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

(Stock code: 00980)

**ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS
(1) LOGISTIC FRAMEWORK AGREEMENT
AND
(2) REVISION OF ANNUAL CAP AND EXTENSION OF TERM OF
PURCHASE FRAMEWORK AGREEMENT**

(1) LOGISTIC FRAMEWORK AGREEMENT

The Board announces that on 28 April 2016, the Company entered into the Logistic Framework Agreement with Yonghui Superstores, pursuant to which, Yonghui Superstores agreed to provide logistic services, including but not limited to providing delivery services, allocation services and dealing with the return of goods within the city of Shanghai, and providing delivery services and warehousing services outside the city of Shanghai, to the Group on a non-exclusive basis.

(2) REVISION OF ANNUAL CAPS AND EXTENSION OF TERM OF THE PURCHASE FRAMEWORK AGREEMENT

As disclosed in the announcement of the Company dated 28 December 2015, the Company entered into the Purchase Framework Agreement with Yonghui Superstores on 28 December 2015 with a term commencing from 1 January 2016 till the Expiry Date, pursuant to which, the Company agreed to purchase various kinds of goods, including but not limited to fresh produce and foods, from Yonghui Superstores.

Due to the anticipated closer business relationship and increasing cooperation between the Company and Yonghui Superstores in the future for the improvement of the Company's operating results, the Board expects that the Group will purchase more goods from Yonghui Superstores and hence, the Existing Annual Caps will not be sufficient for the expected sales of the Group for the years ending 31 December 2016 and 2017. The Company therefore proposes to revise the Existing Annual Caps for the years ending 31 December 2016 and 2017 to the Revised Annual Caps and accordingly, the Company and Yonghui Superstores entered into the Supplemental Purchase Framework Agreement on 28 April 2016, pursuant to which (i) the term of the Purchase Framework Agreement is extended to three years commencing from 1 January 2016 till 31 December 2018; and (ii) the Existing Annual Caps for the years ending 31 December 2016 and 2017 to be increased to the Revised Annual Caps and to set the New Annual Cap for the year ending 31 December 2018.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Yonghui Superstores owns 21.17% of the equity interest in the Company and is therefore a substantial Shareholder of the Company and a connected person (as defined in Chapter 14A of the Listing Rules) of the Company. Accordingly, the transactions contemplated under the Logistic Framework Agreement and the Supplemental Purchase Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(2) of the Listing Rules, if the Company proposes to revise the Existing Annual Caps, the Company will have to re-comply with the relevant announcement and Independent Shareholders' requirements under Chapter 14A of the Listing Rules.

Since the Logistic Framework Agreement and the Supplemental Purchase Framework Agreement are entered into with the same connected person and are related, the Logistic Framework Agreement and the Supplemental Purchase Framework Agreement (as defined under Rule 14.07 of the Listing Rules) would have to be aggregated for the purpose of considering the Company's compliance obligations under the Listing Rules pursuant to Rule 14A.81 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregate annual caps for the Logistic Framework Agreement and the Supplemental Purchase Framework Agreement exceeds 5%, the Logistic Framework Agreement and the Supplemental Purchase Framework Agreement would be subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISOR

An Independent Board Committee has been established to advise the Independent Shareholders in relation to the Logistic Framework Agreement and its annual caps, the Supplemental Purchase Framework Agreement, the Revised Annual Caps, and the New Annual Cap and Gram Capital has been appointed to advise and make recommendations to the Independent Board Committee and the Independent Shareholders regarding the same.

AGM AND DESPATCH OF CIRCULAR

The Company will convene the AGM for the Independent Shareholders to, amongst others, consider and, if thought fit, approve the Logistic Framework Agreement and its annual caps, the Supplemental Purchase Framework Agreement, the Revised Annual Caps and the New Annual Cap, at which Yonghui Superstores and its associates will abstain from voting on the relevant resolutions.

Since additional time is required by the Company to prepare a circular containing, among others, (a) details of the Logistic Framework Agreement and its annual caps, the Supplemental Purchase Framework Agreement, the transactions contemplated thereunder, the Revised Annual Caps and the New Annual Cap; (b) a letter from the Independent Board Committee; and (c) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders, it is expected to be despatched to the Shareholders on or before 26 May 2016.

