THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action you should take, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **聯華超市股份有限公司** (**Lianhua Supermarket Holdings Co., Ltd.**), you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

(1) DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF A SUBSIDIARY
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ABOLISHMENT OF THE SUPERVISORY COMMITTEE
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Lego Corporate Finance Limited
力高企業融資有限公司

A letter from the Board is set out on pages 5 to 17 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 18 to 19 of this circular. A letter from Lego Corporate Finance Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 44 of this circular.

The Company will convene the EGM at 9:30 a.m. on Thursday, 18 December 2025 at the Conference Room, 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the PRC. The notice of the EGM, together with the proxy forms, are enclosed herein. Whether or not you will attend the EGM, you are reminded to complete and sign the form of proxy in accordance with the instructions printed thereon and return it to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 24 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

3 December 2025

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

"Anhui Century Lianhua"	Anhui Century Lianhua Development Co., Ltd.*(安徽世紀聯華發展有限公司), a direct wholly-owned subsidiary of Century Lianhua Development
"Anhui Century Lianhua Equity Transfer Agreement"	the equity transfer agreement dated 27 September 2024 entered into between Century Lianhua Development and Shanghai Dongran in relation to the Anhui Century Lianhua Disposal, the details of which are disclosed in the announcement of the Company dated 27 September 2024
"Articles of Association"	the articles of association of the Company (as amended, modified or otherwise supplemented from time to time)
"associate(s)"	has the meaning ascribed to it in the Listing Rules
"Bailian Group"	Bailian Group Co., Ltd.*(百聯集團有限公司), a limited liability company incorporated in the PRC and a substantial Shareholder
"Board"	the board of Directors of the Company
"Century Lianhua Development"	Shanghai Century Lianhua Supermarket Development Co., Ltd.*(上海世紀聯華超市發展有限公司), a direct wholly owned subsidiary of the Company
"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 (Stock Code: 980)
"Completion Date"	the date on which the completion of equity transfers under the Disposal take place in accordance with the principal terms of the Equity Transfer Agreement
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the entire equity interest in Yangpu Century Lianhua by Century Lianhua Development under the Equity Transfer Agreement

"EGM" or "Extraordinary General Meeting"	extraordinary general meeting of the Company to be held on Thursday, 18 December 2025 at the Conference Room, 13th Floor of Lianhua Supermarket Holdings Co., Ltd. at Bailian Central Plaza, No. 1258 Zhen Guang Lu, Shanghai, the PRC to consider and, if thought fit, approve, among other things, the Equity Transfer Agreement and the Disposal contemplated thereunder
"Equity Transfer Agreement"	the equity transfer agreement dated 19 November 2025 entered into between Century Lianhua Development and Shanghai Dongran in relation to the Yangpu Century Lianhua Disposal, details of which are disclosed in the announcement of the Company dated 19 November 2025
"Group"	the Company and its subsidiaries
"H Share(s)"	the overseas listed foreign shares of nominal value of RMB1.00 each in the registered capital of the Company
"H Shareholder(s)"	holder(s) of the H Shares
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hongkou Century Lianhua"	Shanghai Century Lianhua Supermarket Hongkou Co., Ltd.*(上海世紀聯華超市虹口有限公司), a direct wholly owned subsidiary of Century Lianhua Development
"Hongkou Century Lianhua Equity Transfer Agreement"	the equity transfer agreement dated 27 September 2024 entered into between Century Lianhua Development and Shanghai Dongran in relation to the Hongkou Century Lianhua Disposal, the details of which are disclosed in the announcement of the Company dated 27 September 2024
"Independent Board Committee"	comprising all the independent non-executive Directors who have no direct or indirect interests in the Equity Transfer Agreement and the Disposal contemplated thereunder, namely Mr. Xia Da wei, Mr. Lee Kwok Ming, Don, Mr. Chen Wei and Mr. Zhao Xin-sheng, formed in accordance with the requirements of the Listing Rules and to advise the Independent Shareholders on whether the Equity Transfer Agreement and the transactions contemplated thereunder are fair and reasonable and make recommendations as to voting

"Independent Financial Advisor" or "Lego"	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreement and the transactions contemplated thereunder
"Independent Shareholders"	Shareholders other than (i) Bailian Group, Shanghai Bailian and parties acting in concert with any of them and their respective associates; and (ii) all other Shareholders who are interested or involved in the Equity Transfer Agreement and the transactions contemplated thereunder
"Jiangsu Lianhua"	Lianhua Supermarket (Jiangsu) Co., Ltd.*(聯華超市(江蘇)有限公司), a direct wholly-owned subsidiary of the Company
"Jiangsu Lianhua Equity Transfer Agreement"	the equity transfer agreement dated 27 September 2024 entered into between the Company and Shanghai Dongran in relation to the Jiangsu Lianhua Disposal, the details of which are disclosed in the announcement of the Company dated 27 September 2024
"Latest Practicable Date"	28 November 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

"Shanghai Bailian"	Shanghai Bailian Group Co., Limited*(上海百聯集團股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and a substantial Shareholder of the Company, the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 600827/900923)
"Shanghai Dongran"	Shanghai Dongran Industrial Co., Ltd.*(上海動燃實業有限公司), an indirect wholly-owned subsidiary of Bailian Group
"Shanghai Lixin" or "Valuer"	Shanghai Lixin Appraisal Co., Ltd.*(上海立信資產評估有限公司), a qualified appraisal company in the PRC, engaged by the Company to value the appraised value of Yangpu Century Lianhua
"Shareholder(s)"	the shareholder(s) of the Company
"Share(s)"	the shares of the Company, including the Domestic Share(s), Unlisted Foreign Share(s) and/or H Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Subsidiary"	Yangpu Century Lianhua
"Transitional Period"	the period commencing from 31 July 2025 and ending on the Completion Date
"Unlisted Foreign Share(s)"	the unlisted foreign shares of nominal value of RMB1.00 each in the registered capital of the Company
"Valuation"	the valuation of the total shareholders' equity of the Target Subsidiary as at the Valuation Date prepared by the Valuer
"Valuation Date"	31 July 2025
"Valuation Report"	the valuation report prepared by the Valuer, the summary of which is set out in Appendix I to this circular
"Yangpu Century Lianhua"	Shanghai Century Lianhua Supermarket Yangpu Co., Ltd.*(上海世紀聯華超市楊浦有限公司), a direct wholly-owned subsidiary of Century Lianhua Development
"%"	per cent

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)

Executive Directors:
Ms. Wang Xiao-yan *(Vice Chairman)*
Ms. Zhang Hui-qin
Mr. Zhu Ding-ping

Non-executive Directors:
Mr. Pu Shao-hua *(Chairman)*
Ms. Shen Chen
Mr. Cao Hai-lun
Ms. Yang Qin

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

Registered Office:
Room 713, 7th Floor
No. 1258 Zhen Guang Lu
Shanghai
The PRC

Principal Place of Business in Hong Kong:
30/F
3 Lockhart Road
Wanchai
Hong Kong

Shanghai, the PRC, 3 December 2025

To the Shareholders

Dear Sir or Madam,

(1) DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF A SUBSIDIARY (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ABOLISHMENT OF THE SUPERVISORY COMMITTEE AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

The business to be transacted at the Extraordinary General Meeting as specified in the notice of the Extraordinary General Meeting are set out on pages 132 to 134 of this circular.

The purpose of this circular is to provide you with (i) particulars of the Equity Transfer Agreement and transactions contemplated thereunder; (ii) the letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) the proposed amendments to the Articles of Association; (v) the notice of Extraordinary General Meeting; and (vi) other information as required under the Listing Rules, to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

II. BUSINESS TO BE TRANSACTED AT THE EXTRAORDINARY GENERAL MEETING

1. Discloseable transaction and connected transaction in relation to the disposal of the entire equity interests in subsidiary

Reference is made to the announcements of the Company dated 5 and 19 November 2025 in relation to, among other things, the Disposal and the Equity Transfer Agreement entered into between Shanghai Dongran, an indirect wholly-owned subsidiary of Bailian Group, as the purchaser, and Century Lianhua Development, a direct wholly owned subsidiary of the Company, as the vendor, in relation to the proposed disposal of the entire equity interest in Yangpu Century Lianhua, for a cash consideration in the amount of approximately RMB78.2860 million, as filed and confirmed by the competent state-owned assets supervision and administration authority. Upon completion of the Disposal contemplated thereunder the Equity Transfer Agreement, Yangpu Century Lianhua will cease to be a subsidiary of the Company.

A. The Equity Transfer Agreement

On 19 November 2025, Century Lianhua Development and Shanghai Dongran entered into the Equity Transfer Agreement in relation to the Disposal. A summary of the principal terms of the Equity Transfer Agreement is set out below:

Date

19 November 2025

Parties

(1). Century Lianhua Development (as the vendor); and

(2). Shanghai Dongran (as the purchaser)

Assets to be Disposed of and Registration Procedures

Pursuant to the Equity Transfer Agreement, Century Lianhua Development conditionally agreed to sell, and Shanghai Dongran conditionally agreed to acquire the entire equity interest in Yangpu Century Lianhua.

