

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

This joint announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company nor shall there be any sale, purchase or subscription for securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful absent the filing of a registration statement or the availability of an applicable exemption from registration or other waiver. This joint announcement is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

物美控股集團有限公司
Wumei Holdings, Inc.*

*(a company incorporated in the People's
Republic of China)*

and its subsidiary
Wumart Stores (HK) Limited

(a company incorporated in Hong Kong)



物美
WUMART

北京物美商業集團股份有限公司
Wumart Stores, Inc.*

*(a joint stock limited company incorporated in
the People's Republic of China)*

(Stock code: 01025)

JOINT ANNOUNCEMENT

**PROPOSED WITHDRAWAL OF LISTING OF THE H SHARES OF
WUMART STORES, INC.**

**VOLUNTARY CONDITIONAL OFFER
BY SOMERLEY CAPITAL LIMITED
ON BEHALF OF
WUMEI HOLDINGS, INC. AND ITS SUBSIDIARY
WUMART STORES (HK) LIMITED
FOR ALL THE ISSUED H SHARES IN
WUMART STORES, INC.**

**(OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE
ACQUIRED BY THE OFFERORS
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM)**

**VOLUNTARY CONDITIONAL OFFER
BY WUMEI HOLDINGS, INC.
FOR ALL THE ISSUED DOMESTIC SHARES IN
WUMART STORES, INC.**

**(OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE
ACQUIRED BY THE OFFERORS
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM)**

**RESUMPTION OF TRADING IN
H SHARES OF WUMART STORES, INC.**

Financial Adviser to the Offerors



SOMERLEY CAPITAL LIMITED

* for identification purposes only

1. INTRODUCTION

On 5 October 2015, the Board received a notification from Wumei Holdings, the controlling shareholder of the Company, that voluntary conditional offers are being contemplated by Wumei Holdings and its wholly owned indirect subsidiary Wumei Hong Kong, for the H Shares and the Domestic Shares other than those owned, controlled or agreed to be acquired by the Offerors and parties acting in concert with any of them in accordance with the Takeovers Code which, if implemented, will result in the Delisting.

The Proposal is subject to a number of conditions as set out in this joint announcement, including the approval of the Delisting by Independent H Shareholders at the H Share Class Meeting, by Independent Domestic Shareholders at the Domestic Share Class Meeting and by Independent Shareholders at the EGM, in each case voting by way of a poll. In particular, the H Share Offer will only become unconditional if and when the H Share Offer Conditions have been satisfied or as the case may be waived. Accordingly, all references in this joint announcement to the Offers are references to the Offers that will become unconditional only if and when such conditions have been satisfied or as the case may be waived. Shareholders and/or potential investors should therefore exercise caution when dealing in the Shares.

2. CONSIDERATION FOR THE OFFERS

Under the Proposal, Offers will be made by the Offerors or on their behalf in accordance with the provisions of the Takeovers Code on the following basis:

For each H Share HK\$6.22 in cash

**For each Domestic Share RMB5.07 in cash
(equivalent of the H Share offer price in RMB)**

The Offerors will not increase the consideration for the Offers as set out above.

The Offerors will finance the consideration payable in respect of the acceptances received under the Offers using their own cash resources. Somerley Capital has been appointed as the financial adviser to the Offerors in respect of the Offers and is satisfied that sufficient financial resources are available to the Offerors to satisfy full acceptance of the Offers.

3. CONDITIONS OF THE H SHARE OFFER

The H Share Offer is subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) the passing by the Independent H Shareholders at the H Share Class Meeting to be convened for this purpose of a resolution approving the Delisting, provided that:
 - (i) such approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and
 - (ii) the number of votes cast, by way of poll, against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (b) the passing by the Independent Domestic Shareholders at the Domestic Share Class Meeting to be convened for this purpose of a resolution approving the Delisting, provided that:
 - (i) such approval is given by at least 75% of the votes attaching to the Domestic Shares held by the Independent Domestic Shareholders that are cast either in person or by proxy; and
 - (ii) the number of votes cast, by way of poll, against the resolution is not more than 10% of the votes attaching to all the Domestic Shares held by the Independent Domestic Shareholders;
- (c) the passing by the Independent Shareholders at the EGM to be convened for this purpose of a resolution approving the Delisting, provided that:
 - (i) such approval is given by at least 75% of the votes attaching to the Shares held by the Independent Shareholders that are cast either in person or by proxy; and
 - (ii) the number of votes cast, by way of poll, against the resolution is not more than 10% of the votes attaching to all the Shares held by the Independent Shareholders;
- (d) all necessary authorizations, consents and approvals (including approval in-principle) of any government or governmental or regulatory body or court or institution in relation to the Proposal including the H Share Offer and the implementation thereof having been obtained pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions;

- (e) all necessary third party consents in relation to the Proposal including the H Share Offer, pursuant to any agreement to which any of the Company or any of its subsidiaries is a party, where any failure to obtain such consent would have a material adverse effect on the business of the Company and its subsidiaries taken as a whole, having been obtained or waived by the relevant party(ies);
- (f) all of the authorizations, consents and approvals obtained pursuant to paragraphs (d) and (e) above remaining in full force and effect and not having been revoked or rescinded;
- (g) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Proposal or the H Share Offer void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to, the Proposal or the H Share Offer or otherwise having a material adverse effect on the legal ability of the Offerors to proceed with or consummate the Proposal or the H Share Offer; and
- (h) there having occurred no change, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on the business, financial position, operations or prospects of the Company and its subsidiaries taken as a whole.

The conditions set out in paragraphs (a) to (g) are incapable of being waived. The Offerors may waive the condition set out in paragraph (h). As advised by the PRC lawyers to Wumei Holdings, no PRC regulatory approval is required for the making of the H Share Offer by the Offerors. However, the implementation of the H Share Offer, in particular with respect to the payment of consideration using onshore funds, requires filing with the PRC authorities, which have been duly made. The H Share Offer will be made in compliance with the Takeovers Code, which is administered by the Executive.

The H Share Offer will initially be open for acceptances for at least 21 days from the date that the Composite Document is posted. Once all of the H Share Offer Conditions have been either fulfilled, or, if permitted, waived by the Offerors, the H Share Offer will be declared unconditional and the H Share Offer will be extended for a subsequent period of at least 28 calendar days with at least 14 days' notice in writing given before the H Share Offer is closed by the Offerors in order to allow sufficient time for those H Shareholders who have not accepted the H Share Offer to process the transfer of their Shares.

