

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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)

**UNAUDITED CONSOLIDATED RESULTS
FOR THE THREE MONTHS ENDED 31 MARCH 2019**

The board of directors (the “**Board**”) of Beijing Jingkelong Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the unaudited consolidated results of the Group for the three months ended 31 March 2019 prepared in accordance with China Accounting Standards. This announcement is made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on the Stock Exchange).

UNAUDITED CONSOLIDATED RESULTS

	Note	<i>For the three months ended 31 March</i>	
		2019 RMB'000	2018 RMB'000
1. Total operating income		3,310,802	3,409,981
Including: principal operating income	1	3,042,164	3,119,097
Less: operating costs		2,629,537	2,709,155
Tax and surcharges		14,148	15,100
*Selling expenses		491,784	516,585
Administrative expenses		75,377	69,865
*Financial expense		50,024	41,869
Impairment losses on credits		0	0
Add: investment income		108	5,455
Changes in fair value of profit and loss		0	(5,046)
Gains on disposal of assets		(10)	(22)
Other income		2,745	2,966
2. *operating profit		<u>52,775</u>	<u>60,760</u>
Add: Non-operating income		1,078	284
Less: Non-operating expense		769	2,972
3. *Total profit		<u>53,084</u>	<u>58,072</u>
Less: income tax expense		17,925	18,492
4. *Net profit		<u>35,159</u>	<u>39,580</u>
*Net profit attributable to shareholders of the parent company		25,049	25,700
Profit or loss attributable to minority interests		10,110	13,880

*** the Group has implemented the “Accounting Standards for Business Enterprises No. 21 - Leases” (Finance [2018] No. 35) (hereinafter referred to as the “New Standards”) revised by the Ministry of Finance since 1 January 2019, the impact of the implementation of the New Standards on the Group’s profit and loss at first quarter is as follows:**

	The first quarter of year 2018	The first quarter of year 2019				
		New accounting standard	change rate compared with corresponding period(new accounting standard)	Former accounting standard	change rate compared with corresponding period(former accounting standard)	Variation generated by the difference of new and former accounting standards
Selling expenses	516, 585	491, 784	(4. 80%)	500, 131	(3. 19%)	(8, 347)
Including: depreciation	45, 869	86, 595	88. 79%	42, 902	(6. 47%)	43, 693
Rental expense	58, 734	15, 373	(73. 83%)	67, 413	14. 78%	(52, 040)
Financial expenses	41, 868	50, 024	19. 48%	36, 241	(13. 44%)	13, 783
Operating profit	60, 760	52, 775	(13. 14%)	58, 211	(4. 20%)	(5, 436)
Total profit	58, 072	53, 084	(8. 59%)	58, 521	0. 77%	(5, 436)
Income tax expense	18, 492	17, 925	(3. 07%)	19, 749	6. 80%	(1, 824)
Net profit	39, 580	35, 159	(11. 17%)	38, 772	(2. 04%)	(3, 613)
Net profit attributable to shareholders of the parent company	25, 700	25, 049	(2. 53%)	28, 182	9. 66%	(3, 133)

Notes:

1. Principal operating income

	<i>For the three months ended 31 March</i>	
	2019	2018
	RMB'000	RMB'000
Retail business		
--Hypermarkets	333,402	358,668
--Supermarkets	709,723	784,351
--Convenience stores	90,229	93,671
--Department Stores (including commissions)	8,017 6,599	10,989 9,295
Total retail principal operating income	<u>1,141,371</u>	<u>1,247,679</u>
Wholesale principal operating income recognized by Chaopi Group*	2,026,828	2,038,155
Less: Intersegment sales	(131,029)	(181,078)
Add: Sales to franchisees by the company	894	919
Consolidated wholesale principal operating income	<u>1,896,693</u>	<u>1,857,996</u>
Other principal operating income	<u>4,100</u>	<u>13,422</u>
Total principal operating income	<u>3,042,164</u>	<u>3,119,097</u>

* *Chaopi Group represents Beijing Chaopi Trading Company Limited and its subsidiaries.*

2. Gross profit margin

	<i>For the three months ended 31 March</i>	
	2019	2018
	(%)	(%)
Retail business of directly-operated hypermarkets, supermarkets and convenience stores	17.04%	16.94%
Wholesale business recognised by Chaopi Group including intersegment sales	10.57%	9.33%

3. Three directly-operated convenience stores were set up, a department store and five convenience stores (including 2 directly-operated convenience stores and 3 franchised convenience stores) were closed during the three months end 31 March 2019. The total number of retail outlets was 203 as at 31 March 2019.

The Board wishes to remind investors that the above figures are based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such data.

In the meantime, investors are advised to exercise caution in dealing in the securities of the Company.

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

Beijing, the PRC

26 April 2019

As at the date of this announcement, the executive directors of the Company are Mr. Li Jianwen, Mr. Shang Yongtian, Ms. Li Chunyan and Mr. Liu Yuejin; 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.

** For identification purpose only*