Yangpu Century Lianhua will register with the competent authorities in respect of the Disposal in accordance with applicable laws and regulations, which will proceed subject to the approval by the Independent Shareholders at the EGM. Upon completion of the Disposal, (i) the Company will cease to own any interest in Yangpu Century Lianhua; and (ii) Yangpu Century Lianhua will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the consolidated financial statements of the Group.

Consideration

The consideration for the Disposal is approximately RMB78.2860 million, as filed and confirmed by the competent state-owned assets supervision and administration authority, was determined arm's-length negotiation between Century Lianhua Development and Shanghai Dongran after taking into account, among others, (a) the appraised value of the total shareholders' equity of Yangpu Century Lianhua of approximately RMB78.2860 million as at the Valuation Date based on the Valuation Report (as filed and confirmed by the competent state-owned assets supervision and administration authority) prepared by the Valuer, using the asset approach; (b) the recent financial performance and business prospects of Yangpu Century Lianhua; and (c) the benefits of the Disposal as discussed in the section headed "Reasons for and Benefits of Entering into the Equity Transfer Agreement" in this circular. The consideration shall be settled by Shanghai Dongran in cash and in one lump sum within 10 days upon fulfillment of all the conditions precedent under the Equity Transfer Agreement.

Valuation

The Company has engaged Shanghai Lixin, an independent valuer registered in the PRC, to conduct valuation on the total shareholders' equity of Yangpu Century Lianhua and to prepare the Valuation Report.

Valuation Method

According to the Valuer, this valuation is of the overall value of the enterprise, and as there are few cases of equity transactions of similar enterprises in China, or although there are cases, it is difficult to collect information, such as the transaction background and comparable factors, and it is difficult to quantify the impact of comparable factors on the value of the enterprise. It is also difficult to find information on comparable companies in the capital market that are similar to the valued entity in terms of asset size and structure, scope of operation and profitability, and therefore the market approach is not applicable in this valuation.

According to the audited financial statements provided by the valued entity, the operating losses were incurred in all the historical periods, and the enterprise is of the view that there is a great uncertainty as to whether the future operations will be profitable and is unable to accurately predict the future profitability, therefore the income approach is not applicable in this valuation.

The scope of the assets and liabilities under valuation provided by the valued entity is clear, which can be identified by means of relevant financial information, purchase and construction information and on-site investigation, and it is possible to be valued individually in accordance with the characteristics of the assets and liabilities, the prerequisites for the implementation of the valuation method and other factors, and therefore the asset approach is adopted.

In accordance with the above adaptation analysis and asset valuation standards, this appraisal adopts the asset approach in assessing the value of the appraised assets in light of the specific circumstances of the appraised assets.

Key Inputs

According to the asset approach, the Valuer determined the fair value of current assets such as monetary capital, trade receivables, prepayments and other receivables at their verified carrying amounts. The asset approach was used to value long-term equity investments based on the audited financial statements of subsidiaries under Chinese accounting standards. The market approach and the income approach were used to value property, plant and equipment-parking space, where comparable transactions of properties for similar uses were available in the neighborhood, and was capable of being leased out and generating rental income. For property, plant and equipment-equipment, the replacement cost approach was used to value the equipment operating under normal conditions, and the market approach was used to value certain electronic equipment with an active second-hand trading market. The replacement cost approach was used to value the intangible assets. The fair value of other assets and liabilities was determined using reasonable valuation approach after analysis.

Assumptions

Based on the Valuation Report, the principal assumptions of the Valuation are summarised as follows:

(1). Basic assumptions

(a). Going concern assumption: This assumes that the operating conditions of Yangpu Century Lianhua, such as its supply and marketing model and profit distribution with affiliated enterprises, will remain unchanged.

(b). Open market assumption: This assumes that assets can be freely bought and sold on a fully competitive market, and that their price is determined by the value judgment of independent buyers and sellers on the asset under the supply situation of a certain market. An open market is a fully competitive market with many buyers and sellers. In this market, buyers and sellers are equal, and both have the opportunity and time to obtain sufficient market information. The trading behavior of both buyers and sellers is voluntary and rational, and is not forced or unrestricted.

(c). Transaction assumptions: The source of value of any asset is inseparable from transactions. Regardless of whether the appraised asset is involved in a transaction in an economic activity related to the purpose of the appraisal, we assume that the subject of the appraisal is in the process of being transacted, and the valuer conducts the appraisal based on the trading conditions of the asset to be appraised and other simulated market conditions.

(2). General assumptions

(a). The industry in which the enterprise is located will maintain a stable development trend, and there will be no major changes in the current national and local laws, regulations, systems, and socio-political and economic policies;

(b). Interest rates and exchange rates remain at current levels without significant changes;

(c). There are no other major adverse effects caused by force majeure or unforeseeable factors.

Valuation Result

Based on the Valuation Report, the market value of the total shareholders' equity of Yangpu Century Lianhua as at the Valuation Date was RMB78.2860 million. As at the Valuation Date, the carrying amount of the net assets of the statement on a standalone basis of Yangpu Century Lianhua was approximately RMB59.0410 million, and the appraised value of the total shareholders' equity represented an increase of RMB19.2450 million over the carrying amount of the net assets of the statement on a standalone basis. The main reasons for the increase are: the revaluation of right-of-use assets and lease liabilities resulted in an increase of net assets of RMB25.2233 million; long-term equity investment depreciated by RMB6.003 million after being reappraised using the asset approach; the rest is the increase and decrease of property, plant and equipment after being appraised using the market approach and replacement cost approach.

The Directors have reviewed and considered the Valuation Report, the methodology adopted, the basis and major assumptions and quantitative inputs used in arriving at the Valuation and the rationale of the Valuer for adopting the asset approach for the Valuation. There are no irregularities noted by the Directors in relation to the quantitative inputs in the Valuation and the Directors consider the methodology adopted for and the basis and major assumptions and quantitative inputs used in the Valuation to be fair and reasonable.

Conditions Precedent

The Equity Transfer Agreement and the Disposal are conditional upon satisfaction of the following conditions precedents:

(1). a valuation report having been obtained from Yangpu Century Lianhua, which is in compliance with the valuation filing procedures;

(2). the approval documents and internal decision-making documents of the state-owned parent enterprises to which both parties belong having been approved for the Disposal;

(3). Century Lianhua Development and the Company having completed all the decision-making procedures and obtained approval for the Disposal (including but not limited to the Board's and Independent Shareholders' approval and the necessary approvals, consents and confirmations required by the applicable regulatory authorities and/or the Listing Rules);

(4). Century Lianhua Development having made a shareholder's decision of Yangpu Century Lianhua in respect of the Disposal;

(5). Shanghai Dongran having obtained its shareholders' decision in respect of the Disposal; and

(6). the internal and external approval procedures and statutory steps of all parties involved in the Disposal having been duly completed.

Completion

Century Lianhua Development and Shanghai Dongran agreed that upon the fulfilment of the final condition precedent set out in the section headed "Conditions Precedent" above, both parties shall initiate the completion of the Equity Transfer Agreement in the following order and according to the corresponding work arrangements. The Completion Date shall be the first working day following the satisfaction of all the conditions below:

(1). Shanghai Dongran having paid the consideration for the Disposal;

(2). The legal procedures and formalities regarding the Equity Transfer Agreement and the Disposal have been completed through Shanghai United Assets and Equity Exchange, and the title transaction certificate or title transfer document have been obtained;

(3). Yangpu Century Lianhua having completed the industrial and commercial changes registration of the Disposal.

Transitional Arrangement

According to the Equity Transfer Agreement, the parties agreed that any profits or losses arising from the operations that result in an increase or decrease in the net asset value of Yangpu Century Lianhua during the Transitional Period will be shared or borne by Shanghai Dongran.

(B). Financial Effect of the Disposal and the Intended Use of Proceeds

The transaction contemplated under the Equity Transfer Agreement shall take place on the Completion Date in accordance with the terms of the Equity Transfer Agreement. Upon completion of the transaction contemplated under the Equity Transfer Agreement, the Target Subsidiary will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the consolidated financial statements of the Group. Any gain or loss on disposal (being the difference between the aggregate consideration of Disposal of approximately RMB78.2860 million and the total net assets or liabilities of the Target Subsidiary as at the Completion Date) is expected to be recognised in the consolidated financial statements of the Company. The actual amount of gain or loss as a result of the Disposal to be

recorded by the Group will be subject to review and final audit by the auditors of the Company, and it may be different from the estimated amount as it will be influenced by (i) the actual net asset value of the Target Subsidiary as at the Completion Date; and (ii) the actual transaction costs incurred.

