

The Number One Asian-American Supermarket in America!



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About Hmart

Hmart is a Asian-American supermarket chain that has been in business for over 30 years, specializing in Asian and Western groceries, fresh/frozen meats, seafood and produce.

The "H" in Hmart stands for a Happy, Healthy, Humane and Heartful Place. In order to maximize consumer satisfaction, Hmart strives to provide the highest level of service for every customer.

Since the first Hmart was opened in Woodside, NY in 1982, Hmart has expanded its market continuously. As a result, Hmart has opened 50 stores across the nation.

All Hmart stores are operated by five modern warehouse/distribution centers, one primary food processing facility, and over 3,500 passionate employees that have supported each store every day.

Hmart hires and trains competent employees, providing them with opportunities to develop themselves to be more proficient. In addition, Hmart tries to conduct business in an open and above-board manner to pursue transparent, fair, and reasonable operations.

Hmart has been praised by numerous U.S. media for its high quality products and customer-driven environment with annual sales exceeding \$1 billion.

In addition to a wide variety of Asian, Hispanic and American foods and related items, Hmart typically offers a number of retail concessionaires for a one-stop shopping environment including a pharmacy, video/DVD shops, cosmetics stores, gift shops, a Korean-style food court and café/bakery.



Differentiation Strategy

1. LOWER PRICE ACHIEVED BY CENTRALIZED AND EFFICIENT PROCUREMENT SYSTEM

Hmart has the cost-efficient procurement system that enables the company to provide all the fresh and frozen meats and groceries for retail sale. The high level of purchasing power allows Hmart to offer various items to customers at substantially lower prices.

2. HIGH QUALITY PRODUCTS FOR DIVERSE ETHNIC GROUPS

Hmart offers a full line of Asian groceries as well as a broad range of Western groceries. While many other Asian supermarkets are designed to target only Asian communities, Hmart has enlarged its operation to target all ethnic groups in America. Moreover, Hmart provides customers with competitive prices for high quality products, and we continuously upgrade our operations to attract more diverse ethnic groups.

3. COMMUNITY INVOLVEMENT

Since 2003, "Asian Food Festival" hosted by Hmart has been taking place in "Super H Mart" in Georgia, New Jersey, Illinois and Virginia annually. In the festival, more than 40 food vendors from Korea, Japan and China offer their traditional foods and various discount coupons. Moreover, many Asian artists present performance events, such as playing folk music and dancing with visitors, to create a cultural, celebratory atmosphere. Hmart also sponsors "All Asian Food Expo," "Full Moon Festival," and "Chicago Korean Festival" to further engage in community activities.



4. SELF-SUPPLY OF ESSENTIAL ITEMS AND BRAND OWNERSHIP

Hmart has achieved low cost policy by directly manufacturing and supplying essential food items. For example, Hmart created the "Haioreum" and "Organic Farm" brand in order to offer high quality beverages, and various organic grains at lower prices. These brands have been highly recognized and trusted by the local community for many years.









In 2003, Hmart introduced a brand name of "Haioreum" for grains, dried agricultural products, frozen foods and beverages.

"Organic farm" certified by U.S. Department of Agriculture, is Hmart's first organic brand, which provides a variety of organic grain at lower price.

In 2002, Hmart introduced a prepared food brand named "Jinga". Fifty varieties of prepared foods are sold under the name of it. Jinga is well known for its fresh and delicious Korean side dishes ("Banchan").

"Tobagi" is well-recognized brand name of Kimchi sold in the U.S. Introduced 2002, twenty varieties of Kimchi are loved by the customers of various ethnics.

5. MEDIA RECOGNITION / MULTI-CHANNEL ADVERTISEMENT

Hmart has established its strong brand power by using various media channels. To attract more customers, Hmart has advertised in various local newspapers and TV/Radio commercials. As a result, Hmart has been praised for its success by numerous American media outlets including ABC News, Washington Post, Chicago Tribune, New York Daily News, etc. All in all, Hmart believes that the wide recognition coupled with an excellent reputation with various media sources is the most valuable advertisement tool to both customers and neighborhood communities. In 2014, Hmart was mentioned as one of the fastest growing retailers in the National Retail Federation's HOT 100 RETAILERS (#13 Hmart). Supermarket News has listed Hmart as one of the Top 70 Food Retailers & Wholesalers in the United State & Canada (2015 Top 75 List).



Hmart History

Woodside, New York, 1982 ORIGIN

Retail supermarket, Food wholesale, Food processing, SCOPE OF

Online sales **BUSINESS**

300 Chubb Avenue, Lyndhurst, NJ 07071 **HEADQUARTERS**

GROSS ANNUAL Over \$1 billion (2014) SALES

Over 3,500 **EMPLOYEES**

New York(8), New Jersey(8), Maryland(4), Massachusetts(2), STORE LOCATIONS

Pennsylvania(3), Virginia(4), Georgia(5), Illinois(3),

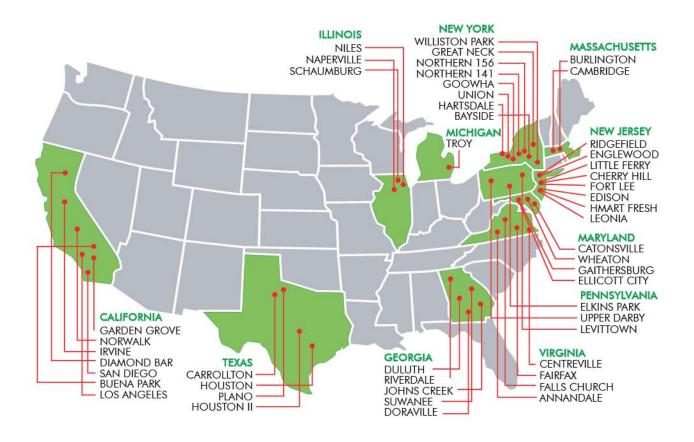
Michigan(1), California(7) and Texas(4)

WAREHOUSE / New Jersey, Maryland, Illinois, Georgia and California DISTRIBUTION CENTER

FOOD PROCESSING New York **FACILITY**

A Korean tradition made in America. Since 1982.