4. CONDITIONS OF THE DOMESTIC SHARE OFFER

The Domestic Share Offer is subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) the H Share Offer becoming unconditional in all respects;
- (b) all necessary authorizations, consents and approvals (including approval in-principle) of any governmental or regulatory body or court or institution in relation to the Domestic Share Offer (including the implementation thereof) having been obtained pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions;
- (c) all necessary third party consents in relation to the Domestic Share Offer, pursuant to any agreement to which any of the Company or any of its subsidiaries is a party, where any failure to obtain such consent would have a material adverse effect on the business of the Company and its subsidiaries taken as a whole, having been obtained or waived by the relevant party(ies);
- (d) all of the authorizations, consents and approvals obtained pursuant to paragraphs (b) and (c) above remaining in full force and effect and not having been revoked or rescinded;
- (e) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Domestic Share Offer void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to, the Domestic Share Offer or otherwise having a material adverse effect on the legal ability of Wumei Holdings to proceed with or consummate the Domestic Share Offer; and
- (f) there having occurred no change, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on the business, financial position, operations or prospects of the Company and its subsidiaries taken as a whole.

The conditions set out in paragraphs (a) to (e) are incapable of being waived. Wumei Holdings may waive the condition set out in paragraph (f). As advised by the PRC lawyers to Wumei Holdings, no PRC regulatory approval is required for the making and implementation of the Domestic Share Offer by Wumei Holdings. Given that the Domestic Share Offer and the H Share Offer are not inter-conditional, the Offerors have applied to the Executive for a waiver from the requirements under Note 3 to Rule 14 of the Takeovers Code.

5. NO RIGHT OF COMPULSORY ACQUISITION

The Offerors have no rights under the laws of the PRC and the Articles of Association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Stock Exchange or any other exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Stock Exchange and the Company no longer subject to the requirements under the Listing Rules. In addition, the Company may or may not continue to be subject to the Takeovers Code after the completion of the Offers depending on whether it remains as a public company thereafter.

The Offerors will apply to the Executive for a waiver from the requirements under Rule 2.2(c) of the Takeovers Code, which requires a resolution to approve a delisting to be made subject to the relevant offeror(s) being entitled to exercise, and exercising, its rights of compulsory acquisition.

6. GENERAL INFORMATION

6.1 Shareholding structure of the Company

As at the date of this joint announcement, the Offerors and their concert parties are interested in 707,142,200 Domestic Shares and 1,421,425 H Shares, representing in aggregate approximately 55.03% of the Shares, made up of approximately 94.16% of the total issued Domestic Shares and approximately 0.26% of the total issued H Shares. As at the date of this joint announcement, the Company does not have in issue any other outstanding convertible securities, options, warrants or derivatives in issue which confer any right to subscribe for, convert or exchange into Domestic Shares or H Shares and/or rights over the Domestic Shares or H Shares in issue.

6.2 Independent committee of the board of the Company

Pursuant to Rule 2.1 of the Takeovers Code, an independent committee of the board of the Company has been established to make recommendations to the Independent Shareholders as to whether the terms of the Offers are, or are not, fair and reasonable and as to acceptances and whether the Delisting is, or is not fair and reasonable and as to voting. The independent committee of the board of the Company comprises the non-executive Director, Dr. Meng Jin-xian, the independent non-executive Directors, namely, Mr. Li Lu-an, Mr. Lu Jiang and Mr. Wang Jun-yan, each of whom has no direct or indirect interest in the Offers and the Delisting.

An independent financial adviser will be appointed, subject to the approval of the independent committee of the board of the Company, to advise the independent committee of the board of the Company as to whether the terms of the Offers are, or are not, fair and reasonable and as to acceptances and whether the Delisting is, or is not fair and reasonable and as to voting. A separate announcement will be made by the Company as soon as possible after the independent financial adviser has been appointed.

6.3 Reasons for and benefits of the Offers

The Group's principal activity is the operation of superstores and minimarts in the PRC. In recent years, the Group's profitability has been adversely affected by increasing labour and rental costs and competition from both online and offline operators. In the first half of 2015, despite the Group's turnover having increased by approximately 11.4%, profit attributable to Shareholders decreased by approximately 19.5%, by comparison with the first half of 2014. The Offerors believe that the Group's profitability will continue to face downward pressure from the prevailing weak operating environment, which is expected to remain challenging due in part to the slowing economic growth and the declining trend of retail sales in the PRC. The industry as a whole is undergoing consolidation and the Group needs to take determined measures to continue to consolidate its market position so as to be able to promptly and effectively react to and overcome such challenges on a sustainable basis. New expansion and mergers and acquisitions will result in increase in costs and dilution of profits, and a longer period may be required for investments to be recovered when market growth slows down as a whole. As a publicly listed company, investors would have different requirements with regard to their return on investment, and may urge the Company to consider expansion opportunities more cautiously. For instance, a sizeable acquisition and merger may be of strategic importance, but it may also significantly dilute profitability, on a per Share basis, for a relatively long period of time, especially when equity financing is being employed. Nevertheless, the Company would still require expansion of its businesses to generate synergy and to balance the Group's profitability and development scale. The Proposal, if successful, will not only enable the Company to have greater flexibility to make timely investment decisions, but also minimize the adverse effects on Shareholders' return on investment.

For H Shareholders, the Offerors believe that the H Share Offer provides a compelling opportunity to dispose of their H Shares, for the following reasons:

- **Satisfactory return;** the offer price under the H Share Offer represents four times the offer price of the H Shares at the initial public offering given the Shares underwent a 1-into-4 share split in 2006;

- **Premium valuation;** H Shareholders receive cash at a price significantly above the prevailing market price as set out in the sub-section headed “2.2 Comparisons of value”; and
- **Certain and immediate value;** considering the limited trading volume in the H Shares, the H Share Offer represents an opportunity for H Shareholders to exit their investment for cash proceeds.

6.4 General matters relating to the H Share Offer

Availability of the H Share Offer

The Offerors intend to make available the H Share Offer to all H Shareholders, including those who are resident outside Hong Kong, to the extent practicable.

