联华超市股份有限公司
LIANHUA SUPERMARKET HOLDINGS CO., LTD.

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

(Stock Code: 00980)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders of the Company and potential investors that the Group expected to record a net loss ranging from approximately RMB4 million to RMB5 million for the six months ended 30 June 2017 as compared to the profit of approximately RMB2,944 thousand of the six months ended 30 June 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Lianhua Supermarket Holdings Co., Ltd. (the "Company", and together with its subsidiaries, the "Group") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "SFO").

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that the Group expected to record a net loss ranging from approximately RMB4 million to RMB5 million for the six months ended 30 June 2017 as compared to the profit of approximately RMB2,944 thousand of the six months ended 30 June 2016.

The expected net loss is mainly attributable to the continuous shrinking market demand, consumer traffic diversion resulting from intensified competition of online and offline retailers due to diversified shopping channels, which led to a decrease in the Group's sales.

This profit warning announcement is only based on the information currently available to the Group and a preliminary assessment on the management accounts of the Group by the management of the Company, which have not been audited or reviewed by the Company's auditors. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the Group's results for the six months ended 30 June 2017, which is expected to be released in August 2017.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Shanghai, the People's Republic of China, 24 July 2017

As at the date of this announcement, the directors of the Company are:

Executive directors:	Qi Yue-hong;
Non-executive directors:	Ye Yong-ming, Xu Zi-ying, Zhang Ye, Qian Jian-qiang, Zheng Xiao-yun, and Wong Tak Hung;
Independent non-executive directors:	Xia Da-wei, Lee Kwok Ming, Don, Sheng Yan and Zhang Jun.