FIRST QUARTERLY REPORT 2007

Wumart Stores,Inc.

北京物美商業集團股份有限公司

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

Stock Code:8277

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This report, for which the directors of Wumart Stores, Inc. (the ''Directors'') collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange (the ''GEM Listing Rules'') for the purpose of giving information with regard to Wumart Stores, Inc. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and that the contents are not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

FINANCIAL HIGHLIGHTS

Comparison of the results for the first quarter of 2007 with the corresponding period of 2006

		Three months ended 31st March	
	Change	**2007**	2006
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Total revenue	49.7%	**2,086,676**	1,394,331
Consolidated gross profit	54.1%	**310,636**	201,549
EBITDA	37.5%	**149,567**	108,774
EBIT	31.1%	**124,552**	95,022
Net profit	25.0%	**78,004**	62,409
Earnings per share — basic (Note)	20.5%	**RMB 0.06**	RMB 0.05

- Comparable store (stores that have been operating in both the first quarter of 2007 and the first quarter of 2006) sales grew by 11%
- Total number of stores was 502
- As at 31st March 2007, the Group had net assets of approximately RMB1,973,555,000
- For the three months ended 31st March 2007, the Group's inventory turnover was 19 days, and creditor turnover was 88 days

Note: As at 31st March 2006, number of shares used in calculating the earnings per share has been adjusted for the share subdivision completed during 2006.

CHAIRMAN'S STATEMENT

I am pleased to present the unaudited first quarterly results of Wumart Stores, Inc. (the "Company") and its subsidiaries (the "Group") for the three months ended 31st March 2007 (the "Reporting Period").

FINANCIAL REVIEW

For the Reporting Period, the Group's total revenue amounted to approximately RMB2,086,676,000, representing a growth of approximately 49.7% as compared with the corresponding period of 2006. The comparable store sales were on the upward trend. This, together with the sales income generated by new stores, attributed to a significant increase in total revenue. The growth in comparable store sales was attributable to the upgraded operating capacity of the Group's corporate stores, continuous strengthening of category management, and enhancement in service quality, which resulted in increases of the number of transactions and average transaction value.

During the Reporting Period, the Group's consolidated gross profit amounted to approximately RMB310,636,000, representing a growth of approximately 54.1% as compared with the corresponding period of 2006. The Group's consolidated gross margin was approximately 14.9%, representing an increase of approximately 0.4 percentage points as compared with the corresponding period of 2006. Excluding merchandise sales at cost to managed and franchised stores and related companies, the Group's consolidated gross margin would have increased to approximately 16.8%. The consolidated gross margin was sustained at a satisfactory level, which was primarily attributable to the continuous optimization of suppliers and the reduction of merchandise costs as a result of economies of scale through centralized procurement. With more suitable rational selection of promotional items, we were able to sustain gross profit at a satisfactory level while providing goods at reasonable prices, reflecting further improvement of the operational capability of the Group.

During the Reporting Period, the Group's net profit was approximately RMB78,004,000, representing a growth of approximately 25.0% as compared with the corresponding period of 2006. The rise in net profit was primarily due to the growth in turnover and consolidated gross profit, as well as a larger share of profit of the associated companies.

During the Reporting Period, administrative expenses and selling and distribution expenses amounted to approximately RMB46,746,000 and RMB172,298,000, respectively, representing approximately 2.2% and 8.3% of the total revenue, respectively (for the corresponding period of 2006: the amounts were approximately RMB28,230,000 and RMB97,388,000, respectively, representing approximately 2.0% and 7.0% of the total revenues, respectively). Selling and distribution expenses were on the increase as compared with the corresponding period of 2006 due to the opening of new stores.

During the Reporting Period, the Group's net profit margin was approximately 3.7%. Excluding merchandise sales at cost to managed and franchised stores and related companies, net profit margin would have grown to approximately 4.2%, representing a fall of approximately 0.8 percentage points as compared with the corresponding period of 2006.

