

**WUMART STORES INCORPORATED:
FROM FRUIT AND VEGETABLES TO DOLLARS AND CENTS**

Within a period of one decade, Wumart Stores Incorporated (Code: 8277, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) has gone from zero income to having a Turnover of more than 1.57 billion renminbi.

As the name of this Company implies, Wumart Stores is in the business of operating supermarkets, principally, plus the operation of convenience stores, all of which are situated in the north of the People's Republic of China (PRC).

However, the operations of supermarkets are the primary source of income.

This Company went public on November 11, 2003, when it pitched an International Offering of 76.48 million, one renminbi Shares at a price of \$HK6.22 per Share.

The Offering was a hot property in the Hongkong Special Administrative Region (HKSAR) of the PRC, with the Public Offer Shares (7,648,000 Shares), being oversubscribed by about 152.30 times, while the Placing Shares (68,832,000 Shares) were oversubscribed by about 13.06 times.

Wumart Stores had expected to collect about \$HK336 million from this float, that money to be used as follows:

1. \$HK280.40 million to be used to expand the Company's retail network in the PRC;
2. \$HK30.60 million to be used for the improvement and development of Wumart Stores's operating information and logistics systems;
3. \$HK6.30 million to be used to promote and strengthen brandname awareness;
4. \$HK800,000 to be used for the improvement of staff training; and,
5. \$HK17.90 million to be used for General Working Capital purposes.

Not a penny of the money, collected in this cash-raising exercise, was used to retire any of the Company's debts – because it amounted to only 40 million renminbi, as at September 30, 2003.

Considering that the Turnover for the 2002 Financial Year, ended December 31, 2002, was about 1.10 billion renminbi, and, considering that, as at May 31, 2003, the Company had cash and bank balances of about 129.50 million renminbi, the debt was inconsequential.

And TARGET subscribers will note that the latest information from the Company suggests that things are firing on all cylinders.

The History

Wumart Stores was founded by Dr Zhang Wen Zhong, who remains the Chairman and President, on October 6, 1994, according to Page 82 of the Prospectus.

The first supermarket of the Company was opened in Beijing in that year.

Today, one decade down the road, Wumart Stores ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published,
TARGET cannot be held responsible for any errors and/or omissions.***

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.