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

(Stock Code: 00980)

INSIDE INFORMATION

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 (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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).

References are made to the announcement of the Company dated 23 April 2021 and the circular of the Company dated 27 May 2021, in relation to the investment and wealth management cooperation between the Company and Shanghai Securities Co., Ltd. (上海證券有限公司) (“**Shanghai Securities**”), for a term commencing from 23 April 2021 to 31 December 2023 (both days inclusive).

The board of directors of the Company (the “**Board**”) hereby announce that Hangzhou Lianhua Huashang Group Co., Ltd. (“**Lianhua Huashang**”), a subsidiary of the Company, proposes to enter into a new agreement with Shanghai Securities to renew the transactions under the investment and wealth management cooperation, in order to carry out the relevant transactions in relation to investment products including, among others, asset management schemes pursuant to such new agreement, and the investment scope of which is proposed to comprise (a) fixed-income assets; (b) equity assets; (c) mixed asset management products, the issuers of which are under the supervision of the financial supervisory authorities under the State Council; (d) future and derivative asset management products, the issuers of which are under the supervision of the financial supervisory authorities under the State Council (excluding over-the-counter derivatives); (e) bond repurchases. It is expected that the maximum daily investment balance will not exceed RMB1.4 billion.

As at the date of this announcement, Lianhua Huashang and Shanghai Securities are still in the process of discussion and the relevant terms are subject to further negotiation. The parties will enter into the definitive agreement in relation to the relevant transaction, which will be jointly determined through arm's-length negotiation based on the market price of the same industry and the principle of fairness and reasonableness with reference to the prevailing market terms for similar products or services offered by other independent third parties, in order to ensure that the terms and conditions offered by Shanghai Securities are no less favourable than those offered by it to other independent third parties in respect of similar products and services. The Company will comply with the relevant requirements of the Listing Rules in due course.

Shareholders and potential investors of the Company should note that the transaction contemplated under the abovementioned proposed new agreement to be entered into are still subject to regulatory approvals and further negotiation, finalisation and signing of definitive agreement between the parties to the transaction. If the relevant transaction is materialised, the Company expects that such transaction will constitute a very substantial acquisition and continuing connected transaction under Chapter 14 and Chapter 14A of the Listing Rules. The Company will fulfill its compliance obligations with respect to the development of such matter in a timely manner in compliance with the requirements of the Listing Rules in due course. 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.
Pu Shao-hua
Chairman

Shanghai, the People's Republic of China, 7 September 2023

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

Executive Director: Chong Xiao-bing;

Non-executive Directors: Pu Shao-hua, Shi Xiao-long, Hu Xiao, 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.