For the three months ended 31st March 2007, the Group recorded earnings per share of approximately RMB0.06, which was calculated on the basis of the weighted average number of 1,220,348,000 shares outstanding, approximately 20.5% higher than the earnings per share of approximately RMB0.05 for the corresponding period of 2006 (the number of shares used in calculating the earnings per share for the period ended 31st March 2006 has been adjusted for the share subdivision completed during 2006).

QUARTERLY RESULTS

The board of directors of the Company (the "Board") is pleased to announce the unaudited results of the Group for the three months ended 31st March 2007 together with the comparative unaudited consolidated figures for the three months ended 31st March 2006:

		Three months ended 31st March	
		2007	2006
		RMB'000	RMB'000
	Notes	**(unaudited)**	(unaudited)
Total revenue	2	**2,086,676**	1,394,331
Cost of sales		**(1,776,040)**	(1,192,782)
Consolidated gross profit		**310,636**	201,549
Other income		**21,420**	15,964
Selling and distribution costs		**(172,298)**	(97,388)
Administrative expenses		**(46,746)**	(28,230)
Finance costs		**(2,691)**	(1,192)
Share of profit of associates		**11,540**	3,127
Profit before tax	3	**121,861**	93,830
Income tax expense	4	**(36,455)**	(29,404)
Profit for the period		**85,406**	64,426
Attributable to:			
Equity holders of the Company		**78,004**	62,409
Minority interests		**7,402**	2,017
		85,406	64,426
Earnings per share — basic	6	**RMB 0.06**	RMB 0.05

Notes:

1. Basis of presentation

The Company was incorporated in the People's Republic of China (the ''PRC'') as a limited company on 9th August 2000 and then transformed into a joint stock limited company in accordance with the PRC Company Law on 5th December 2002. After the initial public offering, the Company's H shares were listed on GEM of the Stock Exchange on 21st November 2003. Currently, the nominal value of the Company's shares is RMB0.25 per share.

The financial statements for the Reporting Period have been prepared under the historical cost convention, except for revaluation adjustment of investments in securities.

The accounting policies adopted in the financial statements for the Reporting Period, are consistent with those adopted in the preparation of the Group's financial statements for the year ended 31st December 2006.

In 2006, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("new Hong Kong Financial Reporting Standards (HKFRSs)") issued by the Hong Kong Institute of Certified Public Accountants (''HKICPA'') that are effective for accounting periods beginning on or after 1st December 2005 or 1st January 2006. The adoption of the new HKFRSs has had no material effect on how the results for the Reporting Period or prior accounting periods are prepared and presented. Accordingly, no prior year adjustment was required.

The Group has not applied the following new HKFRSs that have been issued but are not yet completely effective. The Directors anticipate that the application of these new HKFRSs will have no material impact on the consolidated financial statements of the Group.

HKAS 1 (Amendment)	Capital Disclosure[1]
HKFRS 7	Financial Instrument: Disclosure[1]
HKFRS 8	Operating Segments[2]
HK(IFRIC) — Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies[3]
HK(IFRIC) — Int 8	Scope of HKFRS 2[4]
HK(IFRIC) — Int 9	Reassessment of Embedded Derivatives[5]
HK(IFRIC) — Int 10	Interim Financial Reporting and Impairment[6]
HK(IFRIC) — Int 11	HKFRS 2 — Group and Treasury Share Transactions[7]
HK(IFRIC) — Int 12	Service Concession Arrangements[8]

1 Effective for annual periods beginning on or after 1st January 2007.

2 Effective for annual periods beginning on or after 1st January 2009.

3 Effective for annual periods beginning on or after 1st March 2006.

4 Effective for annual periods beginning on or after 1st May 2006.

5 Effective for annual periods beginning on or after 1st June 2006.

6 Effective for annual periods beginning on or after 1st November 2006.

7 Effective for annual periods beginning on or after 1st March 2007.

8 Effective for annual periods beginning on or after 1st January 2008.

2. Total revenue

The Group is principally engaged in the operation and management of superstores and mini-marts in Beijing, Tianjin, Hebei Province and Ningxia Hui Autonomous Region. Revenue recognised for the three months ended 31st March 2007 was as follows:

