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August 29, 2017

To: Mr. Leo Ou Chen, Chairman of Jumei International Holding Ltd.
Mr. Yusen Dai, Co-Founder of Jumei International Holding Ltd.
Mr. Neil Shen, Founding and Managing Partner, Sequoia Capital China

From: Peter Halesworth, Managing Partner, Heng Ren Partners LLC

We are owners of Jumei International Holding (NYSE: JMEI). Chairman Leo Ou Chen's proposed "go-private" transaction of $7.00 per share substantially undervalues the company, and since his announcement in February 2016 a series of mistakes has caused the stock of China's leader in online cosmetics retail to collapse by as much as -45.2%, while online shopping is booming in China.

During Chairman Chen's 18-month debacle, $397 million in Jumei's market value has been destroyed, an absurd amount considering the company's current market value is $479 million. *

This debacle has been abetted by venture capital firm Sequoia Capital (China), a partner in Chairman Chen's bid, and condoned by Jumei's delinquent Board of Directors, perhaps because the independent directors collectively own zero shares.

Instead of fulfilling its pledge to invest in marketing and branding some of the $280 million raised in the 2014 U.S. IPO in a sector where Jumei is a leader, and that is growing at a double-digit rate annually, the company has chosen since Chairman Chen's bid to:

- Invest $14.3 million in the production of a television drama series.
- Invest $44.8 million in a portable phone battery charger power bank start up.

The more than $59 million invested in these questionable non-core targets is equal to 12% of Jumei's market cap, and 18% of its cash.

Jumei reported $331 million in cash at the end of 2016 – 87% of its market value, more than double the amount at the end of 2014, and treble its cash holdings pre-IPO – yet Jumei has never paid shareholders a single penny in dividend.

However, in December 2014 Jumei's Board did authorize a one-year $100 million stock buyback program. When the program was completed, Jumei had purchased a total of only $145,000 worth of shares, a pittance compared to the $397 million in market value lost to investors during Chairman Chen's bid debacle, and the $59 million spent this year on questionable investments – the latter 407X more than Jumei has ever distributed to shareholders with buybacks.

* Current stock price and market capitalization based on a closing price of $3.20 on August 25, 2017.

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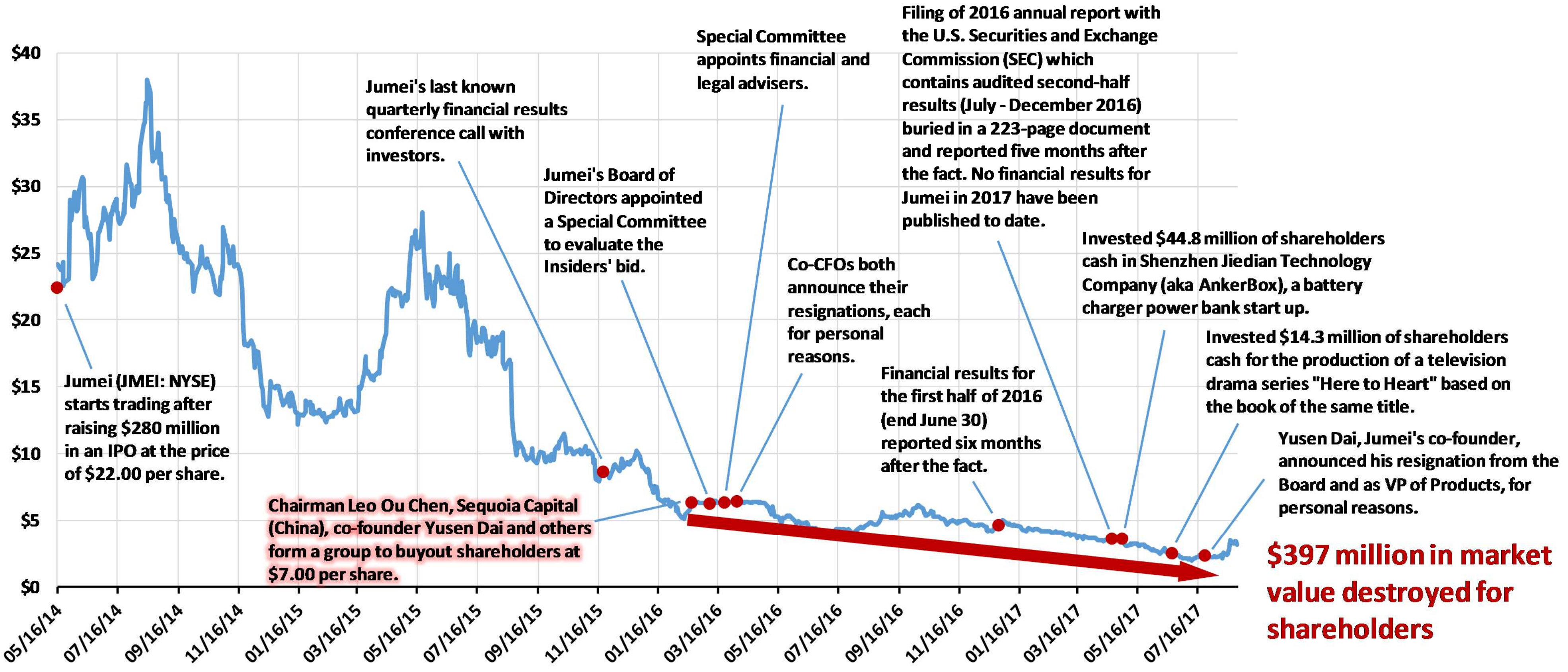