The making of the H Share Offer to the overseas H Shareholders and/or their ability to participate in the H Share Offer may be subject to the laws of the relevant jurisdictions in which they are resident or domiciled. Overseas H Shareholders should observe any applicable legal or regulatory requirements to which they may be subject including obtaining any governmental, exchange control or other consents, or filing and registration and the payment of any transfer or other taxes. It is the responsibility of the overseas Independent H Shareholders wishing to accept the H Share Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance of the H Share Offer by any H Shareholder will be deemed to constitute a representation and warranty from such H Shareholder to the Offerors and the Company that all applicable legal and regulatory requirements to which they may be subject have been complied with and that the H Share Offer can be extended to and/or accepted by such H Shareholder lawfully under such requirements. H Shareholders should consult their professional advisers if in doubt.

In the event that the despatch of the Composite Document to overseas H Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive’s consent, the Composite Document will not be despatched to such overseas Shareholders. The Offerors will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Composite Document

The Composite Document for the H Share Offer will contain details of, among other things, the Offers, the expected timetable relating to the H Share Offer, the recommendations of the independent committee of the board of the Company in respect of the Offers, the letter of advice from the independent financial adviser in respect of the Offers, as well as other particulars required by the Takeovers Code and will be despatched to the H Shareholders within 21 days from the date of this joint announcement or such later date to which the Executive may consent.

Meetings

The H Share Class Meeting will be convened for the purpose of passing a resolution by way of poll to approve the Delisting by the Independent H Shareholders, and such approval must be given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and the number of votes cast against the resolution is not more than 10% of the votes attaching to all of the H Shares held by the Independent H Shareholders. The Offerors and their respective concert parties are required to abstain from voting at the H Share Class Meeting.

The Domestic Share Class Meeting will be convened for the purpose of passing a resolution by way of poll to approve the Delisting by the Independent Domestic Shareholders, and such approval must be given by at least 75% of the votes attaching to the Domestic Shares held by the Independent Domestic Shareholders that are cast either in person or by proxy; and the number of votes cast against the resolution is not more than 10% of the votes attaching to all of the Domestic Shares held by the Independent Domestic Shareholders. The Offerors and their respective concert parties are required to abstain from voting at the Domestic Share Class Meeting.

Furthermore, pursuant to Rule 2.2 of the Takeovers Code, the EGM will be convened for the purpose of passing a resolution by way of poll to approve the Delisting by the Independent Shareholders, and such approval must be given by at least 75% of the votes attaching to the Shares held by the Independent Shareholders that are cast either in person or by proxy, and the number of votes cast against the resolution shall be no more than 10% of the votes attaching to all Shares held by the Independent Shareholders. The Offerors and their respective concert parties are required to abstain from voting at the EGM.

The Shares beneficially owned by the Offerors and the parties acting in concert with them, will not, in compliance with the Takeovers Code, be voted at the H Share Class Meeting, the Domestic Share Class Meeting and/or the EGM.

Notices of the H Share Class Meeting, the Domestic Share Class Meeting and the EGM will be sent to the Shareholders together with the Composite Document.

7. WITHDRAWAL OF LISTING OF THE H SHARES

Upon the H Share Offer becoming unconditional, the Company will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules. The Shareholders will be notified by way of an announcement of the dates for the last day for dealing in the H Shares and on which the Delisting will become effective.

8. RESUMPTION OF TRADING IN THE H SHARES

At the request of the Company, trading in the H Shares on the Stock Exchange has been halted from 9:00 a.m. on 6 October 2015 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the H Shares on the Stock Exchange with effect from 9:00 a.m. on 22 October 2015.

Notice to the holders of H Shares in the United States

The H Share Offer is subject to Hong Kong disclosure and procedural requirements, including with respect to offer timetable, settlement procedures, timing of payments and withdrawal rights, which are different from those applicable to tender offers carried out in the United States. In the absence of a relevant exemption under the laws of the United States, the H Share Offer may not be available to persons who are in the United States. Even where an exemption is available, persons in the United States are urged, before accepting the H Share Offer, to consult their own professional advisers regarding the tax consequences of acceptance of the H Share Offer, whether in relation to United States federal income tax or taxes under applicable state and local tax laws, or foreign tax laws.

The financial information of the Company has been extracted from the audited financial statements of the Company for the years ended 31 December 2014 and the unaudited financial statements of the six months ended 30 June 2015, which have been prepared in accordance with the Hong Kong Financial Reporting Standards, which may not be wholly comparable to financial information of United States companies or companies whose financial statements are solely prepared in accordance with generally accepted accounting principles in the United States.

The Company is incorporated under the laws of the People's Republic of China. It may be difficult for holders of H Shares in the United States to enforce their rights and claims arising out of United States federal securities laws, since the Company is located in a country other than the United States, some or all of its officers and directors may be residents of a country other than the United States and the assets of the Company may be located outside the United States. Holders of H Shares in the United States may not be able to sue a non-United States company or its officers or directors in a non-United States court for violations of United States securities laws. It may be difficult for such

holders of H Shares to effect service of process within the United States upon the Company or its officers or directors or to enforce against them any judgment of a United States court predicated upon the federal or state securities laws of the United States. In particular holders of H Shares in the United States should note that the Offerors reserve the right themselves or through affiliates or nominees or their brokers acting as agents from time to time making purchases of, or arrangements to purchase H Shares outside of the United States whether in open market or by private transaction during the offer period of the H Share Offer other than pursuant to the H Share Offer to the extent permitted by and in accordance with the requirements of the Takeovers Code. Information about such purchases will be reported to the SFC in accordance with the requirements of the Takeovers Code and will be available on the website of the SFC at <http://www.sfc.hk/>.

1. INTRODUCTION

On 5 October 2015, the Board received a notification from Wumei Holdings, the controlling shareholder of the Company, that voluntary conditional offers are being contemplated by Wumei Holdings and its wholly owned indirect subsidiary Wumei Hong Kong, for the H Shares and the Domestic Shares other than those owned, controlled or agreed to be acquired by the Offerors and parties acting in concert with any of them in accordance with the Takeovers Code which, if implemented, will result in the Delisting.

Such Proposal is subject to a number of conditions as set out in this joint announcement, including the approval of the Delisting by Independent H Shareholders at the H Share Class Meeting, by Independent Domestic Shareholders at the Domestic Share Class Meeting and by Independent Shareholders at the EGM, in each case voting by way of a poll. In particular, the H Share Offer will only become unconditional if and when the H Share Offer Conditions have been satisfied or as the case may be waived. Accordingly, all references in this joint announcement to the Offers are references to the Offers that will become unconditional only if and when such conditions have been satisfied or as the case may be waived. Shareholders and/or potential investors should therefore exercise caution when dealing in the Shares.