The Company intends to use the proceeds from the Disposal for replenishment of working capital.

(C). Reasons for and Benefits of Entering into the Equity Transfer Agreement

The entering into the Equity Transfer Agreement and the Disposal contemplated thereunder is mainly based on the overall strategic background of the Company for its medium-to-long-term sustainable and healthy development and enhancement of its overall performance. Having duly considered market and competitive environment, the operation of the stores, the value of the outlets and the impact of the supply chain, the Company intends to further divest assets to better focus on the development of its core businesses in Shanghai and Zhejiang.

The Directors (excluding the independent non-executive Directors, whose opinion on the matters will be set forth in the circular by reference to the advice of the Independent Financial Adviser in this regard) consider that the business strategies of the Company can be supported and realized through the Disposal, which is conducive to the development of the Company and in the interests of the Company and the Shareholders as a whole.

B. Board's approval

The Board has approved the entering into the Equity Transfer Agreement and the transactions contemplated thereunder, and none of the Directors has any material interest in the transactions contemplated thereunder.

Mr. Pu Shao-hua, Ms. Wang Xiao-yan, Mr. Zhu Ding-ping, Ms. Zhang Hui-qin, Mr. Cao Hai-lun and Ms. Yang Qin have abstained from voting on the aforementioned connected transactions. Save as disclosed above, none of the other Directors was required to abstain from voting to approve the relevant Board resolution.

C. General information

Information of the Company

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

Information of Century Lianhua Development

Century Lianhua Development is a company incorporated under the laws of the PRC, and is principally engaged in operation of hypermarkets. As at the date of this Circular, Century Lianhua Development is a direct wholly-owned subsidiary of the Company.

Information of Shanghai Dongran

Shanghai Dongran is a company incorporated under the laws of the PRC, and is principally engaged in manufacture and sale of petroleum products, import and export of goods and technology, software development, architectural engineering design and construction, enterprise management and consulting. As at the date of this Circular, Shanghai Dongran is an indirect wholly-owned subsidiary of Bailian Group, which is a state-owned enterprise incorporated in the PRC and a substantial Shareholder.

Information of Yangpu Century Lianhua

Yangpu Century Lianhua is a company incorporated in the PRC, and is principally engaged in operation of hypermarkets in Yangpu district, Shanghai and Henan Province.

As shown in the audited consolidated financial information of Yangpu Century Lianhua prepared in accordance with PRC accounting standards, as at 31 July 2025, the total assets and net liabilities of Yangpu Century Lianhua amounted to approximately RMB276.8431 million and RMB210.4839 million, respectively. A summary of the consolidated financial information of Yangpu Century Lianhua for the years ended 31 December 2023 and 31 December 2024 and the seven months ended 31 July 2025 is set out below:

	For the year ended 31 December 2023 *(Approximately RMB0'000)*	**For the year ended 31 December 2024** *(Approximately RMB0'000)*	**For the seven months ended 31 July 2025** *(Approximately RMB0'000)*
Net profit/(loss) before tax	1,074.88	422.37	(900.44)
Net profit/(loss) after tax	324.74	209.97	(1,192.32)

D. Listing rules implications

As at the Latest Practicable Date, Bailian Group is a substantial Shareholder, and Shanghai Dongran is an indirect wholly-owned subsidiary of Bailian Group. As such, Shanghai Dongran is a connected person of the Company under Chapter 14A of the

Listing Rules. Accordingly, the Equity Transfer Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Equity Transfer Agreement and the transactions contemplated thereunder are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is more than 5%, the Equity Transfer Agreement and the transactions contemplated thereunder are therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. Proposed amendments to the Articles of Association of the Lianhua Supermarket Holdings Co., Ltd.

Reference is made to the announcement of the Company dated 15 October 2025 in relation to, among others, proposed amendments to the Articles of Association and abolish the supervisory committee.

On 28 March 2025, the China Securities Regulatory Commission officially implemented the "Guidelines for the Articles of Association of Listed Companies" and the "Rules for Shareholders' Meetings of Listed Companies." In January 2025, the Stock Exchange published the "Consultation Conclusions on Further Expansion of Paperless Listing Mechanism and Other Listing Rule Amendments," which adopted suggestions regarding hybrid shareholders' meetings and electronic voting, requiring issuers to ensure that their articles of association allow for hybrid shareholders' meetings and provide electronic voting for the first annual general meeting held after 1 July 2025. In view of the above changes in laws and regulations, and in consideration of the actual situation of the Company, the Board proposes to amend the existing Articles of Association to comply with the Listing Rules and the relevant laws and regulations in China.

The main content of the proposed amendments to the Articles of Association includes (among others): (1) the abolition of the supervisory committee, with the related duties to be performed by the audit committee; (2) the establishment of employee representative directors; (3) the addition of electronic communication or online methods for attending and voting at Shareholders' meetings; (4) house keeping amendments made to align with the proposed amendments (collectively, the "**Proposed Amendments**").

Details of the Proposed Amendments are set out in Appendix II to this circular. Except for the Proposed Amendments set out in Appendix II, other provisions of the Articles of Association remain unchanged. The legal advisers to the Company as to the laws of Hong Kong and the laws of the PRC have respectively confirmed that such proposed amendments

comply with the requirements of the Listing Rules and the applicable laws of the PRC. The Company also confirms that there is nothing unusual about such proposed amendments for a company incorporated in the PRC and listed on the Stock Exchange. The Board considers that the Proposed Amendments will not have a material impact on Shareholders' rights, nor will they adversely affect the Company's business operations, and are in the interests of the Company and its Shareholders as a whole.

The Company has proposed a special resolution at the Extraordinary General Meeting for the Shareholders to consider and, if thought fit, approve the resolution in relation to the Proposed Amendments and abolish the supervisory committee above.

III. EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting will be convened at 9:30 a.m. on Thursday, 18 December 2025 at the Conference Room, 13th Floor, Bailian Central Plaza, No. 1258 Zhen Guang Lu, Shanghai, the PRC. The notice of Extraordinary General Meeting, together with the proxy form, are enclosed herein. The proxy form should be completed and returned to the relevant addresses listed on the proxy form in accordance with the instructions printed thereon. Completion and return of the proxy form will not preclude you from attending and voting in person at the Extraordinary General Meeting should you so wish.

For the purpose of determining the H Shareholders entitled to attend and vote at the Extraordinary General Meeting, the share register of H Shares will be closed from Tuesday, 16 December 2025 to Thursday, 18 December 2025 (both days inclusive), during which no transfer of H Shares will be registered. H Shareholders whose names appear on the H Shares share register of the Company on Thursday, 18 December 2025 shall be entitled to attend and vote at the Extraordinary General Meeting. In order to be eligible to attend and vote at the Extraordinary General Meeting, holders of H Shares shall lodge share transfer documents and the relevant share certificates with the H Shares share registrar no later than 4:30 p.m. on Monday, 15 December 2025.

IV. VOTING AT THE EXTRAORDINARY GENERAL MEETING AND BOARD MEETINGS

As at the Latest Practicable Date, Bailian Group and its associates, including Shanghai Bailian, held approximately 873,869,400 Shares, representing 59.06% of the issued share capital of the Company. Bailian Group and/or its subsidiaries, being a party to the Equity Transfer Agreements, have material interests in the relevant connected transactions. Therefore, Bailian Group and Shanghai Bailian are required to abstain from voting on the resolution to be proposed at the Extraordinary General Meeting to approve the Equity Transfer Agreement and transactions contemplated thereunder.

Save as disclosed above, no other Shareholders would be required to abstain from voting on the relevant resolutions to be proposed at the Extraordinary General Meeting.

The Board has approved the entering into of the Equity Transfer Agreements and the transactions contemplated thereunder, and none of the Directors has any material interest in the transactions contemplated thereunder.

Since Mr. Pu Shao-hua, Ms. Wang Xiao-yan, Ms. Zhang Hui-qin, Mr. Zhu Ding-ping, Mr. Cao Hai-lun and Ms. Yang Qin are either holding senior positions or are directors in Bailian Group and/or its subsidiaries, they have abstained from voting on the relevant resolutions of the Board to approve the entering into of the Equity Transfer Agreements. Save as disclosed above, none of the Directors was required to abstain from voting on the relevant resolutions of the Board.

V. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the Extraordinary General Meeting shall be taken by poll. Therefore, the chairman of the meeting will require each and every resolution to be proposed at the Extraordinary General Meeting to be voted on by way of poll, and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

VI. RECOMMENDATION

Your attention is drawn to the letter of the Independent Board Committee set out on pages 18 to 19 of this circular, and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 20 to 44 of this circular in respect of the terms of the Equity Transfer Agreement.

The Board is of the view that the Equity Transfer Agreement which have been reached after arm's length negotiations between the relevant parties, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend the Shareholders, and advise the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the resolution to be proposed for approving the Equity Transfer Agreements.