	Three months ended 31st March	
	2007	2006
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Sales of merchandise	**1,926,705**	1,279,849
Rental income from leasing of shop premises	**49,943**	39,782
Income from suppliers, including store display income and promotion income	**122,664**	82,447
	2,099,312	1,402,078
Business tax and other government charges	**(12,636)**	(7,747)
	2,086,676	1,394,331

3. Consolidated income/expense for the period

Consolidated profit for the period has been arrived at after charging (crediting) the following items:

	Three months ended 31st March	
	2007	2006
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Depreciation and amortization	**25,015**	13,752
Interest income	**(2,526)**	(3,844)
Operating lease rentals in respect of land and property leases	**56,988**	28,219
Salaries and staff benefits	**50,021**	40,087

4. Income tax expense

	Three months ended 31st March	
	2007	2006
	RMB'000	RMB'000
	(unaudited)	(unaudited)
The charge comprises:		
PRC income tax	**36,455**	29,404

The tax charge for the period can be reconciled to the profit on the consolidated income statement as follows:

	Three months ended 31st March	
	2007	2006
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit before tax	**121,861**	93,830
Tax at domestic income tax rate of 33%	**40,214**	32,614
Tax effect of share of profit of associates	**(3,808)**	(1,032)
Effect of government grants non-taxable for tax purposes	**—**	(890)
Tax effect of income non-taxable for tax purposes	**—**	(1,288)
Tax effect of expenses non-deductible for tax purposes	**49**	—
Income tax expense	**36,455**	29,404

Notes:

PRC income tax is calculated at 33% of the estimated assessable profit for the period. No provision for Hong Kong profits tax has been made as the Group's income is not arising in or derived from Hong Kong.

5. Dividend

The Board does not recommend the payment of any dividend for the three months ended 31st March 2007 (2006: Nil).

The Board has recommended the payment of a final dividend of RMB0.07 per share (inclusive of tax) for the financial year ended 31st December 2006, pending approval at the annual general meeting.

6. Earnings per share

The calculation of earnings per share is based on the unaudited profit for the three months ended 31st March 2007 of approximately RMB78,004,000 (2006: RMB62,409,000) and on the weighted average number of 1,220,348,000 shares in issue for the three months ended 31st March 2007 (2006: 294,068,111 shares, equivalent to 1,176,272,444 shares after the share sub-division).

7. Reserves

Movements in the Group's reserves during the three months ended 31st March 2007 were as follows:

	Three months ended 31st March				
	2007				2006
	Share premium RMB'000 (unaudited)	**Statutory common reserve fund RMB'000 (unaudited)**	**Retained earnings RMB'000 (unaudited)**	**Total RMB'000 (unaudited)**	Total RMB'000 (unaudited)
As at 1st January	**1,132,062**	**107,806**	**350,596**	**1,590,464**	996,028
Placing of shares	—	—	—	—	444,664
Share issue expenses	—	—	—	—	(13,860)
Profit for the three months ended 31st March	—	—	**78,004**	**78,004**	62,409
As at 31st March	**1,132,062**	**107,806**	**428,600**	**1,668,468**	1,489,241

BUSINESS REVIEW

Expansion of retail network

The Group always insists on the regional development strategy, through organic growth and mergers and acquisitions, to expand its retail network. As at 31st March, 2007, the Group and its associated companies directly owned, and by franchise agreements or management agreements, operated and managed a retail network of 502 stores, including 84 superstores and 418 mini-marts.

During the Reporting Period, the Group opened five directly owned superstores under MerryMart Brand, two franchised mini-marts, closed two directly owned mini-marts as a result of losses and terminated the cooperation with three managed stores suffering from serious losses and two franchised mini-marts failing to meet the franchise requirements.

Stores that are directly owned by the Group and its associated companies or operated by them through franchise agreements are as follows:

	As at 31st March 2007 Number of Stores	Geographical Distribution
Superstores		
Direct ownership	71	Beijing, Hebei, Tianjin, Yinchuan
Franchised stores	1	Yinchuan
Mini-marts		
Direct ownership	124	Beijing, Yinchuan
Franchised stores	246	Beijing, Yinchuan
Total (Note)	442	—

Stores that are operated and managed by the Group through various management agreements (the "Managed Stores") are as follows:

	As at 31st March 2007 Number of Stores	Geographical Distribution
Superstores	12	Hebei, Tianjin
Mini-marts	48	Beijing, Tianjin
Total	60	—

Note:

The total number includes stores of Beijing MerryMart Chainstores Development Co., Ltd. ("MerryMart") and stores of Yinchuan Xinhua Department Store Company Limited, but excludes those of Beijing Chao Shifa Company Limited ("Chao Shifa").