2. THE OFFERS

2.1 Consideration for the Offers

Under the Proposal, Offers will be made by the Offerors or on their behalf in accordance with the provisions of the Takeovers Code on the following basis:

For each H Share HK\$6.22 in cash

For each Domestic Share RMB5.07 in cash*

* *equivalent of the H Share offer price in RMB.*

The Offerors will not increase the consideration for the Offers as set out above.

2.2 Comparisons of value

The cash offer price offered under the Offers represents:

- (a) a premium of approximately 90.21% over HK\$3.27 which is the closing price per H Share as quoted on the Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 94.98% over HK\$3.19 which is the volume weighted average closing price per H Share as quoted on the Stock Exchange for the one week up to and including the Last Trading Date;
- (c) a premium of approximately 78.74% over HK\$3.48 which is the volume weighted average closing price per H Share as quoted on the Stock Exchange for the one month up to and including the Last Trading Date;
- (d) a premium of approximately 52.08% over HK\$4.09 which is the volume weighted average closing price per H Share as quoted on the Stock Exchange for the three months up to and including the Last Trading Date;
- (e) a premium of approximately 21.48% over HK\$5.12 which is the volume weighted average closing price per H Share as quoted on the Stock Exchange for the six months up to and including the Last Trading Date;
- (f) a premium of approximately 95.60% over HK\$3.18 which is the average closing price per H Share as quoted on the Stock Exchange for the one week up to and including the Last Trading Date;
- (g) a premium of approximately 77.71% over HK\$3.50 which is the average closing price per H Share as quoted on the Stock Exchange for the one month up to and including the Last Trading Date;
- (h) a premium of approximately 48.10% over HK\$4.20 which is the average closing price per H Share as quoted on the Stock Exchange for the three months up to and including the Last Trading Date;
- (i) a premium of approximately 18.03% over HK\$5.27 which is the average closing price per H Share as quoted on the Stock Exchange for the six months up to and including the Last Trading Date; and
- (j) a premium of approximately 61.98% over RMB3.13 which is the unaudited consolidated net asset value of each Share as at 30 June 2015.

2.3 Highest and lowest prices

During the six-month period preceding the Last Trading Date, the highest per share closing price of the H Shares as quoted on the Stock Exchange was HK\$7.1 which was recorded on 15 April 2015, and the lowest per share closing price of the H Shares as quoted on the Stock Exchange was HK\$3.1 which was recorded on 29 September 2015.

2.4 Consideration

Based on the cash offer price of HK\$6.22 per H Share and the total number of H Shares subject to the H Share Offer of 535,146,575 H Shares (representing the H Shares not already owned, controlled or agreed to be acquired by the Offerors and parties acting in concert with any of them), the maximum value of the H Share Offer (assuming the H Share Offer is accepted in full and there are no changes in the share capital of the Company) is approximately HK\$3,328.61 million.

Based on the offer price of RMB5.07 per Domestic Share and the total number of Domestic Shares subject to the Domestic Share Offer of 43,833,916 Domestic Shares (representing the Domestic Shares not already owned, controlled or agreed to be acquired by the Offerors and parties acting in concert with any of them), the maximum value of the Domestic Share Offer (assuming the Domestic Share Offer is accepted in full and there are no changes in the share capital of the Company) is approximately RMB222.24 million.

The consideration payable under the Offers was determined on the basis of the most recent published financial information of the Company, the Offerors' assessment of the Company's business and its prospects and its market position, and the trend of the market price of its shares. The consideration will be paid in cash.

2.5 Settlement of consideration

Settlement of the consideration payable in respect of acceptances received under the H Share Offer will be made as soon as possible but in any event within seven business days of the date of receipt of a complete and valid acceptance or of the Unconditional Date, whichever is the later. For this purpose, business days refers to the days on which the Stock Exchange is open for transaction of business.

2.6 Confirmation of financial resources in respect of the Offers

The Offerors will finance the consideration payable in respect of the acceptances received under the Offers using their own cash resources. Somerley Capital has been appointed as the financial adviser to the Offerors in respect of the Offers and is satisfied that sufficient financial resources are available to the Offerors to satisfy full acceptance of the Offers.

3. CONDITIONS OF THE H SHARE OFFER

The H Share Offer is subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) the passing by the Independent H Shareholders at the H Share Class Meeting to be convened for this purpose of a resolution approving the Delisting, provided that:
 - (i) such approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and
 - (ii) the number of votes cast, by way of poll, against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (b) the passing by the Independent Domestic Shareholders at the Domestic Share Class Meeting to be convened for this purpose of a resolution approving the Delisting, provided that:
 - (i) such approval is given by at least 75% of the votes attaching to the Domestic Shares held by the Independent Domestic Shareholders that are cast either in person or by proxy; and
 - (ii) the number of votes cast, by way of poll, against the resolution is not more than 10% of the votes attaching to all the Domestic Shares held by the Independent Domestic Shareholders;
- (c) the passing by the Independent Shareholders at the EGM to be convened for this purpose of a resolution approving the Delisting, provided that:
 - (i) such approval is given by at least 75% of the votes attaching to the Shares held by the Independent Shareholders that are cast either in person or by proxy; and
 - (ii) the number of votes cast, by way of poll, against the resolution is not more than 10% of the votes attaching to all the Shares held by the Independent Shareholders;
- (d) all necessary authorizations, consents and approvals (including approval in-principle) of any government or governmental or regulatory body or court or institution in relation to the Proposal including the H Share Offer and the implementation thereof having been obtained pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions;

- (e) all necessary third party consents in relation to the Proposal including the H Share Offer, pursuant to any agreement to which any of the Company or any of its subsidiaries is a party, where any failure to obtain such consent would have a material adverse effect on the business of the Company and its subsidiaries taken as a whole, having been obtained or waived by the relevant party(ies);
- (f) all of the authorizations, consents and approvals obtained pursuant to paragraphs (d) and (e) above remaining in full force and effect and not having been revoked or rescinded;
- (g) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Proposal or the H Share Offer void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to, the Proposal or the H Share Offer or otherwise having a material adverse effect on the legal ability of the Offerors to proceed with or consummate the Proposal or the H Share Offer; and
- (h) there having occurred no change, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on the business, financial position, operations or prospects of the Company and its subsidiaries taken as a whole.