The Directors believe that the resolutions set out in the notice of the Extraordinary General Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of all the resolutions to be proposed at the Extraordinary General Meeting.

VII. ADDITIONAL INFORMATION

Your attention is drawn to the additional information is set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Lianhua Supermarket Holdings Co., Ltd.
Pu Shao-hua
Chairman

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)

3 December 2025

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY INTERESTS IN TARGET SUBSIDIARY

We refer to the circular dated 3 December 2025 issued by the Company of which this letter forms part of (the "**Circular**"). Capitalised terms used in this letter shall have the same meaning as those defined in the Circular unless otherwise specified.

We have been authorized by the Board to form the Independent Board Committee to consider and advise the Independent Shareholders in respect of entering into the Equity Transfer Agreement and transactions contemplated thereunder, details of which are set out in the section headed "Letter from the Board" set out on pages 5 to 17 of the Circular

We wish to draw your attention to the letter from the Board set out on pages 5 to 17 of the Circular and the letter of advice from Lego, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of entering into the Equity Transfer Agreement and the transactions contemplated thereunder, set out on pages 20 to 44 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of Lego as stated in its letter of advice, the Equity Transfer Agreement and the transactions contemplated thereunder, and the business and financial effects of the Equity Transfer Agreement and the transactions contemplated thereunder on the Company, we consider that, although the entering into of the Equity Transfer Agreements and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, the terms of the Equity Transfer Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution at the Extraordinary General Meeting in respect of entering into the Equity Transfer Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the Independent Board Committee
Lianhua Supermarket Holdings Co., Ltd.
Mr. Xia Da-wei
Mr. Lee Kwok Ming, Don
Mr. Chen Wei
Mr. Zhao Xin-sheng
Independent non-executive Directors

The following is the full text of the letter of advice from Lego Corporate Finance Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which have been prepared for the purpose of inclusion in this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Equity Transfer Agreement and the transactions contemplated thereunder.



3 December 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sirs or Madams,

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF A SUBSIDIARY

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committees and the Independent Shareholders in relation to the Disposal, details of which are contained in the letter from the Board (the "**Letter from the Board**") in the circular of the Company dated 3 December 2025 (the "**Circular**"), to which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Circular.

The Disposal

On 19 November 2025, Shanghai Dongran, an indirect wholly-owned subsidiary of Bailian Group, as the purchaser, entered into the Equity Transfer Agreement with Century Lianhua Development, a direct wholly-owned subsidiary of the Company, as the vendor, in relation to the proposed disposal of the entire equity interest in Yangpu Century Lianhua, for a cash consideration of approximately RMB78.2860 million, as filed and confirmed by the competent state-owned assets supervision and administration authority. Upon completion of the Disposal contemplated thereunder the Equity Transfer Agreement, Yangpu Century Lianhua will cease to be a subsidiary of the Company.

As at the Latest Practicable Date, Bailian Group is a substantial Shareholder, and Shanghai Dongran is an indirect wholly-owned subsidiary of Bailian Group. As such, Shanghai Dongran is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Equity Transfer Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the transactions contemplated under the Equity Transfer Agreement are therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors (who have no material interest in the relevant connected transactions) will be formed to advise the Independent Shareholders on the Equity Transfer Agreement and the transactions contemplated thereunder. We, Lego Corporate Finance Limited is appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Equity Transfer Agreement and the transactions contemplated thereunder in accordance with the Listing Rules.

OUR INDEPENDENCE

As at the Latest Practicable Date, Lego Corporate Finance Limited did not have any relationships or interests with the directors, chief executives and substantial shareholders of the Group, Bailian Group, Shanghai Dongran or any other parties that could reasonably be regarded as relevant to the independence of Lego Corporate Finance Limited. In the last two years prior to the Latest Practicable Date, we have acted as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to (i) the connected transaction in relation to the proposed subscription of new domestic shares and application for whitewash waiver, details of which are set out in the circular of the Company dated 31 July 2024; (ii) the major transaction and connected transaction in relation to the disposal of the entire equity interests in subsidiaries and disclosable transaction and connected transaction in relation to the renewal of the existing Central Balian leasing agreement, details of which are set out in the circular of the Company dated 19 November 2024; and (iii) the continuing connected transactions with respect to the procurement of goods framework agreement and goods supply framework agreement and revision of annual caps, details of which are set out in the circular of the Company dated 30 May 2025. Apart from normal professional fees payable to us in connection with this appointment and the transactions listed above, no arrangement exists whereby we have received or will receive any fees or benefits from the Group or any director, chief executive or substantial shareholders of the Group, Bailian Group, Shanghai Dongran or any of their subsidiaries, or respective associates. Accordingly, we consider that we are eligible to give independent advice in respect of the Equity Transfer Agreement and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the "**Management**"); and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the date of the Circular and all such statements of belief, opinions and intention of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the Management. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the Management are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the Latest Practicable Date.

We consider that we have reviewed the relevant information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, Bailian Group, Shanghai Dongran or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation, we have considered the following principal factors and reasons:

1. Information on the parties involved in the Equity Transfer Agreement

1.1. Information on the Group

The Group is principally engaged in retail chain business, including the operation of hypermarkets, supermarkets and convenience stores in the PRC.

Set out below is a summary of the financial results of the Group for the year ended 31 December 2023 and 2024 (the "**FY2023**" and "**FY2024**", respectively) and the six months ended 30 June 2024 and 2025 (the "**6M2024**" and "**6M2025**", respectively) as extracted from the annual report of the Company for FY2024 (the "**2024 Annual Report**") and the interim report of the Company for 6M2025 (the **"2025 Interim Report**"), respectively.

	FY2023	**FY2024**	**6M2024**	**6M2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	21,835,879	19,710,114	10,896,547	9,591,172
Gross profit	2,781,072	2,371,919	1,251,896	1,140,095
(Loss)/Profit for the year/ period	(714,226)	(307,908)	(27,850)	59,707

	FY2023	**FY2024**	**6M2025**
	RMB'000	*RMB'000*	*RMB'000*
	(Audited)	(Audited)	(Unaudited)
Total asset	20,989,143	19,662,370	17,580,927
Total liability	20,540,796	19,594,439	17,102,778
Net assets	448,347	67,931	478,149

FY2023 and FY2024

Revenue of the Group amounted to approximately RMB19.7 billion for the year ended 31 December 2024, representing a decrease of approximately 9.7% as compared to that of approximately RMB21.8 billion for the year ended 31 December 2023. According to the 2024 Annual Report, such decrease was mainly due to the continuous impact of factors such as intensified market competition, the economic environment and changes in consumers' shopping habits. Meanwhile, the Company made strategic adjustments and took the initiative to close its long-term loss-making outlets, which led to a reduction in the overall sales scale. Gross profit of the Group amounted to approximately RMB2,372.0 million, representing a year-on-year decrease of approximately 14.7% as compared to that of approximately RMB2,781.1 million for the year ended 31 December 2023 mainly due to intensifying competition in the supermarket retail industry. Net loss of the Group of approximately RMB307.9 million for the year ended 31 December 2024 represented a decrease of approximately 56.9% as compared to that of approximately RMB714.2 million for the year ended 31 December 2023, which was mainly contributed by the Group's positive share of results of associates amounting to approximately RMB6.2 million for the year ended 31 December 2024, while negative share of results of associates of approximately RMB361.4 million was recorded for the year ended 31 December 2023. This was mainly due to the fact that the Group no longer recognised its share of loss of an associate of the Company in 2024, as the interest in this associate had been written down to zero against its carrying amount under the equity method in 2023.

Net assets of the Group decreased from approximately RMB448.3 million as at 31 December 2023 to approximately RMB67.9 million as at 31 December 2024, representing a decrease of approximately 84.9%, primarily due to the net loss of approximately RMB309.7 million recorded for the year ended 31 December 2024.

6M2024 and 6M2025

Revenue of the Group has decreased by approximately 12.0% from approximately RMB10.9 billion for the six months ended 30 June 2024 to approximately RMB9.6 billion for the six months ended 30 June 2025. According to the 2025 Interim Report, such decrease was mainly attributable to (i) the continuous impact of evolving consumer demand and intensifying industry competition; and (ii) adjustments to the Group's overall strategic planning, such as taking a proactive approach to close certain loss-making outlets and disposal of equity interests in certain subsidiaries, which lead to a reduction in overall sales scale. Gross profit of the Group also has decreased by approximately 8.9% from approximately RMB1.3 billion for 6M2024 to approximately RMB1.1 billion for 6M2025, which is in line with the decrease in revenue. The Company turned around to achieve a net profit of approximately RMB59.7 million for the six months ended 30 June 2025 primarily attributable to the combined effect of (i) the decrease in gross profit of the Group as abovementioned with the overall gross profit margin of the Group increasing from 11.5% for 6M2024 to 11.9% for 6M2025; (ii) the decrease in distribution and selling expenses of approximately RMB276.5 million which was in line with the decrease in revenue; and (iii) the decrease in finance costs from approximately RMB106.7 million for 6M2024 to approximately RMB88.9 million for 6M2025.