Since Jumei has discontinued meaningful shareholder communications for 22 months (despite still retaining an Investor Relations firm in the U.S. and until recently a dedicated Investor Relations officer, all paid for by shareholders) there is no forum for investors to query Jumei's management about the value of these questionable investments, which appear irrelevant to the core online cosmetics retail business and a waste of valuable shareholder cash.

It is time for the Board to immediately end this debacle. Shareholders have been forced to "fly blind" without any disclosure of financial information from Jumei about the past nine months, powerlessly watch tens of millions of dollars of our cash invested in TV dramas and portable phone battery charger banks, while we have not heard since February 2016 from Chairman Chen about his $7.00/share buyout offer – which was made just 20 months after Jumei's U.S. IPO at $22.00/share. Jumei's stock is now at $3.20.

The last words heard from Chairman Chen was in the letter to shareholders announcing the buyout offer, pledging "we can timely secure adequate financing to consummate the Acquisition," and "we believe that the Acquisition will provide value to the company's shareholders."

Eighteen months and $397 million in market value lost for shareholders later, it is obvious Chairman Chen's reassurances were wrong.

Regulators also should take notice how these mistakes have snowballed into $397 million of shareholder value destruction, and investigate whether there is method in Jumei's apparent madness in this buyout debacle.

To restore confidence, the Board of Directors of Jumei now needs to intervene and fulfill their fiduciary duty by:

- Disbanding the Special Committee it appointed to review the fantasy buyout offer, which is too low – Jumei is worth at a minimum more than $8.00 per share.

- Promptly declare a special dividend of $1.50/share to return $225 million to shareholders in an intensive effort to help repair the damage to shareholder trust and investor confidence.

- This distribution of cash to shareholders would correct Jumei's balance sheet and also benefit shareholders damaged by this 18-month buyout debacle inflicted by Chairman Chen and Insiders.

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In order to regain trust the Board must divulge what has gone wrong. Per Jumei's Corporate Governance Guidelines, the Board also should distribute to shareholders:

- The most recent annual evaluation of the Board, overseen by the Company's Nominating and Corporate Governance Committee.

- The Compensation Committee Chairman's annual evaluation of the Chief Executive Officer (CEO).

- The Disclosure Committee's stance on the proposed management buyout of the company, in conjunction with Sequoia Capital China, and an explanation for the lack of information for shareholders.

Considering Jumei's relatively strong cash flow model, if capital expenditure and investments were more disciplined, there would be significant upside potential for much greater shareholder value than the Chairman's bid of $7.00 per share, and the current stock price of $3.20.

This effort to repair and improve shareholder value must be pursued. The Board should no longer underestimate the financial damage done to shareholders caused by Chairman Chen's lowball offer and your delinquent leadership.

Jumei shareholders may fear the prospect of Chairman Chen and Sequoia Capital withdrawing their proposed bid. Heng Ren's research shows when lowball bids of fundamentally sound and growing U.S.-listed Chinese companies are withdrawn, many of the stocks eventually trade at significant premiums to the proposed low bids.

This stock-price reaction is more evidence the Insider bids are unfair to shareholders and, in fact, are curtailments of market value for shareholders, just as we have endured during this 18-month debacle triggered by Chairman Chen's lowball bid, still unfulfilled since February 17, 2016.

Sincerely,

Peter Halesworth
Managing Partner
Heng Ren Partners LLC
Boston, Massachusetts USA