The conditions set out in paragraphs (a) to (g) are incapable of being waived. The Offerors may waive the condition set out in paragraph (h). As advised by the PRC lawyers to Wumei Holdings, no PRC regulatory approval is required for the making of the H Share Offer by the Offerors. However, the implementation of the H Share Offer, in particular with respect to the payment of consideration using onshore funds, requires filing with the PRC authorities, which have been duly made. If H Share Offer Conditions are satisfied (or as the case may be waived), the Shareholders will be notified by an announcement in accordance with the Takeovers Code and Listing Rules as soon as practicable thereafter.

The H Share Offer will be made in compliance with the Takeovers Code, which is administered by the Executive. In accordance with Note 2 to Rule 30.1 of the Takeovers Code, the Offerors will not invoke any of the above conditions to the H Share Offer unless the circumstances which give rise to the right to invoke the condition are of material significance to the Offerors in the context of the H Share Offer.

As of the date of this joint announcement, none of the Offerors or parties acting in concert with any of them has received any irrevocable voting commitment in respect of the H Share Class Meeting, and/or the Domestic Share Class Meeting and/or EGM and/or any irrevocable commitment to tender their H Shares in the H Share Offer from any Independent H Shareholder.

4. CONDITIONS OF THE DOMESTIC SHARE OFFER

The Domestic Share Offer is subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) the H Share Offer becoming unconditional in all respects;
- (b) all necessary authorizations, consents and approvals (including approval in-principle) of any governmental or regulatory body or court or institution in relation to the Domestic Share Offer (including the implementation thereof) having been obtained pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions;
- (c) all necessary third party consents in relation to the Domestic Share Offer, pursuant to any agreement to which any of the Company or any of its subsidiaries is a party, where any failure to obtain such consent would have a material adverse effect on the business of the Company and its subsidiaries taken as a whole, having been obtained or waived by the relevant party(ies);
- (d) all of the authorizations, consents and approvals obtained pursuant to paragraphs (b) and (c) above remaining in full force and effect and not having been revoked or rescinded;
- (e) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Domestic Share Offer void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to, the Domestic Share Offer or otherwise having a material adverse effect on the legal ability of Wumei Holdings to proceed with or consummate the Domestic Share Offer; and
- (f) there having occurred no change, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on the business, financial position, operations or prospects of the Company and its subsidiaries taken as a whole.

The conditions set out in paragraphs (a) to (e) are incapable of being waived. Wumei Holdings may waive the condition set out in paragraph (f). As advised by the PRC lawyers to Wumei Holdings, no PRC regulatory approval is required for the making and implementation of the Domestic Share Offer by Wumei Holdings.

Given that the Domestic Share Offer and the H Share Offer are not inter-conditional, the Offerors have applied to the Executive for a waiver from the requirements under Note 3 to Rule 14 of the Takeovers Code.

5. FURTHER TERMS OF THE H SHARE OFFER

All rights attaching to H Shares acquired and free and clear of encumbrance

Under the terms of the H Share Offers, the H Shares will be acquired with all rights attached thereto as at the date of this joint announcement or which subsequently become attached thereto, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, on or after the date of this joint announcement, and free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

Hong Kong stamp duty

Seller's ad valorem stamp duty for the H Shares registered with the Hong Kong branch register arising in connection with acceptance of the H Share Offer will be payable by each H Shareholder at the rate of HK\$1.00 for every HK\$1,000 or part thereof of (i) the market value of the H Shares; or (ii) the consideration payable by the Offerors for such person's H Shares, whichever is higher, and will be deducted from the cash amount due to such H Shareholder under the H Share Offer. The Offerors will pay the buyer's ad valorem stamp duty on their own behalf.

Closing Date of the H Share Offer

The H Share Offer will initially be open for acceptances for at least 21 days from the date that the Composite Document is posted. Once all of the H Share Offer Conditions have been either fulfilled, or, if permitted, waived by the Offerors, the H Share Offer will be declared unconditional and the H Share Offer will be extended for a subsequent period of at least 28 calendar days with at least 14 days' notice in writing given before the H Share Offer is closed by the Offerors in order to allow sufficient time for those H Shareholders who have not accepted the H Share Offer to process the transfer of their Shares.

6. NO RIGHT OF COMPULSORY ACQUISITION

The Offerors have no rights under the laws of the PRC and the Articles of Association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Stock Exchange or any other exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Stock Exchange and the Company no longer subject to the requirements under the Listing Rules. In addition, the Company may or may not continue to be subject to the Takeovers Code after the completion of the Offers depending on whether it remains as a public company thereafter.

The Offerors will apply to the Executive for a waiver from the requirements under Rule 2.2(c) of the Takeovers Code, which requires a resolution to approve a delisting to be made subject to the relevant offeror(s) being entitled to exercise, and exercising, its rights of compulsory acquisition.

7. GENERAL INFORMATION

7.1 Information on the Offerors

As at the date of this joint announcement, the Offerors and their concert parties other than those with exempt principal trader or exempt fund manager status are interested in approximately 55.03% of the Shares, held as follows:

	Domestic Shares		H Shares	
Wumei Holdings ⁽¹⁾⁽²⁾	497,932,928	66.30%	46,425	0.00%
Beijing Wangshang Shijie Information Technology Co., Ltd. ⁽³⁾⁽⁴⁾	160,457,744	21.37%	–	–
Zhang Bin ⁽⁵⁾	24,482,300	3.26%	–	–
Beijing Toma Wangluo Technology Co., Ltd. ⁽⁶⁾	23,269,228	3.10%	–	–
Xu Ying ⁽⁷⁾	1,000,000	0.13%	–	–
Retail Enterprise Corporation Limited ⁽⁸⁾	–	–	<u>1,375,000</u>	<u>0.26%</u>
TOTAL	<u><u>707,142,200</u></u>	<u><u>94.16%</u></u>	<u><u>1,421,425</u></u>	<u><u>0.26%</u></u>

(1) Held as to 97.02% by Beijing CAST Technology Investment Company, which is in turn held as to 80.00% by Beijing Jingxi Guigu Technology Company Limited, which is held as to 100.00% by Dr. Zhang Wenzhong. The other 2.98% of Wumei Holdings is held by Tibet Aiqi Hongsheng Investment Management Co., Ltd, a company owned by Lin Dongliang and Wu Guangze, being third parties unrelated to Dr. Zhang Wenzhong. The other 20.00% of Beijing CAST Technology Investment Company is held by Beijing Zhongsheng Huate Technology Co., Ltd., which is held as to 99.00% by Dr. Zhang Wenzhong and 1.00% by Beijing Jingxi Guigu Technology Company Limited.