The Company recorded net assets of approximately RMB67.9 million and RMB478.1 million as at 31 December 2024 and 30 June 2025, respectively, primary due to the decrease in coupon liabilities and advance from customers of approximately RMB511.3 million from approximately RMB8,730.2 million as at 31 December 2024 to RMB8,218.9 million as at 30 June 2025.

1.2. Information of Century Lianhua Development

Century Lianhua Development is a company incorporated under the laws of the PRC, and is principally engaged in operation of hypermarkets. As at the Latest Practicable Date, Century Lianhua Development is a direct wholly-owned subsidiary of the Company.

1.3. Information of Shanghai Dongran

Shanghai Dongran is a company incorporated under the laws of the PRC, and is principally engaged in manufacture and sale of petroleum products, import and export of goods and technology, software development, architectural engineering design and construction, enterprise management and consulting. As at the Latest Practicable Date, Shanghai Dongran is an indirect wholly-owned subsidiary of Bailian Group, which is a state-owned enterprise incorporated in the PRC and a substantial Shareholder.

1.4. Information of Yangpu Century Lianhua

Yangpu Century Lianhua is a company incorporated in the PRC, and is principally engaged in operation of hypermarkets in Yangpu district, Shanghai and Henan Province with a total of 5 outlets.

A summary of the consolidated financial information of Yangpu Century Lianhua in accordance with PRC accounting standards for FY2023, FY2024 and for the seven months ended 31 July 2025 ("**7M2025**") is set out below:

	FY2023	**FY2024**	**7M2025**
	RMB'000	*RMB'000*	*RMB'000*
	(Audited)	(Audited)	(Audited)
Revenue	442,800.1	391,583.8	140,154.0
Profit/(Loss) before tax	10,748.8	4,223.7	(9,004.4)
Profit/(Loss) for the year/period	3,247.4	2,099.7	(11,923.2)
Profit/(Loss) for the year/period attributable to the owners	(906.9)	3,575.2	(9,767.5)
Minority interests	4,154.3	(1,475.5)	(2,155.7)

Revenue of Yangpu Century Lianhua decreased by approximately 11.6% from approximately RMB442.8 million for FY2023 to approximately RMB391.6 million for FY2024 mainly due to decline in the outlets scale of Yangpu Century Lianhua as a result of the closures of some continuously loss-making stores in 2024. Meanwhile, Yangpu Century Lianhua recorded net profit of approximately RMB2.1 million for FY2024, as compared to a net profit of approximately RMB3.2 million for FY2023 mainly due to the combined effect of decline in revenue and income tax expense. The financial performance of Yangpu Century Lianhua further deteriorated during 7M2025 with its revenue and net loss amounting to approximately RMB140.2 million and RMB11.9 million, respectively, for 7M2025, mainly due to continuous impact of intensifying market competition. As at 31 July 2025, the net assets of Yangpu Century Lianhua amounted to approximately RMB66.4 million.

2. Reasons for and benefits of entering into the Equity Transfer Agreement

According to the Letter from the Board, the entering into the Equity Transfer Agreement and the transactions contemplated thereunder is mainly based on the Company's strategy of localised development and focusing on its core areas and core businesses and relatively more profitable stores of the Group, while giving due consideration to the market and competitive environment of the subsidiary, the operation of the stores, the layout of the outlets as well as the impact of the supply chain. As disclosed in the 2024 Annual Report, the Group focused on the "15-minute community living circle" to build small-scale community-based store. During FY2024, the Group strived to maintain the scale of its outlets by horizontal and vertical integration. The Group opened a total of 257 new stores, 168 of which were located in the Yangtze River Delta region, accounting for 65.4% of the new stores. On the other hand, the Group adapted to changes in the market environment, continued to prudently streamline the stores and improved the overall quality of the physical outlets. As a result, 461 stores were closed.

Revenue of the Target Subsidiary demonstrated a decreasing trend in FY2023 and FY2024 along with the annualised revenue of approximately RMB240.3 million for the year ending 31 December 2025 due to intensified competition in the retail industry in the relevant located area, which is continuously underperforming in the Group's perspective. As advised by the Management, four out of the five outlets of Yangpu Century Lianhua are located in Henan Province, which is one of China's most populous provinces with a burgeoning but hyper-competitive consumer market. It is overcrowded with national chained supermarkets and local supermarkets, and this intense competition has started a vicious cycle of deep discounts and constant price wars that were destroying already thin profits. Also, the Target Subsidiary was continuously loss-making. Although it recorded net profit attributable to the owners of approximately RMB3.6 million for FY2024, the Target Subsidiary recorded net loss attributable to the owners of approximately RMB13.5 million, RMB9.0 million, RMB0.9 million and RMB9.8 million for the years ended 31 December 2021 and 2022, FY2023 and 7M2025, respectively. As such, the Disposal is in line with the Group's business strategy of focusing on its core areas and core businesses and relatively more profitable stores of the Group.

As disclosed in the 2024 Annual Report, the Group recorded net loss attributable to owners of the Company of approximately RMB358.8 million for FY2024, representing a decrease of approximately RMB432.5 million compared to that of approximately RMB791.3 million for FY2023 mainly due to (i) the decline in performance/sales arising from various factors such as the decreased number of instore customers that was generally encountered by the retailing industries as a result of the market conditions; and (ii) the share of profit of associates of approximately RMB6.2 million for FY2024 as compared the share of loss of associates of approximately RMB361.4 million for FY2023. In order to achieve the Company's overall transformation strategy of "small-scale community-based stores" as aforementioned, we concur with the Directors' view that the Disposal could facilitate the consolidation of existing resources of the Group to focus on the upgrade and transformation of core-businesses of the Group with an aim to enhance the overall business performance of the Group and is in line with the business strategy of the Company. Hence, we are of the view that the entering into of the Equity Transfer Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Equity Transfer Agreement

Date	19 November 2025
Parties	(1) Century Lianhua Development (as the vendor); and (2) Shanghai Dongran (as the purchaser)
Assets to be Disposed of and Registration Procedures	Pursuant to the Equity Transfer Agreement, Century Lianhua Development conditionally agreed to sell, and Shanghai Dongran conditionally agreed to acquire the entire equity interest in Yangpu Century Lianhua. Yangpu Century Lianhua will register with the competent authorities in respect of the Disposal in accordance with applicable laws and regulations, which will proceed subject to the approval by the Independent Shareholders at the EGM. Upon completion of the Disposal, (i) the Company will cease to own any interest in Yangpu Century Lianhua; and (ii) Yangpu Century Lianhua will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the consolidated financial statements of the Group.

Consideration

The consideration for the Disposal is approximately RMB78.2860 million, as filed and confirmed by the competent state-owned assets supervision and administration authority, which was determined after arm's-length negotiation between Century Lianhua Development and Shanghai Dongran after taking into account, among others, (a) the appraised value of the total shareholders' equity of Yangpu Century Lianhua of approximately RMB78.2860 million as at the Valuation Date based on the Valuation Report (as filed and confirmed by the competent state-owned assets supervision and administration authority) prepared by the Valuer, using the asset approach; (b) the recent financial performance and business prospects of Yangpu Century Lianhua; and (c) the benefits of the Disposal as discussed in the section headed "Reasons for and Benefits of the Entering into of the Equity Transfer Agreement" in this circular. The consideration shall be settled by Shanghai Dongran in cash and in one lump sum within 10 days upon fulfillment of all the conditions precedent under the Equity Transfer Agreement.

Conditions Precedent

The Equity Transfer Agreement and the Disposal is conditional upon satisfaction of the following conditions precedents:

(1) a valuation report having been obtained from Yangpu Century Lianhua, which is in compliance with the valuation filing procedures;

(2) the approval documents and internal decision-making documents of the state-owned parent enterprises to which both parties belong having been approved for the Disposal;

(3) Century Lianhua Development and the Company having completed all the decision-making procedures and obtained approval for the Disposal (including but not limited to the Board's and Independent Shareholders' approval and the necessary approvals, consents and confirmations required by the applicable regulatory authorities and/or the Listing Rules);

(4) Century Lianhua Development having made a shareholder's decision of Yangpu Century Lianhua in respect of the Disposal;

(5) Shanghai Dongran having obtained its shareholders' decision in respect of the Disposal; and

(6) the internal and external approval procedures and statutory steps of all parties involved in the Disposal having been duly completed.