Hmart Stores



The Number One Asian-American Supermarket in America!







Hmart Cambridge, MA



Hmart Cambridge, MA



Hmart Cambridge, MA



Hmart Cambridge, MA



Hmart Los Angeles, CA





Hmart Los Angeles, CA



Hmart Plano, TX



Hmart Ellicott City, MD







Hmart Cambridge, MA

Hmart Los Angeles, CA





A Korean tradition made in America. Since 1982.

DIAMOND JAMBOREE, Ltd.

900 SOUTH SAN GABRIEL BOULEVARD, SUITE 200, SAN GABRIEL, CA 91776 PHONE: 626.285.5550 FAX: 626.285.0003 email: diamond-co@sbcglobal.net

December 17, 2009

To Whom It May Concern,

I understand that HMart is considering expanding its supermarket operations in Northern California; and I have been asked to share my experience of HMart as a tenant, which I am happy to do.

We entered into a lease with HMart to be the supermarket tenant at our Diamond Jamboree project in Irvine, CA in 2006; and our shopping center, along with the HMart store, opened in the fall of 2008. Although we had considerable interest in our project prior to HMart's having signed its lease, we experienced a marked increase in tenant interest after we announced that HMart would be our supermarket anchor. Upon opening, both the project and our in-line tenants have experienced a very high level of customer traffic, for which I believe HMart has played a large role. Certainly, we are very pleased to have chosen HMart as our supermarket anchor.

The Diamond Jamboree Shopping Center is a new 115,000 square foot development that we delivered during a very difficult economic period. Nonetheless, we are proud to share that we are essentially fully leased with a number of excellent tenants in addition to HMart. The synergies among these high quality tenants has helped make the project an extremely popular destination for shoppers from a very wide trade area in a very short amount of time, and we welcome you to view our website at www.diamond-jamboree.com.

HMart was very easy to work with during the design and completion of its tenant improvements; and we are very pleased with their clean, well organized management practices. They have been timely in meeting all of their leasehold obligations, and we will consider them a prime candidate for any of our future projects.

Steve Zuckerman

Best regards,

Development Director



December 1, 2009

Re: H Mart

To a prospective H Mart landlord:

I have learned that H Mart is looking for locations for a new store in Northern California. I was asked to compose a letter of recommendation for H Mart as a tenant, which I would be glad to do.

I can provide some background on our firm's experience with H Mart. Metropolitan Management owns and manages over 2 million square feet of retail strip centers in Maryland. H Mart subleased a space from Superfresh Food Markets, a division of A & P, at our 40 West Shopping Center, in Catonsville, Maryland. This particular center is one of the busiest in the Baltimore area.

The H Mart opened in the summer of 2001. We have worked with a number of western markets over the years. This was our first experience working with an Asian supermarket. We have been pleased to have H Mart as the anchor supermarket at 40 West Shopping Center. They do a really nice business and have helped us bring in several tenants to fill other space in the project. We were also pleased to lease additional space to H Mart several years ago in the project. Feel free to review our portfolio online at <u>Baltimoreshoppingcenters.com</u>. If you have any questions, please feel free to call me at your convenience.

Sincerely,

William Berman



6110 Executive Boulevard, Suite 800 Rockville, Maryland 20852

301 984 9400 301 984 9610

Steve Krupinski Director, Retail Leasing And Investment

Writer's Direct Dial: 301-255-0846 Writer's Direct FAX: 301-984-9612

December 17, 2009

To Whom It May Concern Shainis & Peltman, Chartered 1850 M Street, NW Suite 240 Washington, DC 20036

RE: HAR Wheaton, Inc. ("H Mart") 12105 Georgia Avenue Wheaton, MD 20902

To Whom It May Concern:

I understand that H Mart is considering expanding its supermarket operations in your area. I am happy to share my experience with H Mart as a Tenant.

H Mart subleased from the Superfresh Food Markets, Inc. a subsidiary of the Great Atlantic & Pacific Tea Company, Inc. ("A&P"), a space formerly operated as a traditional "Superfresh" supermarket at the "Wheaton Park Shopping Center" in Wheaton, MD, a D.C. suburb. Our firm, which is one of the largest commercial landlords in the Washington, D.C. SMSA, owns the center. Subsequently H Mart leased directly from our firm, the Washington Real Estate Investment Trust.

The H Mart store opened for business in 2001. The move to a H Mart, with its Asian international focus, as the supermarket for the project, entailed some risk, but we found that the demographics fully supported this move.

H Mart offers a wide variety of Asian and non-Asian goods commonly associated with supermarkets at very competitive prices. H Mart has been favorably written up in the local press. As a result of this, a reasonable portion of Hart's customer traffic also is non-Asian.

We have found that H Mart operates a well organized business and meets its obligations in a responsible manner. I would be very happy to have an H Mart supermarket at another of our projects.

The benefits to our project of increased traffic and higher rent for the side shops further support our decision. After H Mart began its occupancy, we experienced a considerable increase in other lease signings at the project. The side shops also have attained a very nice level of business, which I believe is certainly partly due to the attraction of H Mart.

If you have any questions, please do not hesitate to contact me.

Sincerely,

WASHINGTON REAL ESTATE INVESTMENT TRUST

Steve Krupinski

Director, Retail Leasing and Investment

SK/sw

Enclosure