(2) Wumei Holdings holds 66.30% of the Domestic Shares and 0.00% of the H Shares.

(3) Held as to 57.65% by two wholly-owned subsidiaries of Wumei Holdings, Beijing Green Safe Agricultural Products Logistics and Information Center Co. Ltd and Lhasa Wisdom Network Excellent Investment Management Co. Ltd. The other 42.35% of Beijing Wangshang Shijie Information Technology Co., Ltd. is held by Harvest Line Limited and Lin Dongliang, being third parties unrelated to Dr. Zhang Wenzhong.

- (4) Beijing Wangshang Shijie Information Technology Co., Ltd. holds 21.37% of the Domestic Shares.
- (5) Zhang Bin is the younger brother of Dr. Zhang Wenzhong. He holds 3.26% of the Domestic Shares.
- (6) Held as to 55.00% by Zhang Ling, a director of Wumei Holdings. The other 45.00% is held by Lu Jianping, being a third party unrelated to Dr. Zhang Wenzhong.
- (7) Xu Ying is a director of both Wumei Holdings and the Company.
- (8) Held as to 100.00% by Wumei Holdings.

Save as aforesaid, as at the date of this joint announcement:

- (a) there is no existing holding of voting rights and rights over Shares which the Offerors own or over which any of them has control or direction;
- (b) there is no existing holding of voting rights and rights over Shares which is owned or controlled or directed by any of the Offerors' concert parties;
- (c) there is no existing holding of voting rights and rights over Shares in respect of which any of the Offerors or any of their concert parties has received an irrevocable commitment to accept the H Share Offer or to vote for or against the Delisting;
- (d) there is no existing holding of voting rights and rights over Shares in respect of which any of the Offerors or any of their concert parties holds convertible securities, warrants or options;
- (e) there is no outstanding derivative in respect of securities in the Company entered into by any of the Offerors or any of their concert parties;
- (f) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares and which might be material to the Offers and/or the Delisting;
- (g) there is no agreement or arrangement to which any of the Offerors is a party which relates to the circumstances in which it may or may not invoke or seek to invoke the pre-condition, a condition to the Offers and the consequences of its doing so; and
- (h) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which any of the Offerors or any of their concert parties has borrowed or lent.

The Offerors and the persons who are parties acting in concert with any of them have not dealt for value in any Shares or any options, warrants, derivatives or securities convertible into Shares during the period beginning six months prior to the date of this joint announcement.

Wumei Holdings was duly incorporated on 6 October 1994 and is validly existing under the laws of the PRC as a limited liability company. Its principal business activities are investment holding. As at the date of this joint announcement, the directors of Wumei Holdings are Mr. Zhang Bin, Madam Xu Ying, Mr. Zhang Ling and Mr. Zhou Quan. Dr. Zhang Wenzhong, the ultimate controlling shareholder of Wumei Holdings, was also the founder of the Company.

Wumei Hong Kong was duly incorporated on 13 January 2015 and is validly existing under the laws of Hong Kong as a limited liability company. Its principal business activities are investment holding. As at the date of this joint announcement, the directors of Wumei Hong Kong is Mr. Zhang Wenzhong. Wumei Hong Kong is an indirect wholly-owned subsidiary of Wumei Holdings. Wumei Hong Kong is held as to 100% by Wumart Stores Limited, which is in turn held by Wumei Holdings Limited, which is in turn held 100% by Retail Enterprise Corporation Limited, which is held by Wumei Holdings.

Valid acceptances to be received under the H Share Offer shall be allocated between Wumei Hong Kong and Wumei Holdings. The exact allocation proportion of the H Shares shall be determined prior to the making of the H Share Offer.

7.2 Information on the Company

The Company is a joint stock limited company incorporated in the PRC with limited liability and whose H Shares were listed on the Growth Enterprise Market Board (“**GEM board**”) of the Stock Exchange from 21 November 2003, and which have since 30 June 2011 been listed on the main board of the Stock Exchange by way of transfer from the GEM Board.

The Group is principally engaged in the operation of superstores and minimarts in the PRC.

Selected financial information of the Group as extracted from the Company's audited consolidated financial statements for the three years ended 31 December 2014 and unaudited consolidated financial statement for the six months ended 30 June 2015 is set out below:

<i>RMB'000</i>	For the year ended 31 December			For the six months ended 30 June
	2012	2013	2014	2015
Revenue	15,362,984	16,988,172	18,902,300	10,265,654
Profit before tax	865,405	716,347	556,670	361,526
Profit attributable to owners of the Company	601,706	459,031	394,783	246,984

7.3 Shareholding structure of the Company

The shareholding structure of the Company as at the date of this joint announcement and immediately after completion of the Offers (assuming the Offers are fully accepted by the Independent Shareholders and total issued share capital of the Company remains unchanged) is as follows:

	As at the date of this joint announcement		Immediately after completion of the Offers (assuming the Offers are fully accepted by the Independent Shareholders and total issued share capital of the Company remains unchanged)	
Domestic Shares				
Offerors and their concert parties	707,142,200	54.92%	750,976,116	58.33%
Other Shareholders	<u>43,833,916</u>	<u>3.41%</u>	<u>–</u>	<u>–</u>
Total Domestic Shares	<u>750,976,116</u>	<u>58.33%</u>	<u>750,976,116</u>	<u>58.33%</u>
H Shares				
Offerors and their concert parties	1,421,425	0.11%	536,568,000	41.67%
Public Shareholders	<u>535,146,575</u>	<u>41.56%</u>	<u>–</u>	<u>–</u>
Total H Shares	<u>536,568,000</u>	<u>41.67%</u>	<u>536,568,000</u>	<u>41.67%</u>
Total share capital of the Company	<u>1,287,544,116</u>	<u>100.00%</u>	<u>1,287,544,116</u>	<u>100.00%</u>

As at the date of this joint announcement, the Company does not have in issue any other outstanding convertible securities, options, warrants or derivatives in issue which confer any right to subscribe for, convert or exchange into Domestic Shares or H Shares and/or rights over the Domestic Shares or H Shares in issue.

