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 Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board would like to inform the Shareholders and potential investors that the Group is expected to record a decrease in net loss with a range of 10% to 20% for the year ended 31 December 2020 as compared to the audited net loss of approximately RMB378 million for the year ended 31 December 2019.

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 board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that despite the abnormal operating environment brought by COVID-19 in 2020, the Company took proactive measures, promoted transformation and upgrading and grasped the opportunities of market recovery, and the whole business status was therefore improved. However, the final results for the year 2020 is still influenced by several one-off factors.

Those one-off factors that influenced the final results of the Company for the year 2020 mainly include the gain from disposal of land parcels in Caoyang Road, the recognition of loss on investment in an associate, the integration loss in the convenience store sector in each region based on the Group’s overall consideration of the strategic development of this sector as well as store closure loss of several hypermarket outlets. The total loss as a result of the above factors is expected to be no more than RMB250 million.

Thus the Board would like to inform the Shareholders and potential investors that the Group is expected to record a decrease in net loss with a range of 10% to 20% for the year ended 31 December 2020 as compared to the audited net loss of approximately RMB378 million for the year ended 31 December 2019.

This profit warning announcement is prepared 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 has 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 annual results for the year ended 31 December 2020, which is expected to be published in March 2021. There may be differences between such information and the estimated financial information set out above.

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 of the Board

Shanghai, the People’s Republic of China, 26 February 2021

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

Executive Director:
Xu Tao;

Non-executive Directors:
Ye Yong-ming, Xu Zi-ying, Xu Hong, Zhang Shen-yu, Dong Xiao-chun and Wong Tak Hung;

Independent Non-executive Directors:
Xia Da-wei, Lee Kwok Ming, Don, Chen Wei and Zhao Xin-sheng.