LOGISTIC FRAMEWORK AGREEMENT

The principal terms of the Logistic Framework Agreement are set out as below:

Date

28 April 2016

Parties

- (a) the Company; and
- (b) Yonghui Superstores.

Term

The Logistic Framework Agreement is for a term commencing from 1 January 2016 till 31 December 2018.

The Company confirms that the transaction amount for the period from 1 January 2016 to the date of this announcement is within the de minimis threshold under Chapter 14A of the Listing Rules.

Logistic services

Yonghui Superstores or its subsidiaries agreed to provide logistic services, including but not limited to providing delivery services, allocation services and dealing with the return of goods within the city of Shanghai, and providing delivery services and warehousing services outside the city of Shanghai, to the Group on a non-exclusive basis. The provision of delivery services refers to the delivery of goods by Yonghui Superstores to the Group at the various outlets of the Group and the provision of warehousing services refers to the delivery of goods into the warehouse, storage at the warehouse and retrieval of goods from the warehouse.

The business departments of the parties will enter into individual logistic services contracts setting out specific terms of services including price, settlement method, payment arrangement and time for payment. Such terms will be consistent with the principles and the terms of the Logistic Framework Agreement. If there is any conflict between the terms of an individual logistic services contract and the Logistic Framework Agreement, the latter shall prevail.

Consideration and Payment

The price for the logistic services under the Logistic Framework Agreement is determined principally by arm's length commercial negotiations according to the principles of fairness and reasonableness between the relevant parties with reference to the market price of such services from time to time. The fee payable under the individual logistic services contracts is to be made according to the terms of the individual logistic services contracts. The prices for the services to be provided by Yonghui Superstores to the Company will not be less favourable than those available from Independent Third Parties in similar transactions.

Conditions Precedent

The Logistic Framework Agreement is subject to the conditions precedent that (i) the requisite resolutions have been passed by the Board and the board of directors of Yonghui Superstores respectively; (ii) the requisite approvals have been obtained from the Independent Shareholders and the shareholders of Yonghui Superstores respectively; and (iii) the relevant disclosure requirements have been satisfied by the Company and Yonghui Superstores respectively, before the Logistic Framework Agreement will become effective.

Historical Amounts

The historical fee paid by the Company to Yonghui Superstores and/or its subsidiaries for the provision of logistic services is not available since no logistic services were provided by Yonghui Superstores and/or its subsidiaries of the Company in the past.

Annual Cap

The maximum annual transaction amount payable by the Company for the three financial years ending 31 December 2016, 2017 and 2018 under the Logistic Framework Agreement are set out as follows:

Period	Maximum Transaction Amount (RMB)
From 1 January 2016 to 31 December 2016	18,000,000
From 1 January 2017 to 31 December 2017	25,000,000
From 1 January 2018 to 31 December 2018	28,000,000

Such maximum annual transaction amount is determined in accordance with:

1. the logistics fees to be incurred by the Company for purchasing more goods from Yonghui Superstores due to the continuous development of the business relationship between both parties in the future;
2. the historical fees paid by the Group for the delivery of goods in certain regions outside the city of Shanghai; and
3. the increasing demand of the Group in logistics services due to its business expansion.

In view of the above factors, the Directors (excluding the independent non-executive Directors who will express their views after considering the advice of the Independent Financial Advisor) consider that the above proposed caps in respect of the provision of logistic services by Yonghui Superstores to the Group are fair and reasonable.

Board's Approval

The Board has approved the Logistic Framework Agreement and none of the Directors has any material interest in the transaction contemplated thereunder. Since Mr. Zhang Xuan-song and Mr. Zhang Jing-yi are either holding a senior position or being a director at Yonghui Superstores, they have abstained from voting on the relevant written resolution of the Board to approve the Logistic Framework Agreement.