7.4 Independent committee of the board of the Company

Pursuant to Rule 2.1 of the Takeovers Code, an independent committee of the board of the Company has been established to make recommendations to the Independent Shareholders as to whether the terms of the Offers are, or are not, fair and reasonable and as to acceptances and whether the Delisting is, or is not fair and reasonable and as to voting. The independent committee of the board of the Company comprises:

Dr. Meng Jin-xian, a non-executive Director;

Mr. Li Lu-an, an independent non-executive Director;

Mr. Lu Jiang, an independent non-executive Director; and

Mr. Wang Jun-yan, an independent non-executive Director,

each of whom has no direct or indirect interest in the Offers and the Delisting.

An independent financial adviser will be appointed, subject to the approval of the independent committee of the board of the Company, to advise the independent committee of the board of the Company as to whether the terms of the Offers are, or are not, fair and reasonable and as to acceptances and whether the Delisting is, or is not fair and reasonable and as to voting. A separate announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser.

7.5 Reasons for and benefits of the Offers

The Group's principal activity is the operation of superstores and minimarts in the PRC. In recent years, the Group's profitability has been adversely affected by increasing labour and rental costs and competition from both online and offline operators. In the first half of 2015, despite the Group's turnover having increased by approximately 11.4%, profit attributable to Shareholders decreased by approximately 19.5%, by comparison with the first half of 2014. The Offerors believe that the Group's profitability will continue to face downward pressure from the prevailing weak operating environment, which is expected to remain challenging due in part to the slowing economic growth and the declining trend of retail sales in the PRC. The industry as a whole is undergoing consolidation and the Group needs to take determined measures to continue to consolidate its market position so as to be able to promptly and effectively react to and overcome such challenges on a sustainable basis. New expansion and mergers and acquisitions will result in increase in costs and

dilution of profits, and a longer period may be required for investments to be recovered when market growth slows down as a whole. As a publicly listed company, investors would have different requirements with regard to their return on investment, and may urge the Company to consider expansion opportunities more cautiously. For instance, a sizeable acquisition and merger may be of strategic importance, but it may also significantly dilute profitability, on a per Share basis, for a relatively long period of time, especially when equity financing is being employed. Nevertheless, the Company would still require expansion of its businesses to generate synergy and to balance the Group's profitability and development scale. The Proposal, if successful, will not only enable the Company to have greater flexibility to make timely investment decisions, but also minimize the adverse effects on Shareholders' return on investment.

For H Shareholders, the Offerors believe that the H Share Offer provides a compelling opportunity to dispose of their H Shares, for the following reasons:

- **Satisfactory return;** the offer price under the H Share Offer represents four times the offer price of the H Shares at the initial public offering given the Shares underwent a 1-into-4 share split in 2006;
- **Premium valuation;** H Shareholders receive cash at a price significantly above the prevailing market price as set out in the sub-section headed "2.2 Comparisons of value"; and
- **Certain and immediate value;** considering the limited trading volume in the H Shares, the H Share Offer represents an opportunity for H Shareholders to exit their investment for cash proceeds.

The Directors (other than Madam. Xu Ying who, as a concurrent director of Wumei Holdings, has a material interest in the Offers, and other than the members of the independent board committee who will give their view after considering the advice of the independent financial adviser to be appointed) believe that the terms of the Offers are fair and reasonable and in the interests of the shareholders of the Company as a whole.

7.6 General matters relating to the H Share Offer

Availability of the H Share Offer

The Offerors intend to make available the H Share Offer to all H Shareholders, including those who are resident outside Hong Kong, to the extent practicable.

The making of the H Share Offer to the overseas H Shareholders and/or their ability to participate in the H Share Offer may be subject to the laws of the relevant jurisdictions in which they are resident or domiciled. Overseas H Shareholders should observe any applicable legal or regulatory requirements to which they may be

subject including obtaining any governmental, exchange control or other consents, or filing and registration and the payment of any transfer or other taxes. It is the responsibility of the overseas Independent H Shareholders wishing to accept the H Share Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance of the H Share Offer by any H Shareholder will be deemed to constitute a representation and warranty from such H Shareholder to the Offerors and the Company that all applicable legal and regulatory requirements to which they may be subject have been complied with and that the H Share Offer can be extended to and/or accepted by such H Shareholder lawfully under such requirements. H Shareholders should consult their professional advisers if in doubt.

In the event that the despatch of the Composite Document to overseas H Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive's consent, the Composite Document will not be despatched to such overseas Shareholders. The Offerors will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Composite Document

The Composite Document for the H Share Offer will contain details of, among other things, the Offers, the expected timetable relating to the H Share Offer, the recommendations of the independent committee of the board of the Company in respect of the Offers, the letter of advice from the independent financial adviser in respect of the Offers, as well as other particulars required by the Takeovers Code and will be despatched to the H Shareholders within 21 days from the date of this joint announcement or such later date to which the Executive may consent.

Meetings

The H Share Class Meeting will be convened for the purpose of passing a resolution by way of poll to approve the Delisting by the Independent H Shareholders, and such approval must be given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and the number of votes cast against the resolution is not more than 10% of the votes attaching to all of the H Shares held by the Independent H Shareholders. The Offerors and their respective concert parties are required to abstain from voting at the H Share Class Meeting.

The Domestic Share Class Meeting will be convened for the purpose of passing a resolution by way of poll to approve the Delisting by the Independent Domestic Shareholders, and such approval must be given by at least 75% of the votes attaching to the Domestic Shares held by the Independent Domestic Shareholders that are cast either in person or by proxy; and the number of votes cast against the resolution is not more than 10% of the votes attaching to all of the Domestic Shares held by the Independent Domestic Shareholders. The Offerors and their respective concert parties are required to abstain from voting at the Domestic Share Class Meeting.

Furthermore, pursuant to Rule 2.2 of the Takeovers Code, the EGM will be convened for the purpose of passing a resolution by way of poll to approve the Delisting by the Independent Shareholders, and such approval must be given by at least 75% of the votes attaching to the Shares held by the Independent Shareholders that are cast either in person or by proxy, and the number of votes cast against the resolution shall be no more than 10% of the votes attaching to all Shares held by the Independent Shareholders. The Offerors and their respective concert parties are required to abstain from voting at the EGM.

The Shares beneficially owned by the Offerors and the parties acting in concert with them, will not, in compliance with the Takeovers Code, be voted at the H Share Class Meeting, the Domestic Share Class Meeting and/or the EGM.

Notices of the H Share Class Meeting, the Domestic Share Class Meeting and the EGM will be sent to the Shareholders together with the Composite Document.

