87

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or the chief executive of the Company, there was no other person, other than Directors, the chief executive or Supervisors of the Company and (in the case of the other members of the Group) other than the Company, who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of

the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

As at the Latest Practicable Date, none of the Directors are also a director or employee of substantial Shareholders of the Company as set out above.

3. DIRECTORS' INTEREST IN ASSETS OR CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors was interested, directly or indirectly, in any assets which, since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up, had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.
- (b) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interest in a business which competed or might compete with the business of the Company.

5. DIRECTORS' SERVICE CONTRACT

None of the Directors has entered into any service contract with the Group, which is not expiring or determinable by the Group within one year without payment of compensation (other than the payment of statutory compensation).

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACT

As at the Latest Practicable Date, the Agreement was the only material contract (not being a contract entered into in the ordinary course of business) entered into by members of the Group within the two years immediately preceding the date of this circular.

8. EXPERTS AND CONSENTS

The following are the qualifications of the experts who had given opinions contained in this circular:

Name	Qualification
Vigers Appraisal & Consulting Limited	Professional surveyor and valuer
Beijing Yingfusi Law Firm	Legal advisers as to PRC Law
Da Hua Certified Public Accountants (Special General Partnership)	Certified public accountants

As at the Latest Practicable Date, each of the above experts had given and had not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, report and/or opinion dated the date of this circular and references to its name in the form and context in which they appear.

As at the Latest Practicable Date, each of the above experts did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the above experts did not have any interests, either direct or indirect, in any assets which have been acquired or disclosed of by or leased to or are proposed to be acquired or disposed of by, or leased to any member of the Group since 31 December 2019, the date to which the latest published audited consolidated financial statements of the Group were made up.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (except public holidays) at the principal place of business of the Company in Hong Kong at 17th Floor, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong, from 23 December 2020 to 5 January 2021 (both days inclusive):

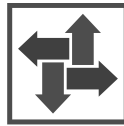
- (a) the articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2018 and 31 December 2019;
- (c) the report from Da Hua Certified Public Accountants (Special General Partnership) on the Unaudited Pro Forma Financial Information of the Group, the text of which is set out in Appendix II to this circular;
- (d) the letter and valuation certificate prepared by Vigers Appraisal & Consulting Limited, the text of which is set out in Appendix III to this circular;
- (e) the legal opinion issued by Beijing Yingfusi Law Firm in respect of the Property;
- (f) the letters of consent referred to in the section headed “Experts and consents” in this appendix;
- (g) the material contract referred to in the section headed “Material contract” in this appendix; and

- (h) this circular.

10. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Li Bo, a member of the Hong Kong Institute of Certified Public Accountants and a Certified Practicing Accountant of Australia.
- (b) The Company's H Share Registrar is Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

NOTICE OF EGM



北京京客隆
商业集团股份有限公司
BEIJING JINGKELONG COMPANY LIMITED

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Beijing Jingkelong Company Limited (the “**Company**”) will be held at 9:00 a.m. on Monday, 11 January 2021 (or at any adjournment thereof) at the Company's conference room at 4th Floor, Block No. 45, Xinyuan Street, Chaoyang District, Beijing, the PRC for the purposes of considering and, if thought fit, approving the matter set out below. Unless the context requires otherwise, terms defined in circular of the Company dated 23 December 2020 shall have the same meanings when used herein.

ORDINARY RESOLUTION

To consider and, if thought fit, approve the following resolution as an ordinary resolution:

“**THAT** the Agreement entered into between the Purchaser and the Vendor in respect of the Acquisition and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed, and that any one or more of the Directors and/or their authorised persons be and are hereby authorised to handle all relevant procedures to give effect to the Agreement and the transactions contemplated thereunder and to make any appropriate adjustments thereto whenever necessary in the process of submitting the same for the approval of and as required from time to time by the relevant authorities of the PRC.”

By Order of the Board
Beijing Jingkelong Company Limited
Li Jianwen
Chairman

Beijing, the People's Republic of China
23 December 2020

* For identification purposes only

NOTICE OF EGM

Notes:

- (A) The Company will not process registration of transfers of the H shares of the Company (the “**H Shares**”) from Wednesday, 6 January 2021 to Monday, 11 January 2021 (both days inclusive). Holders of H Shares whose names appear on the register of H Shares kept at the Company’s H Share Registrar Computershare Hong Kong Investor Services Limited (the “**Company’s H Share Registrar**”) at 4:30 p.m., the close of business on Tuesday, 5 January 2021 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 Tuesday, 5 January 2021. 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 (the “**Domestic Shares**”) of the Company from Wednesday, 6 January 2021 to Monday, 11 January 2021 (both days inclusive). Holders of Domestic Shares whose names appear on the register of shareholders of the Company at the close of business of Tuesday, 5 January 2021 are entitled to attend and vote at the EGM. Holders of Domestic Shares should contact the secretary to the board of directors of the Company (the “**Secretary to the Board**”) for details concerning registration of transfers of Domestic Shares. 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

- (B) Each holder of H Shares entitled to attend and vote at the EGM may, by completing the proxy form 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 (the “**Shareholder**”). With respect to any Shareholder who has appointed more than one proxy, the proxy holders may only vote on a poll.
- (C) Holders of H Shares must use the proxy form of the Company for appointing a proxy and the appointment must be in writing. The proxy form 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 proxy form 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 proxy form 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.
- (D) To be valid, the proxy form and the relevant notarised power of attorney (if any) and other relevant documents of authorisation (if any) as mentioned in note (C) above must be delivered to the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited (postal address: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong), not less than 24 hours before the time appointed for the EGM.
- (E) Each holder of Domestic Shares who is entitled to attend and vote at the EGM may also, by completing the proxy form 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 (C) and (D) above also apply to the holders of Domestic Shares, except that, to be valid, the proxy

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form 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, not less than 24 hours before the time appointed for the EGM. The address of the Secretary to the Board is stated in note (A) above.

- (F) A Shareholder or his/her 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/her 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.
- (G) 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.

As at the date of this notice, the executive Directors are Mr. Li Jianwen, Mr. Zhang Liwei, Ms. Li Chunyan and Mr. Li Shenlin; the non-executive Directors are Ms. Zhang Yan and Mr. Li Shunxiang; and the independent non-executive Directors are Mr. Wang Liping, Mr. Chen Liping and Mr. Choi Onward.