CATEGORY MANAGEMENT AND CENTRALIZED PROCUREMENT

During the Reporting Period, the Group's stores were categorized into six groups. Among these six groups, the Category A superstores and mini-marts were selected as pilot stores for category management, in which merchandise, spacing and display were planned and the process of the selection, change and display of merchandise were standardized. During the Reporting Period, the Group standardized the category of the Category A superstores and mini-marts model stores, which increased the turnover by over 15%.

The Group put great efforts on promoting the joint procurement with those acquired companies, such as MerryMart and Chao Shifa, as part of the centralized procurement program. During the Reporting Period, the Group negotiated and entered into joint procurement contracts with 9 local and overseas leading companies. Merchandise costs and expenses were reduced as a result of economies of scale in procurement. Joint procurement would be a key element of the Group's post-acquisition integration plans which would continue to be enforced.

OPTIMIZATION OF SUPPLIERS

During the Reporting Period, the Group completed negotiation of suppliers' contracts for 2007, aiming at further the supply chain. An important step of the Group's next supply chain strategy was to cooperate directly with the production base. In 2006, the Group set up the supply base of peach in PingGu, Beijing; subsequently, two more supply bases of agricultural products were set up in Laiyang City and Shouguang City in Shandong Province, which enabled the transportation of fruits and vegetables from the farms to stores in 24 hours.

The Group also formulated key performance indicators (including sales, consolidated gross margin, contributions from each product, the number of new products/products changed) and reference indicators (including media exposure, on time delivery/accuracy of delivery, geographical coverage of stores, return of goods/return of defective goods/change of goods) for the suppliers, with a view to achieving transparency in the additions and changes of suppliers, as well as increasing the product competitiveness of the Group. Based on the key indicators and the reference indicators, the KPI index of the suppliers was evaluated and the results of which would be used as a basis for the replacement of suppliers.

MARKETING OPTIMIZATION

During the Reporting Period, the Group's key marketing campaigns included having a fair to sell food and other articles for use during the Lunar New Year (年貨一條街) and a bazaar of Wumart's food, other articles and special products for use during the Lunar New Year (物美年貨特產節). The Group also adopted promotional strategies such as gift redemption, and gift purchase, "one price merchandise" and 50% off for second items. As a result, the Group's revenue during the Lunar New Year attained historical record. Sales recorded enormous growth. During the Lunar New Year, the Group carried out a Lunar New Year joint promotion campaign with 8 brands of products specifically for the Lunar New Year, which substantially increased the Group's turnover.

The Group started to provide bilingual services in the stores, with a view to improve services in preparation for the 2008 Olympic Games. Labels in both Chinese and English started to be used in our superstores and courses for service communication in English were provided to our staff. We became the first local superstore in Beijing that provided Chinese and English bilingual services, thus improving the service image of the "Wumart" brand effectively.

LOGISTICS OPTIMIZATION

During the Reporting Period, the Group strived to improve the efficiency of our logistics operations. Our distribution capacity, efficiency and service quality improved through realignment and improvement of our operational process and standardisation of our transportation management. The Group continued to standardize and adopt measures to support communication and problems tracking among departments. The Group standardized the merchandise information, alleviated the problem of under-stocking, strengthened the inventory management at each distribution centre. Weekly inventory analysis effectively solved the problems of under-stocking, slow-moving and over-stocking of inventories. The Group also improved the accuracy for promotional orders as well as the ordering methods and process for overseas suppliers through regular communications with large suppliers about inventories, joint custody of inventories and investigation on the method of optimizing inventory management.

