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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 with limited liability)*

**(Stock Code: 01025)**

**PROPOSED ISSUE OF NEW H SHARES TO ASCENDENT CAPITAL**

This announcement is made by the Company pursuant to Rule 13.28 of the Listing Rules.

The Board wishes to announce that on 15 October 2013, the Company entered into the Ascendent Subscription Agreement with Ascendent Capital pursuant to which Ascendent Capital shall subscribe for an aggregate of 16,600,000 H Shares for an aggregate consideration of HK\$232,400,000 at the subscription price of HK\$14.00 per H Share. The 16,600,000 H Shares to be subscribed by Ascendent Capital represent approximately 1.30% of the existing issued share capital of the Company and approximately 1.28% of the issued share capital of the Company as enlarged by the Proposed Ascendent Subscription.

Please also refer to the joint announcement of the Company and CP Lotus dated 15 October 2013 in relation to the Proposed Subscriptions, Proposed Acquisition and Proposed Further Ascendent Subscription.

**Shareholders and potential investors are reminded that the Proposed Ascendent Subscription is subject to conditions and may or may not proceed. Accordingly, shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made by the Company pursuant to Rule 13.28 of the Listing Rules.

The Board wishes to announce that on 15 October 2013, the Company entered into the Ascendent Subscription Agreement with Ascendent Capital pursuant to which Ascendent Capital shall subscribe for an aggregate of 16,600,000 H Shares with nominal value of RMB16,600,000 for an aggregate consideration of HK\$232,400,000 at the subscription price of HK\$14.00 per H Share. The 16,600,000 H Shares to be subscribed by Ascendent Capital represent approximately 1.30% of the existing issued share capital of the Company and approximately 1.28% of the issued share capital of the Company as enlarged by the Proposed Ascendent Subscription.

## **INFORMATION ON ASCENDENT CAPITAL**

Ascendent Capital is an affiliate of Ascendent Capital Partners I, L.P., a China focused private equity firm that was established to provide influential and informed capital with an aim to facilitate transformational changes for industry leaders. Ascendent Capital Partners I, L.P. manages capital from global renowned institutional and private investors, and has extensive investment experience and substantial know-how through their successful track record of investments and advisory involving industry leaders.

To the best of the knowledge, information and belief of the directors of the Company, Ascendent Capital and its controller (within the meaning of Chapter 14A of the Listing Rules) is an independent third party within the meaning of the Listing Rules.

### **Subscription Price**

The subscription price payable by Ascendent Capital of HK\$14.00 per H Share, represents a 5.1% and 5.7% discount over the Company's latest closing share price on 11 October 2013 (being HK\$14.76) and 60-day average closing price up to and including 11 October 2013, respectively.

The net proceeds of the Proposed Ascendent Subscription, after deduction of relevant expenses, are estimated to be approximately HK\$227,750,000 and the net price per subscription share is approximately HK\$13.72.

The subscription price was determined with reference to the cash consideration of the proposed subscription of a minority interest in the Company in the form of H Shares by CP Lotus, further details of which are set out in the Joint Announcement.

### **Lock-up**

Ascendent Capital shall be subject to a lock-up undertaking for six months in respect of the H Shares it will subscribe under the Proposed Ascendent Subscription.

### **Conditions to the Proposed Ascendent Subscription**

The Proposed Ascendent Subscription is conditional upon:

- (a) there being no breach of any warranty by the Company to Ascendent Capital which is material in the context of the Proposed Ascendent Subscription or which is material to the Company and its subsidiaries as a whole;
- (b) receipt by the Company of the approval of the Listing Committee of the Hong Kong Stock Exchange granting listing of and permission to deal in the H Shares to be subscribed by Ascendent Capital; and
- (c) the Company and CP Lotus having entered into the definitive documentation in respect of the Proposed Subscriptions and the Proposed Acquisition, further details of which are set out in the Joint Announcement.

### **Completion and Long Stop Date**

Completion of the Proposed Ascendent Subscription will take place within three business days from the day on which the conditions referred to above are satisfied or waived, but completion may not take place later than 18 November 2013.

## Ranking

The H Shares issued for the Proposed Ascendent Subscription, when issued and fully paid, will rank pari passu among themselves and with all other H Shares currently in issue and at the time of issue and allotment of such H Shares.

## Mandate to issue the H Shares for the Proposed Ascendent Subscription

The H Shares to be allotted and issued under the Proposed Ascendent Subscription, will be allotted and issued by the Company under the General Mandate granted to the Board at the annual general meeting of the Company held on 28 June 2013. As at the date of this announcement, the Company has not issued any H Shares under the General Mandate.

On 19 November 2012, China Securities Regulatory Commission approved the proposed issue by the Company of no more than 107,313,600 new H Shares with a nominal value of RMB1.00 each.

## Changes in Shareholding Structure of the Company

The shareholding structures of the Company as at the date of this announcement and immediately after completion of the Proposed Ascendent Subscription are as follows:

| Shareholders                                     | As at the date of this announcement |               | Immediately after the completion<br>of the Proposed Ascendent Subscription |                |
|--------------------------------------------------|-------------------------------------|---------------|----------------------------------------------------------------------------|----------------|
|                                                  | Number of shares                    | Approximate % | Number of shares                                                           | Approximate %* |
| Wumei Holdings, Inc.                             | Domestic shares: 497,932,928        | 38.86         | Domestic shares: 497,932,928                                               | 38.37          |
|                                                  | H Shares: 1,375,000                 | 0.11          | H Shares: 1,375,000                                                        | 0.11           |
| Beijing Wangshang Shijie<br>E-business Co., Ltd. | Domestic shares: 160,457,744        | 12.52         | Domestic shares: 160,457,744                                               | 12.36          |
|                                                  | —                                   | —             | H Shares: 16,600,000                                                       | 1.28           |
| Ascendent Capital                                | Domestic shares: 86,315,444         | 6.74          | Domestic shares: 86,315,444                                                | 6.65           |
|                                                  | H Shares: 535,193,000               | 41.77         | H Shares: 535,193,000                                                      | 41.24          |
| Other shareholders                               | —                                   | —             | —                                                                          | —              |
| Total                                            | 1,281,274,116                       | 100.00        | 1,297,874,116                                                              | 100.00         |