Internal Control And Pricing Policy

In order to ensure that the terms for the provision of logistic services by Yonghui Superstores to the Group under the Logistic Framework Agreement are not less favourable than those available from Independent Third Parties, the Company has adopted the following measures:

1. the prices for the services will be negotiated on arm's length basis and at prices with reference to the prevailing market prices of similar services, which will be determined through a periodic price research conducted by the staff of the business department of the Company by obtaining the prices of services charged by two to three suppliers in the market for similar services comparable to the services under the Logistic Framework Agreement;
2. the Company will supervise the continuing connected transactions in accordance with the procedures set forth in the Company's internal control manual on continuing connected transactions. The relevant personnel of the business department of the Company will conduct regular checks to review and assess whether the transaction contemplated under the relevant continuing connected transaction are conducted in accordance with the terms of its respective agreement and will also regularly update the market price for the purpose of considering if the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy;
3. the Company's external auditors will conduct an annual review on the pricing and the annual caps of the continuing connected transactions;
4. the Company's Audit Committee will review at least twice a year the analysis reports and the improvement measures prepared by the Company's management based on the implementation of the continuing connected transactions by the Company; and
5. the independent non-executive Directors will conduct an annual review of the implementation and enforcement of the continuing connected transactions.

REVISION OF ANNUAL CAPS AND EXTENSION OF TERM OF THE PURCHASE FRAMEWORK AGREEMENT UNDER THE SUPPLEMENTAL PURCHASE FRAMEWORK AGREEMENT

As disclosed in the announcement of the Company dated 28 December 2015, the Company entered into the Purchase Framework Agreement with Yonghui Superstores on 28 December 2015 with a term commencing from 1 January 2016 till the Expiry Date, pursuant to which, the Company agreed to purchase various kinds of goods, including but not limited to fresh produce and foods, from Yonghui Superstores.

Due to the anticipated closer business relationship and increasing cooperation between the Company and Yonghui Superstores in the future for the improvement of the Company's operating results, the Board expects that the Group will purchase more goods from Yonghui Superstores and hence, the Existing Annual Caps will not be sufficient for the expected sales of the Group for the years ending 31 December 2016 and 2017. The Company therefore proposes to revise the Existing Annual Caps for the years ending 31 December 2016 and 2017 to the Revised Annual Caps and accordingly, the Company and Yonghui Superstores entered into the Supplemental Purchase Framework Agreement on 28 April 2016, pursuant to which (i) the term of the Purchase Framework Agreement is extended to three years commencing from 1 January 2016 till 31 December 2018; and (ii) the Existing Annual Caps for the years ending 31 December 2016 and 2017 to be increased to the Revised Annual Caps and to set the New Annual Cap for the year ending 31 December 2018.

As at the date of this announcement, the transaction amounts under the Purchase Framework Agreement amounts to RMB2.87 million and the Existing Annual Cap for the year ending 31 December 2016 has not been exceeded.

The Supplemental Purchase Framework Agreement will supersede the Purchase Framework Agreement when it becomes effective, set out below are the principal terms of the Supplemental Purchase Framework Agreement:

Date

28 April 2016

Parties

- (a) the Company; and
- (b) Yonghui Superstores.

Conditions Precedent

The Supplemental Purchase Framework Agreement is subject to the conditions precedent that (i) the requisite resolutions have been passed by the Board and the board of directors of Yonghui Superstores respectively; (ii) the requisite approvals have been obtained from the Independent Shareholders and the shareholders of Yonghui Superstores respectively; and (iii) the relevant disclosure requirements have been satisfied by the Company and Yonghui Superstores respectively, before the Supplemental Purchase Framework Agreement will become effective.

Term

The Supplemental Purchase Framework Agreement is for a term commencing from 1 January 2016 till 31 December 2018.

Purchase of Goods

The Company agreed to purchase various kinds of goods, including but not limited to fresh produce and foods, from Yonghui Superstores.

The business departments of the parties will enter into individual purchase of goods contracts setting out specific terms of purchase of goods including the goods to be purchased, price, amount, delivery methods and payment arrangement. Such terms will be consistent with the principles and the terms of the Supplemental Purchase Framework Agreement. If there is any conflict between the terms of an individual purchase of goods contract and the Supplemental Purchase Framework Agreement, the latter shall prevail.

Consideration and Payment

The price for the goods to be purchased under the Supplemental Purchase Framework Agreement is determined principally by arm's length commercial negotiations according to the principles of fairness and reasonableness between the relevant parties with reference to the market price of such goods from time to time. The fee payable under the individual purchase of goods contracts is to be made according to the terms of the individual purchase of goods contracts. The prices for the goods to be purchased by the Company from Yonghui Superstores will not be less favourable than those available from Independent Third Parties in similar transactions.