WINBOX@SAP

The Group's WINBOX Project was progressing as schedule. During the Reporting Period, the WINBOX Project Team completed 15 L3 process documents of the 5 business sections of procurement, category management, logistics, store and finance pursuant to the methodology of SAP, ''preparation of project — business blueprint — systematic realization — preparation for go-live — go-live and roll out''. The Project Team learnt the best business practices of SAP, received training on SAP POSDM and BASIS, including the setting up of system parameters, key points and ways of system protection, brief introduction on user management, the performance of background tasks, the back-up and monitoring of database, transfer control, the management of the upgrade packet etc, based on which the Group optimized and met the business needs by completing the draft of L4 documents through the checking and design of the best business practice documents embedded in the system. During this phase, a total of 192 processes were involved.

PROCESS OPTIMIZATION

The Group continued to promote the task of process re-engineering by following WINBOX system solutions to achieve the goal of the concise and effective and three-in-one business management process of ''centralized procurement/quality optimization + supply chain driven by demand forecasting+simplified store sales mode''. During the Reporting Period, the WINBOX Process Group continued to amend, edit and optimize the Wumart Group Process Manual. It supplemented the Wumart Group Process Manual with 7 processes such as the Business Administration Process of Joint Venture (聯營供商管理流程) and the Store Operation Incentive Competition Process (店鋪營運競賽獎勵作業流程) as well as optimizing 10 processes such as the Audit Process of Reimbursing Expenses (費用支出報銷審核流程), the Audit Process of Equipment Expenses (設備款支出審核流程), the IC Card Management Process (IC卡管理流程), the Suppliers KPI Management Process (供商KPI管理作業流程), Suppliers Settlement Process (供商清戶流程) and the Awards and Disciplinary Measures in Respect of Daily Management of Staff (員工日常管理獎懲辦法). During the Reporting Period, the WINBOX Process Group re-determined the categories and configured the system of SAP. Concerning the optimization of the category structure, the Group simplified the category and reduced the protection of the main data so as to respond quickly to the sales business of the stores and focus on satisfying the business needs on the one hand and optimized and compressed the current sub-category on the other hand. The Group would make use of the automatic statement function of SAP BW in the future to satisfy the management needs for concise product analysis.

DEVELOPMENT OF HUMAN RESOURCES

During the Reporting Period, the Group continued to carry out its "People-oriented" concept and improve training of and enhance the extent of cultivation and introduction of talents. During the Reporting Period, the Group recruited 7 management personnel to the positions of senior manager or of higher ranking and recruited 8 store officers. The Group further improved the implementation of phase 2 of the 100 Growing Star Program for store managers in areas such as curriculum design and the arrangements for post practice. The group also strengthened the facilities of the Wumart Development and Training Institute and employed teachers of higher qualification. During the Reporting Period, Wumart Development and Training Institute organized a total of 30 training courses for managers of superstores and professional fresh managers, etc., which improved the professional skills of store officers. The Group further strengthened the incentive mechanisms through the establishment and implementation of incentive measures such as the Salary Scale of Core Store Positions (店鋪核心崗位薪資級別表), Measures on Allowances and Assessment on Fresh Skills (生鮮技術津貼考級辦法) and Selection Criteria for Outstanding Staff (服務標兵評選方案).

FINANCIAL SHARED CENTRE

During the Reporting Period, the Group promoted the advancement of the financial shared centre in respect of the audit of financial reimbursements and rental incomes from stores, based on the construction of the financial shared centre in 2006. This was done with a view to further optimize the financial audit and reimbursement process, control expenses more effectively and reduce costs of capital through handling of tasks such as financial audit and expenses, which were originally handled manually, by our automatic system, as well as the use of bank credit card transfers in place of cash payments. Due to the promotion of the financial shared centre in respect of rental incomes of the stores, the lessees made their rental payments actively through the online platform of the bank and the Group no longer collected rental incomes at the stores, enabling our financial departments to make real-time enquiries. This enabled the head office to exercise greater control over rental incomes from the stores. As the head office could get information about the collection of rents from the lessees through the real-time electronic platform, deposits and withdrawals of cash were less frequent, which in turn increased the staff efficiency and reduced financial costs.