Completion

Century Lianhua Development and Shanghai Dongran agreed that upon the fulfilment of the final condition precedent set out in the section headed "Conditions Precedent" above, both parties shall initiate the completion of the Equity Transfer Agreement in the following order and according to the corresponding work arrangements. The Completion Date shall be the first working day following the satisfaction of all the conditions below:

(1) Shanghai Dongran having paid the consideration for the Disposal;

(2) The legal procedures and formalities regarding the Equity Transfer Agreement and the Disposal have been completed through Shanghai United Assets and Equity Exchange, and the title transaction certificate or title transfer document have been obtained;

(3) Yangpu Century Lianhua having completed the industrial and commercial changes registration of the Disposal.

Transitional Arrangement

According to the Equity Transfer Agreement, the parties agreed that any profits or losses arising from the operations that result in an increase or decrease in the net asset value of Yangpu Century Lianhua during the Transitional Period will be shared or borne by Shanghai Dongran.

Further details of the Equity Transfer Agreement are set out in Letter from the Board.

4. Analysis of the principal terms of the Equity Transfer Agreement

As disclosed in the Letter from the Board, the relevant consideration was determined after arm's length negotiations between Century Lianhua Development and Shanghai Dongran after taking into account, among others, the appraised value of the entire equity interests in the Target Subsidiary as at the Valuation Date based on the valuation report (as filed and confirmed by the competent state-owned assets supervision and administration authority) prepared by Shanghai Lixin, an independent valuer, using the asset approach.

To assess the fairness and reasonableness of the consideration of the Disposal, we have reviewed the valuation report (the "**Valuation Report**") prepared by Shanghai Lixin in respect of the valuation of Yangpu Century Lianhua. According to the Valuation Report, the appraised value of the total shareholders' equity of Yangpu Century Lianhua amounted to approximately RMB78.2860 million as at the Valuation Date, and is equivalent to the consideration under the Equity Transfer Agreement.

4.1. Background of Shanghai Lixin

We noted from the Valuation Report that it was prepared by Shanghai Lixin in accordance with the Asset Appraisal Law of the People's Republic of China*(《中華人民共和國資產評估法》) as passed by the National People's Congress of the PRC, the Basic Standards on Asset Appraisal*(《資產評估基本準則》) issued by the Ministry of Finance of the PRC and other relevant appraisal standards published by the PRC government.

For our due diligence purpose, we have interviewed the relevant staff members of Shanghai Lixin involved in preparing the Valuation Report as to their expertise, independence and competency in relation to the Valuation, particularly we have reviewed (i) the terms of engagement with the Company; (ii) the qualification and experience of Shanghai Lixin in relation to the Valuation; and (iii) the steps and due diligence measures taken by Shanghai Lixin in performing the Valuation. From our review of the engagement letter between the Company and Shanghai Lixin regarding the Valuation, we are satisfied that the terms of engagement between the Company and Shanghai Lixin are appropriate, with no limitations on the scope of work which might adversely affect the degree of assurance given by Shanghai Lixin. Shanghai Lixin has confirmed that they are independent and are not aware of any relationships or interests between Shanghai Lixin and the Group, Bailian Group, Shanghai Dongran or any other parties that could reasonably be regarded as relevant to its independence to act as the independent valuer of the Company. Shanghai Lixin also confirmed that apart from normal professional fees paid or payable to them in connection with the appointment as the independent valuer, no arrangements exist whereby they have received or will receive any fees or benefits from the Group, Bailian Group, Shanghai Dongran or any other party to the Disposal.

We further understood that Shanghai Lixin is certified with the relevant PRC professional qualifications required to perform the Valuation and the person-in-charge of the Valuation has over 10 years of experience in financial valuation and business consulting in the PRC. Shanghai Lixin advised us that the Valuation was mainly carried out through discussion with the Management as well as the management of the Target Subsidiary and Shanghai Lixin has conducted its own proprietary research and has relied on public information obtained through its research as well as the financial and operational information provided by the Management.

Base on the foregoing, we are of the opinion that Shanghai Lixin is competently qualified and experienced with sufficient knowledge, skills, and understanding necessary in preparing the Valuation Report and Shanghai Lixin has taken the necessary steps and due diligence work in such regard.

4.2. Valuation methodology

Based on the Valuation Report, the Valuation was conducted based on the asset approach. We have discussed with Shanghai Lixin and understood that Shanghai Lixin has considered three generally accepted valuation approaches, namely, the market approach, the asset approach and the income approach. In assessing the appropriate valuation method, Shanghai Lixin had considered the following factors:

(a) the selection of the valuation approach in valuing the Target Subsidiary is based on, among other criteria, the quantity and quality of the information provided, accessibility to available data, availability of relevant market information, professional judgment and technical expertise;

(b) the market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. According to Shanghai Lixin, it is difficult to collect information, such as the background of transaction and comparable factors, etc., and to quantify the impact of comparable factors on the value of the enterprise. It is also difficult to find information on comparable companies in the capital market that are similar to the Target Subsidiary in terms of asset size and structure, scope of operation and profitability. Therefore, the market approach is inappropriate in such regard;

(c) the income approach is the conversion of expected periodic benefits of ownership into an indication of value. According to the audited financial statements under Chinese accounting standards provided by the Target Subsidiary, operating losses were incurred in all or most of the historical periods, and there are great uncertainties as to whether the future operations of the Target Subsidiary will be profitable. In addition, the Company is unable to accurately predict the future profitability of the Target Subsidiary. Therefore, Shanghai Lixin considers the income approach is inappropriate in such regard; and

(d) the asset approach reflects the fair market value of the assets from an asset replacement perspective. According to Shanghai Lixin, the scope of the assets and liabilities under valuation provided by the Target Subsidiary are clear, which can be identified by means of relevant financial information, purchase and construction information and on-site investigation, and it is possible to be valued individually in accordance with the characteristics of the assets and liabilities, the prerequisites for the implementation of the valuation method and other factors. Therefore, the asset approach is adopted.

Based on the abovementioned factors, we concur with Shanghai Lixin that the asset approach is considered the most appropriate valuation methodology for the Valuation. In particular, we understood from Shanghai Lixin that they determined the appraised value of current assets at their verified carrying amounts. The asset approach was used to value long-term equity investments based on the audited financial statements of subsidiaries under PRC accounting standards. For property, plant and equipment, the replacement cost approach was used to value the equipment operating under normal conditions, and the market approach was used to value parking spaces. The replacement cost approach was used to value the intangible assets. The appraised value of other assets and liabilities was determined using a reasonable valuation approach after analysis. In this connection, having considered the hybrid valuation methodology in assessing the fair value of certain assets or liabilities of the subject company, we have set the following criteria to select comparable valuation reports (the "**Comparable Valuation Reports**") for the purpose of our analysis, namely (i) the transactions involve disposal/deemed disposal of the equity interest of a company by the listed issuers on the Stock Exchange for the period from 1 April 2025 to 19 November 2025 (being approximately seven months prior to and including the date of the Equity Transfer Agreement); (ii) the principal place of business of the apprised companies are principally engaged in the PRC; (iii) consideration of the disposals were determined with reference to, among other things, the valuation of the target company; (iv) adopted asset approach in assessing the equity interests of the target company; and (v) the target company has property, plant and/or equipment which were subject to valuation. In light of our selection criteria, we consider the Comparable Valuation Reports provide a fair, sufficient and meaningful reference on general market practice in relation to the valuation of equity

interests of a company under the asset approach. Based on the said criteria, we have identified the following list of nine Comparable Valuation Reports on the Stock Exchange, details of which are set out in the following table:

Stock code	Company Name	Date of circular	Valuation approach	Separate valuation adopted
686	Beijing Energy International Holding Co., Ltd.	13 November 2025	Asset approach	• Long-term equity investment: income approach
1198	Royale Home Holdings Limited	11 November 2025	Cost approach	• Land and construction interest: market approach
750	China Shuifa Singyes Energy Holdings Limited	30 June 2025	Asset approach	• Fixed assets – vehicles, electronic devices: replacement cost and newness rate
2233	West China Cement Ltd	25 June 2025	Asset approach	• Long-term equity investment, buildings, structures, machinery equipment, vehicles and electronic equipment: replacement cost and residual ratio • Land use rights and vehicles: market approach
2376	Lushang Life Services Co., Ltd.	30 May 2025	Asset approach	• Machinery and equipment: replacement cost method • Electronic equipment and vehicles: integration of replacement cost method with the market approach
1561	Pan Asia Data Holdings Inc.	30 May 2025	Asset approach	• No separate valuation adopted
1771	Sunfonda Group Holdings Limited	26 May 2025	Asset approach	• Property, plant, and equipment: considered to have no market value due to it will be demolished. • Intangible assets – land use right: market approach
8525	Baiying Holdings Group Limited	13 May 2025	Asset approach	• Fixed assets – buildings, machineries, motor vehicles and office equipment: replacement cost method • Intangible assets – land use rights: market approach
8219	Hanvey Group Holdings Limited	23 April 2025	Asset approach	• Property, plant and equipment – properties: market approach

As shown above, we noted that hybrid valuation methodology was adopted in most of the respective Comparable Valuation Reports accordingly to the nature of underlying assets or liabilities being appraised, and we are of the view that it is not uncommon for a valuer to adopt a hybrid valuation methodology in order to assess the reasonable valuation of certain assets or liabilities of the subject company.