8. WITHDRAWAL OF LISTING OF THE H SHARES

Upon the H Share Offer becoming unconditional, the Company will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules. The Shareholders will be notified by way of an announcement of the dates for the last day for dealing in the H Shares and on which the Delisting will become effective.

9. DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offerors (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Company or Offerors) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant provisions of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

10. RESUMPTION OF TRADING IN THE H SHARES

At the request of the Company, trading in the H Shares on the Stock Exchange has been halted from 9:00 a.m. on 6 October 2015 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the H Shares on the Stock Exchange with effect from 9:00 a.m. on 22 October 2015.

11. DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

- “acting in concert” : has the meaning given to it in the Takeovers Code, and “parties acting in concert” shall be construed accordingly;
- “Board” : the board of directors of the Company;
- “Company” : 北京物美商業集團股份有限公司(Wumart Stores, Inc.*), a joint stock company incorporated in the PRC with limited liability whose H Shares are listed on the Main Board of the Stock Exchange under stock code 1025;
- “Delisting” : the voluntary withdrawal of the listing of the H Shares from the Stock Exchange;

“Directors”	:	the directors of the Company;
“Composite Document”	:	the composite offer document to be jointly issued by or on behalf of the Offerors and the Company in connection with the Proposal and the Offers in accordance with the Takeovers Code;
“Domestic Share(s)”	:	ordinary share(s) of par value of RMB1.00 each in the share capital of the Company;
“Domestic Share Class Meeting”	:	the special general meeting of the Independent Domestic Shareholders to be convened, and any adjournment thereof for the purpose of approving the Delisting;
“Domestic Share Offer”	:	the voluntary conditional offer to be made by Wumei Holdings to acquire all of the issued Domestic Shares other than those already owned or controlled or agreed to be acquired by the Offerors and parties acting in concert with any of them;
“Domestic Shareholder(s)”	:	holders of the Domestic Shares;
“EGM”	:	the extraordinary general meeting of Shareholders be held to consider and vote on, among other matters, the Delisting;
“Executive”	:	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Group”	:	the Company and its subsidiaries;
“H Shareholder(s)”	:	holders of the H Shares;
“HK\$”	:	Hong Kong dollar(s), the lawful currency of Hong Kong;
“H Shares”	:	overseas listed foreign ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, all of which are listed on the main board of the Stock Exchange and traded in HK\$;

“H Share Class Meeting”	:	the special general meeting of the Independent H Shareholders to be convened, and any adjournment thereof for the purpose of approving the Delisting;
“H Share Offer”	:	the voluntary conditional offer to be made by Somerley Capital on behalf of the Offerors to acquire all of the issued H Shares other than those already owned or controlled or agreed to be acquired by the Offerors and parties acting in concert with any of them;
“H Share Conditions”	:	the conditions of the H Share Offer, as set out under the section headed “3. Conditions of the H Share Offer” of this joint announcement;
“Independent Domestic Shareholders”	:	Domestic Shareholders other than the Offerors or parties acting in concert with any of them;
“Independent H Shareholders”	:	H Shareholders other than the Offerors or parties acting in concert with any of them;
“Independent Shareholders”	:	Independent Domestic Shareholders and Independent H Shareholders;
“Last Trading Date”	:	5 October 2015, being the last full business day on the Stock Exchange for trading in the H Shares immediately before the suspension of trading in the H Shares pending publication of this joint announcement;
“Listing Rules”	:	the Rules Governing the Listing of Securities on the Stock Exchange;
“Offerors”	:	Wumei Holdings and Wumei Hong Kong;
“Offers”	:	the H Share Offer and the Domestic Share Offer;
“PRC”	:	the People’s Republic of China other than Hong Kong, the Macau Special Administrative Region and Taiwan;
“Proposal”	:	the proposed Delisting via voluntary conditional offers by the Offerors for all the issued H Shares and Domestic Shares, other than those owned, controlled or agreed to be acquired by the Offerors and parties acting in concert with any of them;

“RMB”	:	Renminbi, the lawful currency of the PRC;
“SFC”	:	Securities and Futures Commission;
“Shares”	:	the Domestic Shares and H Shares;
“Shareholder(s)”	:	holders of the Shares;
“Somerley Capital”	:	Somerley Capital Limited, the financial advisor to the Offerors, which is a licensed corporation under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities;
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	:	Hong Kong Code on Takeovers and Mergers (as revised from time to time);
“Unconditional Date”	:	the date on which the H Share Offer becomes or is declared unconditional in all respects;
“Wumei Holdings”	:	物美控股集團有限公司 (Wumei Holdings, Inc.*), a company incorporated in the PRC with limited liability and the controlling shareholder of the Company; and
“Wumei Hong Kong”	:	Wumart Stores (HK) Limited, a company incorporated in Hong Kong with limited liability and indirect wholly-owned subsidiary of Wumei Holdings.

In this joint announcement, unless otherwise stated, the translation of RMB into HK\$ is based on the exchange of rate of RMB1.00 to HK\$ 1.2260. Such conversion shall not be construed as a representation that amounts in RMB were or may have been converted into HK\$ using such exchange rate or any other exchange rate or at all.

By order of the board of directors of
物美控股集團有限公司
Wumei Holdings, Inc.*
Zhang Ling
Director

By order of the Board of
北京物美商業集團股份有限公司
Wumart Stores, Inc.*
Meng Jin-xian
Chairman

By order of the board of directors of
Wumart Stores (HK) Limited
Zhang Wenzhong
Director

Beijing, the PRC, 20 October 2015

As at the date of this joint announcement, the directors of Wumei Holdings are Mr. Zhang Bin, Madam Xu Ying, Mr. Zhang Ling and Mr. Zhou Quan and the sole director of Wumei Hong Kong is Mr. Zhang Wenzhong.

All directors of the Offerors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Group) contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that relating to the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date hereof, the Board comprises:

Madam Xu Ying (徐瑩) (executive Director)
Mr. Xu Shao-chuan (許少川) (executive Director)
Dr. Yu Jian-bo (于劍波) (executive Director)
Dr. Meng Jin-xian (蒙進暉) (non-executive Director and Chairman)
Mr. Li Lu-an (李祿安) (independent non-executive Director)
Mr. Lu Jiang (呂江) (independent non-executive Director)
Mr. Wang Jun-yang (王俊彥) (independent non-executive Director)

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Offerors and parties acting in concert with any of them) contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offerors and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

** for identification purposes only*