Historical Amounts

The historical fee paid by the Company to Yonghui Superstores for the purchase of goods for the periods from 17 November 2015 to 31 December 2015 (both days inclusive) and from 1 January 2016 to 25 April 2016 (both days inclusive) was approximately RMB3,040,000 and RMB2.87 million, respectively.

Revised Annual Caps and New Annual Cap

For the two financial years ending 31 December 2016 and 2017, the Existing Annual Caps are to be increased to the Revised Annual Caps as set in the table below and for the financial year ending 31 December 2018, the maximum annual transaction amount payable by the Company under the Supplemental Purchase Framework Agreement (i.e., the New Annual Cap) are set out as follows:

Period	Existing Annual Caps (RMB)	Revised Annual Caps (RMB)	New Annual Cap (RMB)
From 1 January 2016 to 31 December 2016	130,000,000	660,000,000	–
From 1 January 2017 to 31 December 2017	20,000,000 (Note)	900,000,000	–
From 1 January 2018 to 31 December 2018	–	–	1,000,000,000

Note: This represents the maximum transaction amount from 1 January 2017 to the Expiry Date

Such Revised Annual Caps and New Annual Cap is determined in accordance with:

1. the historical fees paid by the Company to the Yonghui Superstores for the provision of various kinds of goods for the period from 1 January 2016 to 25 April 2016 (both days inclusive) was approximately RMB2.87 million;
2. the continuous development of business relationship and the expected increasing cooperation between the Company and Yonghui Superstores in the future, including but not limited to the development of joint operation of loss-making stores located in certain regions where the Group operates its business. The Group targets to commence joint operation with Yonghui Superstores in the regions that are of strategic importance under its strategy “regional leadership and national expansion”, and where the supply chain development and bargaining power with suppliers are at a relatively weak position whereas Yonghui Superstores has competitive advantages in these aspects. Since the Group provided limited support to

develop supply chains in these regions in the past, most stores in such regions are incurring losses. Considering the strategic importance of these regions for the future development of the Group, the Group plans to increase its direct procurement of goods from Yonghui Superstores, lower the purchase cost and improve its supply chain in a fast way in these regions by leveraging on the competitive advantages of Yonghui Superstores in supply chain and bargaining power in these regions, so as to steadily improve the operating results of its stores located in such regions.

As mutually agreed between the Company and Yonghui Superstores, their joint operation will gradually commence from the end of May 2016 and the total number of stores under joint operation is expected to reach 10 for the three years ending 31 December 2018. According to the internal financial statistic of the Company, the costs for procurement of goods of such 10 stores reached approximately RMB602,000,000 for the year ended 31 December 2015. The Company expects to purchase most of the goods from Yonghui Superstores instead of from other suppliers after commencement of such joint operation. Since the Company expects that the operating results of such 10 stores will increase following the joint operation with Yonghui Superstores, it is expected that the amounts of goods to be purchased by the Company from Yonghui Superstores for the two years ending 31 December 2017 and 31 December 2018 will increase and therefore there is an increase of annual cap of each of the two years ending 31 December 2017 and 31 December 2018, which will reach RMB900,000,000 and RMB1,000,000,000, respectively.

Board's Approval

The Directors (excluding the independent non-executive Directors who will express their views after considering the advice of the Independent Financial Advisor) are of the view that the Supplemental Purchase Framework Agreement have been entered into, and will be carried out, in the ordinary and usual course of business of the Group and on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and the Revised Annual Caps and the New Annual Cap are fair and reasonable.

The Supplemental Purchase Framework Agreement, the Revised Annual Caps and the New Annual Cap have been approved by the Board and none of the Directors has any material interest in the transaction contemplated thereunder. Since Mr. Zhang Xuan-song and Mr. Zhang Jing-yi are either holding a senior position or being a director at Yonghui Superstores, they have abstained from voting on the relevant written resolution of the Board to approve the Supplemental Purchase Framework Agreement, the Revised Annual Caps and the New Annual Cap.