4.3. Valuation assumptions

In respect of the major bases and assumptions adopted for the Valuation as illustrated in the paragraphs headed "Equity Transfer Agreement – Assumptions" in the Letter from Board, we have reviewed and compared the major bases and assumptions adopted by Shanghai Lixin with those disclosed under the Comparable Valuation Reports, and we are of the view that the major bases and assumptions adopted for the Valuation are commonly adopted in the Comparable Valuation Reports and there are no unusual assumptions adopted in relation to the Valuation. We also consider the assumptions adopted in the Valuation Report are general in nature and are not aware of any material facts which lead us to doubt the assumptions adopted by Shanghai Lixin.

4.4. Valuation Details

Set out below are the audited carrying amount and appraised value of the consolidated financial statements of Yangpu Century Lianhua as at the Valuation Date:

	Yangpu Century Lianhua		
	Audited carrying amount *RMB million (approximately)*	**Appraised value** *RMB million (approximately)*	**Appreciation/ (depreciation)** *RMB million (approximately)*
Current assets	**141.0**	**141.0**	**–**
Non-current assets	**135.8**	**26.0**	**(109.8)**
– Property, plant and equipment	17.1	25.1	8.0
– Right-of-use assets	92.1	–	(92.1)
– Intangible assets	0.9	0.9	–
– Deferred tax assets	25.7	–	(25.7)
Current liabilities	**72.1**	**53.3**	**(18.8)**
– Lease liabilities	18.9	0.1	(18.8)
– Others	53.2	53.2	–

	Yangpu Century Lianhua		
	Audited carrying amount *RMB million (approximately)*	**Appraised value** *RMB million (approximately)*	**Appreciation/ (depreciation)** *RMB million (approximately)*
Non-current liabilities	**138.4**	**0.6**	**(137.8)**
– Lease liabilities	117.1	–	(117.1)
– Deferred tax liabilities	20.7	–	(20.7)
– Others	0.6	0.6	–
Total assets	**276.8**	**167.0**	**(109.8)**
Total liabilities	**210.5**	**53.9**	**(156.6)**
Net assets	**66.3**	**113.1**	**46.8**
Net assets attributable to shareholder	**40.1**	**78.3**	**38.2**
Minority interests	26.2	34.8	8.6

Based on the Valuation Report, the appraised values of the assets and liabilities of the Target Subsidiary are primarily adjusted through (i) the revaluation on fair value of the property, plant and equipment; and (ii) the derecognition on the carrying amount of right-of-use assets, lease liabilities, deferred tax assets and deferred tax liabilities. Except for the aforementioned, there is no material impairment or appreciation on other assets and liabilities of the Target Subsidiary.

(i) Property, plant and equipment

The increase in appraised value of the property, plant and equipment of the Target Subsidiary as compared to the audited carrying amount is primarily due to the appreciation of fair value of such assets, mainly comprised of parking spaces and equipment of the Target Subsidiary.

We understand that the Valuer adopted the market approach in assessing the appraised value of the parking spaces owned by Yangpu Century Lianhua. Under the market approach, the Valuer appraised the underlying parking spaces by assessing and comparing the fair value of the comparable parking spaces that share similar locations, condition and characteristics, etc. The Valuer has identified three comparable parking spaces for the underlying parking spaces for its valuation assessment. For our due diligence purpose, we have obtained and reviewed the comparable parking spaces identified by the Valuer and noted that (i) the selected comparable parking spaces are situated in close proximity to the underlying parking spaces; (ii) the comparable parking spaces share similar characteristics of the underlying parking spaces, particularly the use of the parking spaces, transportation condition, facilities and property's structure where the respective comparable parking spaces located; and (iii) the Valuer has applied necessary adjustments on multiple factors, including among other things, differences in number of parking spaces and market condition, etc. In addition, we have performed independent desktop search on the comparable parking spaces and conducted interview with the Valuer in relation to the adjusting factors on the comparable parking spaces in assessing the market value of the underlying parking spaces of the Target Subsidiary, and we are of the view that the adjusting factors were applied after due and careful consideration by the Valuer and in line with our understanding on the background information of the underlying parking spaces as compared to respective comparable parking spaces. Hence, we concur with the Valuer that the selection criteria of the comparable parking spaces are fair and reasonable and the selected comparable parking spaces as well as the adjusting factors being applied are appropriate in determining the fair value of the underlying parking spaces.

With respect to the equipment of the Target Subsidiary which mainly consisted of vehicles, machinery and electronic equipment (such as communication equipment, office air-conditioning equipment, computers, and other office electronic equipment, etc.), the Valuer adopted the replacement cost approach in assessing the fair value of the equipment. Under the replacement cost method, the underlying equipment is assumed to continue in use in its current location having considered the total cost of repurchasing, constructing or forming such assets in a new state exactly the same or basically similar to the underlying equipment under current conditions. With respect to the valuation formulas under the replacement cost method, we understood from the Valuer that the underlying equipment is assessed through respective total purchase price and costs (such as transportation, installation cost and capital cost) in replacing such equipment after taking into account the remaining service life of such equipment. We are of the view that the valuation formulas being adopted by the Valuer are fair and reasonable in determining the fair value of the underlying equipment under the replacement cost approach.

(ii) Rights-of-use assets, lease liabilities, deferred tax assets and deferred tax liabilities

In the Valuation, the audited carrying amount of the right-of-use assets, lease liabilities, deferred tax assets and deferred tax liabilities of the Target Subsidiary have been disregarded by the Valuer and valued at nil. According to Article 12 and Article 37 of the Asset Appraisal Practicing Standards – Enterprise Value, it is stated that (i) when using the asset approach for valuation, an analysis must be conducted and judgment must be made on the authenticity of the carrying amount of the assets and liabilities of the valued entity as at the valuation benchmark date; (ii) when using the asset approach for enterprise value valuation, the value of various assets shall be determined by selecting an appropriate valuation method according to their specific circumstances; and (iii) the selected valuation method may be different from that used when evaluating the assets individually, and its contribution to the enterprise value shall also be taken into account. According to the aforesaid principles, we are of the view that in assessing the total shareholders' equity of a company under asset approach, the valuer shall determine an appropriate approach in reflecting the real value of the underlying company. Based on our independent interview conducted with the Valuer, we were given to understand and concur with the Valuer that the recognition of the right-of-use assets, lease liabilities, deferred tax assets and deferred tax liabilities is merely an accounting treatment in accordance with HKFRS 16 or Chinese Accounting Standards for Business Enterprises No.21 (CAS21), where such recognition is irrelevant to the utilisation of the assets, liabilities and operating cash flow of the Target Subsidiary. In addition, the Valuer has considered the reasonableness of the respective leases based on market information with no significant leasehold interests or lease losses were noted. Hence, we are of the view that the derecognition of the right-of-use assets, lease liabilities, deferred tax assets and deferred tax liabilities by the Valuer in assessing the fair value of the equity interests attributable to shareholders of the Target Subsidiary is justifiable.

It is noted the Valuer has called for the users of the Valuation Report to consider the potential impact of the (i) lease contract dispute between Henan Century Lianhua Supermarket Co., Ltd. (the "**Henan Century Lianhua**") and Shi Jiankai (the "**Dispute 1**"); (ii) property lease contract dispute between Henan Century Lianhua Supermarket Co., Ltd. and Henan Ruobinlin Culture Communication Co., Ltd.*(河南若比鄰文化傳播有限公司)(the "**Dispute 2**"); and (iii) subdivision of parking spaces owned by Henan Century Lianhua on the valuation conclusion.

(i) Dispute 1

We understand that the Valuer have obtained and reviewed the relevant court documents and the audited report of Yangpu Century Lianhua for FY2023, FY2024 and 7M2025 available as at the Valuation Date to confirmed the appraised value of estimated liability of RMB245,897 in relation to Dispute 1. We have also obtained and reviewed the relevant court documents in relation to Dispute 1, including the two civil judgments issued in June 2025 and August 2025, respectively, by the People's Court of Zhongyuan District, Zhengzhou City, Henan Province*(河南省鄭州市中原區人民法院). As stated in the final civil judgment issued in August 2025, the court ruled that the original civil judgment issued in June 2025 is upheld and Henan Century Lianhua shall be liable to pay the total amount of RMB245,897. As such, we are of the view the appraised value of estimated liability of RMB245,897 for Dispute 1 in the Valuation Report is fair and reasonable. The Directors are of the view and we concur that, as Dispute 1 has been concluded as at the Latest Practicable Date, no material change on the appraised value of the estimated liability is therefore expected.