\* The percentage figures have been subject to rounding adjustments. Accordingly, the total is not an arithmetic aggregation of the preceding figures

## Application for Listing

Application will be made by the Company to the Hong Kong Stock Exchange for the granting of the listing of, and permission to deal in, all the H Shares to be issued pursuant to the Ascendent Subscription Agreement.

## Reasons for the Proposed Ascendent Subscription and Use of Proceeds

The Company believes the Proposed Ascendent Subscription will, upon completion, bring a highly reputable and experienced shareholder as a partner in the Company's future vision as an industry consolidator. Ascendent Capital has a deep knowledge of the consumer retail industry in China and recognizes the Company as an industry consolidator, and has provided assistance in bringing the framework agreement between the Company and CP Lotus in respect of the Proposed Subscriptions and Proposed Acquisition to fruition. The Board believes that having Ascendent Capital as a shareholder with a nominee on the Board as further described in the Joint Announcement, will allow the Company to benefit from Ascendent Capital's extensive investment experience and industry knowledge, and will further

assist in facilitating a smooth integration process. Moreover, the Company considers it will further optimize its shareholder structure, improve corporate governance and enhance management standards.

Use of Proceeds from the Proposed Ascendent Subscription will include establishment and upgrade of store outlets, potential acquisition, construction of information network and repayment of bank loans (if applicable).

### **Fund Raising Activities in the Past Twelve-Month Period**

The Company had not carried out any fund raising exercise by way of issue of equity securities in the 12-month period immediately preceding the date of this announcement.

Please also refer to the Joint Announcement in relation to the Proposed Subscriptions, Proposed Acquisition and Proposed Further Ascendent Subscription.

**Shareholders and potential investors are reminded that the Proposed Ascendent Subscription is subject to conditions and may or may not proceed. Accordingly, shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

### **DEFINITIONS**

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

|                                    |                                                                                                                                                                                            |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Ascendent Capital”                | Ascendent CAG (Cayman) Limited, a company incorporated in the Cayman Islands and an affiliate of Ascendent Capital Partners I, L.P., a Cayman Islands exempted limited partnership         |
| “Ascendent Subscription Agreement” | the subscription agreement dated 15 October 2013 entered into between the Company and Ascendent Capital in relation to the Proposed Ascendent Subscription                                 |
| “Board”                            | the Board of directors of the Company                                                                                                                                                      |
| “Company”                          | Wumart Stores, Inc., a joint stock limited company incorporated in the People’s Republic of China with limited liability, the H Shares of which are listed on the Hong Kong Stock Exchange |
| “CP Lotus”                         | C.P. Lotus Corporation, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Hong Kong Stock Exchange                                |
| “General Mandate”                  | the general mandate granted to the Board at the annual general meeting of the Company on 28 June 2013 in relation to the issue of new H Shares                                             |
| “Hong Kong Stock Exchange”         | The Stock Exchange of Hong Kong Limited                                                                                                                                                    |
| “H Shares”                         | H shares of RMB1.00 each in the share capital of the Company                                                                                                                               |

|                                           |                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Joint Announcement”                      | the announcement jointly issued by the Company and CP Lotus dated 15 October 2013 in relation to the Proposed Subscriptions, Proposed Acquisition and Proposed Further Ascendent Subscription                                                                                                                                 |
| “Listing Rules”                           | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                      |
| “Proposed Acquisition”                    | the proposed acquisition of the entire interest of certain BVI entities of CP Lotus by the Company, further details of which are set out in the Joint Announcement                                                                                                                                                            |
| “Proposed Ascendent Subscription”         | the proposed subscription of new H Shares by Ascendent Capital as provided for under the Ascendent Subscription Agreement                                                                                                                                                                                                     |
| “Proposed Further Ascendent Subscription” | the proposed further subscription of new H Shares by Ascendent Capital as provided for under the framework agreement dated 15 October 2013 entered into between the Company and Ascendent Capital, further details of which are set out in the Joint Announcement                                                             |
| “Proposed Subscriptions”                  | the proposed subscription of a minority interest in CP Lotus (to be held through ordinary shares and convertible preference shares of CP Lotus) by the Company and the subscription of a minority interest in the Company in the form of H Shares by CP Lotus, further details of which are set out in the Joint Announcement |
| “RMB”                                     | renminbi yuan, the lawful currency of the People’s Republic of China                                                                                                                                                                                                                                                          |

By Order of the Board  
**Wumart Stores, Inc.**  
**Dr. Wu Jian-zhong**  
*Chairman*

Hong Kong, 15 October 2013

*As at the date of this announcement, the Board comprises Madam Xu Ying, Dr. Yu Jian-bo and Mr. Xu Shao-chuan as executive directors, Dr. Wu Jian-zhong, Dr. Meng Jin-xian, Mr. John Huan Zhao and Madam Ma Xue-zheng as non-executive directors, and Mr. Han Ying, Mr. Li Lu-an, Mr. Lu Jiang and Mr. Wang Jun-yan as independent non-executive directors.*