Internal Control And Pricing Policy

In order to ensure that the terms for the purchase of goods by the Company from Yonghui Superstores under the Supplemental Purchase Framework Agreement are not less favourable than those available from Independent Third Parties, the Company has adopted the following measures:

1. the prices for the procurement of goods will be negotiated on arm's length basis and at prices with reference to the prevailing market prices of similar goods, which will be determined through a periodic price research conducted by the staff of the business department of the Company by obtaining the prices of goods charged by two to three suppliers in the market for similar goods comparable to the goods under the Supplemental Purchase Framework Agreement;
2. the Company will supervise the continuing connected transactions in accordance with the procedures set forth in the Company's internal control manual on continuing connected transactions. The relevant personnel of the business department of the Company will conduct regular checks to review and assess whether the transaction contemplated under the relevant continuing connected transaction are conducted in accordance with the terms of its respective agreement and will also regularly update the market price for the purpose of considering if the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy;
3. the Company's external auditors will conduct an annual review on the pricing and the annual caps of the continuing connected transactions;
4. the Company's Audit Committee will review at least twice a year the analysis reports and the improvement measures prepared by the Company's management based on the implementation of the continuing connected transactions by the Company; and
5. the independent non-executive Directors will conduct an annual review of the implementation and enforcement of the continuing connected transactions.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

The Company always engages several third party logistics companies as its logistics services providers since its own logistic facilities cannot satisfy the demand for logistics services from all of its stores that spread over approximately 20 provinces and municipalities in the PRC. Major service areas of Yonghui Superstores are largely in line with the location of the Company's stores. Yonghui Superstores can provide logistic services of good quality with its equipment, information system, storage capabilities and experience in logistic services, and the logistic fees charged by it are reasonable in comparison with the prevailing market rates. The provision of logistic services by Yonghui Superstores to the Company in the regions where Yonghui Superstores have competitive advantages but the Company is in a weak position will change the current condition that the Company's supply chains cannot support its development in such regions and improve its overall supply chain in a fast way.

Yonghui Superstores' sales of goods is in the leading position in the retail industry with its fresh produce widely recognized and praised by customers. The entering into of the Supplemental Purchase Framework Agreement will diversify the supply of goods in the Company's stores and enhance the quality and competitiveness in pricing of the Company's goods, in particular, fresh produce and foods. Meanwhile, by leveraging on Yonghui Superstores's competitive advantages in supply chain in certain regions where the Company is unable to satisfy the demands from its stores with its own supply chain, the procurement of goods from Yonghui Superstores at a price no less favourable than the price available from independent third parties in such regions will largely improve the goods structure in stores in these regions, enhance the attractiveness of goods packages, develop the ability to attract consumers and thus improve the operating results of the Group quickly, and boost the stability of the Group's business operation as well as its long-term development.

The Directors (excluding the independent non-executive Directors who will express their views after considering the advice of the Independent Financial Advisor) consider that the entering into of the Logistic Framework Agreement and Supplemental Purchase Framework Agreement is in the ordinary and usual course of business of the Group and believe that the terms of the Logistic Framework Agreement and its annual caps, the Supplemental Purchase Framework Agreement, the Revised Annual Caps and the New Annual Cap are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Yonghui Superstores owns 21.17% of the equity interest in the Company and is therefore a substantial Shareholder of the Company and a connected person (as defined in Chapter 14A of the Listing Rules) of the Company. Accordingly, the transactions contemplated under the Logistic Framework Agreement and the Supplemental Purchase Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(2) of the Listing Rules, if the Company proposes to revise the Existing Annual Caps, the Company will have to re-comply with the relevant announcement and Independent Shareholders' requirements under Chapter 14A of the Listing Rules.

Since the Logistic Framework Agreement and the Supplemental Purchase Framework Agreement are entered into with the same connected person and are related, the Logistic Framework Agreement and the Supplemental Purchase Framework Agreement (as defined under Rule 14.07 of the Listing Rules) would have to be aggregated for the purpose of considering the Company's compliance obligations under the Listing Rules pursuant to Rule 14A.81 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregate annual caps for the Logistic Framework Agreement and the Supplemental Purchase Framework Agreement exceeds 5%, the Logistic Framework Agreement and the Supplemental Purchase Framework Agreement would be subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISOR

An Independent Board Committee has been established to advise the Independent Shareholders in relation to the Logistic Framework Agreement and its annual caps, the Supplemental Purchase Framework Agreement, the Revised Annual Caps, and the New Annual Cap and Gram Capital has been appointed to advise and make recommendations to the Independent Board Committee and the Independent Shareholders regarding the same.