BUSINESS PROSPECTS

Given the intensifying and ferocious competition in the industry, the Group will continue to open up new stores and undergo resource integration through mergers and acquisition, so as to increase our market share and the Group will continue to persist in implementing its regional development strategy by fully leveraging and capitalizing on its network and brand advantages in Beijing and the surroundings as well as Ningxia. The Group will steadily increase the profitability of existing stores through the strengthening of internal management and improvement of operational efficiency. At the same time, the Group will devote more efforts to integrate and combine the respective strengths of Wumart, MerryMart and Chao Shifa, so that they will share their resources in respect of new store opening, information system, financial management and staff training, which will improve their overall results. The Group will establish standardized model stores of different types through category management, so as to increase the overall standardization and level of operations. We will be competitive by sustaining and improving our profitability not only through our business expansion, but also through effective business management.

Meanwhile, all of the Directors and I would like to express our gratitude to the Company's shareholders, loyal customers and suppliers for their continuing support, and to the Company's staff for their diligence and hard work.

SUBSEQUENT EVENT

On 11 April 2007, the Company, Wumart Enterprise Corporation Limited, a wholly-owned subsidiary of the Company, Fang Brothers Investments Limited ("FB Investments") and CS International Investment Limited, Times Supermarket Limited, Swift Harvest Limited and Jiangsu Times Supermarket Company Limited (collectively, the "Transferors") entered into an agreement (the "Termination Agreement") to terminate the Share Acquisition Agreement. Please refer to the Company's announcement dated 7 September 2006 and circular dated 31 October 2006 for details of the Share Acquisition Agreement and the related transactions. Pursuant to the Termination Agreement, the parties unanimously agreed to terminate the Share Acquisition Agreement on the date of execution of the Termination Agreement on 11 April 2007. In view of the suspension of trading in the H Shares of the Company on the Stock Exchange since 13 November 2006, there were uncertainties in relation to the share placement and/or the cash payment required for completion of the transaction under the Share Acquisition Agreement. Therefore, in view of the circumstances, the parties took the view that terminating the Share Acquisition Agreement was in the mutual interests of the Company, FB Investments and the Transferors.

AUDIT COMMITTEE

The audit committee of the Company comprises the three independent non-executive directors, Mr. Han Ying, Mr. Li Lu-an and Mr. Lv Jiang with Mr. Han Ying being Chairman of the audit committee. During the Reporting Period, the audit committee held three meetings. The members of the audit committee had reviewed with the senior management of the Group the accounting principles and practices adopted by the Group, and discussed issues such as internal control and financial reporting, including the review of the Company's financial statements prepared in accordance with the generally accepted accounting principles in Hong Kong.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st March 2007, the interests or short positions of the Directors, supervisors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules were as follows:

Long positions in Domestic Shares

Name	Number of Domestic Shares held	Approximate percentage of total issued Domestic Share capital (%)	Type of interest
Dr. Wu Jian-zhong (Note 1)	497,932,928 shares	69.76	Interest of controlled corporation
Dr. Wu Jian-zhong (Note 2)	24,982,300 shares	3.50	Interest of controlled corporation
Dr. Wu Jian-zhong (Note 3)	160,457,744 shares	22.48	Interest of controlled corporation
Dr. Meng Jin-xian (Note 4)	23,269,228 shares	3.26	Interest of controlled corporation
Dr. Meng Jin-xian (Note 4)	24,982,300 shares	3.50	Interest of controlled corporation
Mr. Wang Jian-ping (Note 5)	497,932,928 shares	69.76	Interest of controlled corporation
Mr. Wang Jian-ping (Note 6)	24,982,300 shares	3.50	Interest of controlled corporation
Mr. Wang Jian-ping (Note 6)	23,269,228 shares	3.26	Interest of controlled corporation

Notes:

1. The 497,932,928 Domestic Shares are held by Wumei Holdings, Inc. (物美控股集團有限公司) (''Wumei Holdings''), one of the promoters of the Company, which is directly and indirectly owned by Beijing CAST Technology Investment Company Limited (北京卡斯特科技投資有限公司)(''CAST Technology Investment'') as to 70% and 7.22% of its share capital, respectively. CAST Technology Investment is directly owned by Beijing Zhongsheng Huate Technology Company Limited (北京中勝華特科技有限公司)(''Zhongsheng Huate'') and Beijing Jingxi Guigu Technology Company Limited (北京京西硅谷科技有限公司) (''Jingxi Guigu'') as to 20% and 80% of its share capital, respectively. Dr. Wu Jian-zhong holds 25% of the share capital of Zhongsheng Huate, which has an indirect interest in the 497,932,928 Domestic Shares directly held by Wumei Holdings.

2. The 24,982,300 Domestic Shares are held by Beijing Hekang Youlian Technology Company Limited (北京和康友聯技術有限公司) (''Hekang Youlian''), one of the promoters of the Company, which is directly owned by CAST Technology Investment as to 50% of its share capital. Please refer to note 1 for the shareholdings of CAST Technology Investment. Dr. Wu Jian-zhong holds 25% of the share capital of Zhongsheng Huate, which has an indirect interest in the 24,982,300 Domestic Shares directly held by Hekang Youlian.

3. Dr. Wu Jian-zhong holds 70% of the share capital of Beijing Wangshang Shijie E-business Company Limited (北京網商世界電子商務有限公司) (''Wangshang Shijie E-business''), one of the promoters of the Company, which has a direct interest in the 160,457,744 Domestic Shares.

4. Dr. Meng Jin-xian holds 40% of the share capital of Beijing Junhe Investment Company Limited (北京君合投資有限公司) (''Junhe Investment''), one of the promoters of the Company, which has a direct interest in the 23,269,228 Domestic Shares. Junhe Investment also holds 50% of the share capital of Hekang Youlian, which has a direct interest in the 24,982,300 Domestic Shares.

5. Mr. Wang Jian-ping holds 5% of the share capital of Jingxi Guigu, which has an indirect interest in the 497,932,928 Domestic Shares directly held by Wumei Holdings. For details, please refer to note 1 above.

6. Mr. Wang Jian-ping holds 30% of the share capital of Junhe Investment, one of the promoters of the Company, which has a direct interest in the 23,269,228 Domestic Shares. Junhe Investment also holds 50% of the share capital of Hekang Youlian, which has a direct interest in the 24,982,300 Domestic Shares.

Save as disclosed above, to the best knowledge of the Directors, as at 31st March 2007, none of the Directors, supervisors or chief executives of the Company or their respective associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required pursuant to section 352 to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules.

As at 31st March 2007, none of the Company, any of its subsidiaries, holding companies or fellow subsidiaries was a party to any arrangement which enables the Directors or supervisors of the Company to acquire benefits by acquiring shares in, or debentures of, the Company.

SUBSTANTIAL SHAREHOLDERS

As at 31st March 2007, the interests or short positions of persons other than the Directors, supervisors or chief executives of the Company in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Long positions in Domestic Shares

Name	Number of Domestic Shares held (shares)	Approximate percentage of total Domestic Shares capital (%)
Dr. Zhang Wen-zhong (Note 1)	497,932,928	69.76
Dr. Wu Jian-zhong (Note 2)	160,457,744	22.48
Jingxi Guigu (Note 1)	497,932,928	69.76
CAST Technology Investment (Note 1)	497,932,928	69.76
Wumei Holdings (Note 1)	497,932,928	69.76
Wangshang Shijie E-business (Note 2)	160,457,744	22.48
Dr. Meng Jin-xian (Note 3)	48,251,528	6.76

Notes:

1. Jingxi Guigu is owned as to 85% by Dr. Zhang Wen-zhong, and therefore Dr. Zhang Wen-zhong is entitled to control the exercise of one-third or more of the voting power at general meetings of Jingxi Guigu. CAST Technology Investment is owned as to 80% by Jingxi Guigu, and therefore Jingxi Guigu is entitled to control the exercise of one-third or more of the voting power at general meetings of CAST Technology Investment. Wumei Holdings is owned as to 70% by CAST Technology Investment, and therefore CAST Technology Investment is entitled to control the exercise of one-third or more of the voting power at general meetings of Wumei Holdings. Each of Dr. Zhang Wen-zhong, Jingxi Guigu and CAST Technology Investment is therefore deemed, by virtue of Part XV of the SFO, to be interested in the Shares held by Wumei Holdings.