AGM AND DESPATCH OF CIRCULAR

The Company will convene the AGM for the Independent Shareholders to, amongst others, consider and, if thought fit, approve the Logistic Framework Agreement and its annual caps, the Supplemental Purchase Framework Agreement, the Revised Annual Caps and the New Annual Cap, at which Yonghui Superstores and its associates will abstain from voting on the relevant resolutions.

Since additional time is required by the Company of prepare a circular containing, among others, (a) details of the Logistic Framework Agreement and its annual caps, the Supplemental Purchase Framework Agreement, the transactions contemplated thereunder, the Revised Annual Caps and the New Annual Cap; (b) a letter from the Independent Board Committee; and (c) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders, it is expected to be despatched to the Shareholders on or before 26 May 2016.

GENERAL INFORMATION

The Company is principally engaged in retail chain business, operating hypermarkets, supermarkets and convenience stores in the PRC.

Yonghui Superstores, a retail chain operator featuring fresh produce management, mainly operates hypermarkets, supermarkets and community supermarkets and has approximately 400 outlets spanning 18 provinces and municipalities across the nations.

DEFINITIONS

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

“AGM”	the 2015 annual general meeting of the Company to be convened for the purpose of, amongst others, considering and if thought fit, approving the Logistic Framework Agreement and its annual caps, Supplemental Purchase Framework Agreement, the Revised Annual Cap(s) and the New Annual Cap
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Lianhua Supermarket Holdings Co., Ltd, a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange

“Director(s)”	the director(s) of the Company
“Existing Annual Cap(s)”	the existing annual cap(s) applicable to the Purchase Framework Agreement for the applicable period ending on 31 December 2017
“Expiry Date”	the effective date of the purchase framework agreement for 2017 to be entered into between the Company and Yonghui Superstores
“Group”	the Company and its subsidiaries from time to time
“H Share(s)”	overseas listed foreign shares of nominal value of RMB1.00 each in the registered capital of the Company
“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors, who have no material interest in the Supplemental Purchase Framework Agreement, namely, Mr. Xia Da-wei, Mr. Lee Kwok Ming, Don, Mr. Gu Guo-jian and Mr. Wang Jin.
“Gram Capital” or “Independent Financial Advisor”	Gram Capital Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance, and the independent financial advisor to advise the Independent Board Committee and the Independent Shareholders in relation to the Logistic Framework Agreement and its annual caps, and the Supplemental Purchase Framework Agreement, the Revised Annual Caps and the New Annual Cap
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates
“Independent Shareholders”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Logistic Framework Agreement”	the logistic framework agreement dated 28 April 2016 entered into between the Company and Yonghui Superstores in relation to the provision of logistic services by Yonghui Superstores to the Company
“New Annual Cap”	the new annual cap applicable to the Supplemental Purchase Framework Agreement for the applicable period ending on 31 December 2018

“PRC”	the People’s Republic of China
“Purchase Framework Agreement”	the purchase framework agreement dated 28 December 2015 entered into between the Company and Yonghui Superstores in relation to the purchase of goods by the Company from Yonghui Superstores
“Revised Annual Cap(s)”	the revised annual cap(s) applicable to the Supplemental Purchase Framework Agreement for the applicable period ending on 31 December 2016 and 2017
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in sections 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Supplemental Purchase Framework Agreement”	the supplemental purchase framework agreement dated 28 April 2016 entered into between the Company and Yonghui Superstores in relation to the revision of the Existing Annual Caps and the extension of the term of the Purchase Framework Agreement
“Yonghui Superstores”	Yonghui Superstores Co., Ltd. (永輝超市股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601933)
“%”	per cent

By order of the Board
Lianhua Supermarket Holdings Co., Ltd.
Ye Yong-ming
Chairman

Shanghai, PRC, 28 April 2016

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

Executive director: Qi Yue-hong;

Non-executive directors: Ye Yong-ming, Zhang Xuan-song, Qian Jian-qiang, Zheng Xiao-yun, Zhang Jing-yi and Wong Tak Hung;

Independent non-executive directors: Xia Da-wei, Lee Kwok Ming, Don, Gu Guo-jian and Wang Jin.