2. Wangshang Shijie E-business is owned as to 70% by Dr. Wu Jian-zhong, and therefore Dr. Wu Jian-zhong is entitled to control the exercise of one-third or more of the voting power at general meetings of Wangshang Shijie E-business. Dr. Wu Jian-zhong is therefore deemed, by virtue of Part XV of the SFO, to be interested in the Shares held by Wangshang Shijie E-business.

3. Junhe Investment is owned as to 40% by Dr. Meng Jin-xian, and therefore Dr. Meng Jin-xian is entitled to control the exercise of one-third or more of the voting power at general meetings of Junhe Investment. 23,269,228 Domestic Shares are held by Junhe Investment. Hekang Youlian is owned as to 50% by Junhe Investment, and therefore Junhe Investment is entitled to control the exercise of one-third or more of the voting power at general meetings of Hekang Youlian. 24,982,300 Domestic Shares are held by Hekang Youlian. Dr. Meng Jin-xian is therefore deemed, by virtue of Part XV of the SFO, to be interested in the Shares held by Junhe Investment and Hekang Youlian.

Long positions in the H Shares

Name	Number of H Shares held (shares)	Approximate percentage of total H Share capital (%)
Julius Baer Investment Management LLC (Note 1)	50,154,274	9.90
The Capital Group Companies, Inc. (Note 2)	47,676,000	9.41
Oppenheimerfunds, Inc. (Note 3)	37,388,000	7.38
JPMorgan Chase & Co. (Note 4)	33,503,872	6.61
Julius Baer International Equity Fund (Note 5)	27,342,132	5.40

Notes:

1. These 50,154,274 H Shares were held by Julius Baer Investment Management LLC in its capacity as an investment manager.

2. These 47,676,000 H Shares were held by The Capital Group Companies, Inc. in its capacity as an investment manager.

3. These 37,388,000 H Shares were held by Oppenheimerfunds, Inc. in its capacity as an investment manager.

4. 21,388,000 H Shares were held by JP Morgan Chase & Co. in its capacity as an investment manager and 12,115,872 H Shares were held by it as a trustee company/approved lending agent.

5. These 27,342,132 H Shares were held by Julius Baer International Equity Fund in its capacity as an investment manager.

Save as disclosed above, no person had registered any interests or short positions in any shares or underlying shares of the Company which were required to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

Wumei Holdings is the controlling shareholder and one of the management shareholders of the Company. In line with its business objectives, the Group will implement its expansion plan first in Beijing and surrounding areas, then the northern region and followed by the eastern region of the PRC and ultimately across other regions of the PRC. On 29th October 2003, the Company entered into the non-competition agreement, the trademark licensing agreement and the letter of undertaking with Wumei Holdings with a view to avoiding business competition with Wumei Holdings. On 12th November 2004, the Company and Wumei Holdings entered into management agreements respectively with (a) Beijing Wumart Pujinda Convenience Stores Company Limited and (b) Tianjin subsidiaries (see note). Since then, Wumei Holdings has been operating in strict compliance with the aforementioned agreements in order to avoid business competition with the Group. Save as the competing operations disclosed above, Wumei Holdings did not engage in any operations that were in direct or indirect competition against the Group, nor did it have any interests in any of such operations.

Note: Tianjin subsidiaries include Tianjin Hedong Wumart Commerce Company Limited, Tianjin Hebei Wumart Convenience Stores Company Limited, Tianjin Hezuo Wumart Commerce Company Limited, Tianjin NanKai Shidai Wumart Commerce Company Limited, Tianjin Hongqiao Wumart Convenience Stores Company Limited and Tianjin Wumart Huaxu Commerce Development Company Limited.

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

Beijing, PRC
24th April 2007

As at the date of this announcement, the Board comprises:

Executive Directors
Dr. Wu Jian-zhong
Dr. Meng Jin-xian

Non-executive Director
Mr. Wang Jian-ping

Independent Non-executive Directors
Mr. Han Ying
Mr. Li Lu-an
Mr. Lv Jiang