(ii) Dispute 2

We understand that the Valuer have obtained and reviewed the relevant court documents and the audited report of Yangpu Century Lianhua for FY2023, FY2024 and 7M2025 available as at the Valuation Date to confirmed the appraised value of estimated liability of RMB343,232, where a total compensation of RMB905,600, which including the paid compensation amount of RMB705,600 and the deposit of RMB200,000, has been accrued by Henan Century Lianhua for FY2024 in relation to Dispute 2. We have also obtained and reviewed the relevant court documents in relation to Dispute 2, including the two civil judgments issued in May 2025 and October 2025, respectively, by the People's Court of Guancheng Hui District, Zhengzhou City, Henan Province*(河南省鄭州市管城回族區人民法院). As stated in the final civil judgment issued in October 2025, the court ruled that the compensation amount issued in the original civil judgment in June 2025 of RMB1,248,832 shall be revised to RMB814,968 while the decision that the deposit of RMB200,000 remained to Henan Ruobinlin Culture Communication Co., Ltd. is upheld. Consequently, as advised by the Management, the actual liability amount of Henan Century Lianhua for Dispute 2 shall be RMB109,368, which represent an over-provision of RMB233,864 occurred as compared to the appraised value of estimated liability of RMB343,232 as at Valuation Date. As advised by the Management, the over-provision amount of RMB233,864 will be reflected in the financial statement of Yangpu Century Lianhua for the year ending 31 December 2025. The Valuer confirmed that such over-provision shall not impact the conclusion of the Valuation Report as at the Valuation Date. The Directors are of the view and we concur, that the Valuation Report is fair and reasonable based on the available information as at the Valuation Date while the over-provision of RMB233,864 represents less than approximately 0.5% of the appraised value of Yangpu Century Lianhua of RMB78.2860 million is immaterial and justifiable. The Directors are of the view and we concur that, as Dispute 2 has been concluded as at the Latest Practicable Date, no material change on the appraised value of the estimated liability is therefore expected.

(iii) Subdivision of parking spaces

We understand that the Valuer have obtained and reviewed the sale and purchase agreement in 2005 purchased by Henan Century Lianhua (the "**SPA**") and the property certificate in relation to the relevant 110 parking spaces to verify the numbers of parking spaces as at the Valuation Date. We have also obtained and reviewed the SPA and noted that the SPA has specified the numbers of parking spaces and the floor plan of the parking spaces. Despite Henan Century Lianhua independently adjusted the number of parking spaces in usage, the Valuer are of the view and we concur, that the number of parking spaces shall rely on the SPA for the Valuation Report as at the Valuation Date. The Directors are of the view and we concur, that the appraised value of parking spaces in the Valuation Report is fair and reasonable based on the number of packing spaces in the SPA.

4.5. Conclusion

Based on our review and analyses of the Valuation Report as aforementioned, having considered the competence and qualification of the Valuer, we are of the view that the valuation methodology, the bases and assumptions adopted in the Valuation Report and the appraised value of the total shareholders' equity of the Target Subsidiary are fair and reasonable.

4.6. Trading multiples analysis of comparable companies

In addition, to further supplement the above analysis, we have also conducted analysis on the trading multiples of the comparable companies (the "**Comparables Companies**") on the Stock Exchange in assessing the fairness and reasonableness of the valuation of the Target Subsidiary. In this connection, we have considered (a) the implied price-to-earnings ratio (the "**P/E Ratio**"); (b) the implied price-to-sales ratio (the "**P/S Ratio**"); and (c) the implied price-to-book ratio (the "**P/B Ratio**") of the Target Subsidiary. However, having considered the loss-making position and the non-assets intensives characteristics of the Target Subsidiary, we are of the view that the P/E Ratio and P/B Ratio would not be the appropriate trading multiples in analysing the valuation of the Target Subsidiary. Hence, we have conducted the research based on the P/S Ratio, being a common valuation benchmark for loss-making companies.

In this connection, having considered the principal businesses of the Target Subsidiary and the geographical region operated by the Target Subsidiary, we have set the following criteria to select comparable companies for the purpose of our analysis, namely (i) shares of the companies being listed and traded on the Stock Exchange as at the date of the Equity Transfer Agreement; (ii) principally engaged in operating retails store/hypermarket/supermarket in the PRC; and (iii) over 50% of total revenue was generated from retails and/or wholesale of daily consumer goods through retails store/hypermarket/supermarket in the PRC based on its latest financial report. Based on the said criteria, we have identified an exhaustive list of five Comparables Companies on the Stock Exchange, details of which are set out in the following table:

Stock code	Company Name	Principal business	Market Capitalisation *(Note 1)*	P/S Ratio *(Note 2)*	P/S Ratio *(Note 4)*
			(HK$' million)	*(times)*	*(times)*
814	Beijing Jingkelong Company Limited	Retail and wholesale of daily consumer goods through department stores, hypermarkets, supermarkets and convenience stores	131.9	0.0127	0.0127
974	China Shun Ke Long Holdings Ltd.	Retail and wholesale of daily consumer goods through standard supermarkets, community supermarkets, fresh food communes and convenience stores	342.7	0.5353	Excluded
984	AEON Stores (Hong Kong) Co., Limited	Retail department store business such as shopping malls, general department stores and supermarkets	104.0	0.0129	0.0129
2625	Jiangsu Horizon Chain Supermarket Co Ltd.	Retail and wholesale of daily consumer goods through supermarket and convenience store	1,330.5	0.9120	Excluded
6808	Sun Art Retail Group Ltd.	Operation of hypermarket and e-commerce platforms in China	17,077.5	0.2203	Excluded
		Maximum		0.9120	0.0129
		Minimum		0.0127	0.0127
		Average		0.3386	0.0128
		Median		0.2203	0.0128
		Yangpu Century Lianhua		0.2034 *(Note3)*	0.2034 *(Note3)*

Notes:

(1) For illustration purposes, the market capitalisation of the Comparables Companies is calculated based on their respective closing share price as at the date of Equity Transfer Agreement and the total number of issued shares based on the then latest monthly return of the subject listed company published on the website of the Stock Exchange.

(2) As for the calculation of the P/S Ratio of the Comparables Companies, the ratios are calculated based on (a) the market capitalisation as at the date of Equity Transfer Agreement; and (b) the revenue based on the latest annual report available before Latest Practicable Date and exchange rate as at the date of year ended for each corresponding annual report published by The People's Bank of China.

(3) The implied P/S Ratio of the Target Subsidiary is calculated based on the consideration under the Equity Transfer Agreement and revenue of the Target Subsidiary for FY2024.

(4) For illustration purposes, the market capitalisation of the Comparables Companies with above HK$150 million is excluded for the analysis.

As shown above, the P/S ratio of the Comparables Companies ranged from approximately 0.0127 times to approximately 0.9120 times with the median of approximately 0.2203 times. The implied P/S ratio of Yangpu Century Lianhua of approximately 0.2034 times is within the range of the Comparables Companies and comparable to the median P/S ratio of the Comparables Companies, which indicate the P/S ratio of Yangpu Century Lianhua is close to the middle point within the P/S ratio of the Comparables Companies despite the range of the Comparables Companies are wide. For illustration purpose, we excluded the P/S ratio of the Comparables Companies with the market capitalisation above HK$150 million, which represents the similar scale of Yangpu Century Lianhua, considering the consideration of the Equity Transfer Agreement of approximately RMB78.2860 million (equivalent to approximately HK$86.0 million with the exchange rate HK$1 to RMB0.91023 as at the date of the Equity Transfer Agreement published by The People's Bank of China), and only two Comparables Companies were identified while the P/S ratio of Yangpu Century Lianhua is higher than the P/S ratio of the two Comparables Companies, which is considered favourable to the Group.

Taking into account the principal factors as discussed above, we consider that the terms of the Equity Transfer Agreement (including the consideration) are fair and reasonable so far as the Independent Shareholders are concerned.

6. Financial effects of the Disposal and the Intended Use of Proceeds

The transaction contemplated under the Equity Transfer Agreement shall take place on the Completion Date in accordance with the terms of the Equity Transfer Agreement. Upon completion of the transaction contemplated under the Equity Transfer Agreement, the Target Subsidiary will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the consolidated financial statements of the Group. Any gain or loss on disposal (being the difference between the aggregate consideration of Disposal of approximately RMB78.2860 million and the total net assets or liabilities of the Target Subsidiary as at the Completion Date) is expected to be recognised in the consolidated financial statements of the Company. The actual amount of gain or loss as a result of the Disposal to be recorded by the Group will be subject to review and final audit by the auditors of the Company, and it may be different from the estimated amount as it will be influenced by (i) the actual net asset value of the Target Subsidiary as at the Completion Date; and (ii) the actual transaction costs incurred.

The Company intends to use the proceeds from the Disposal for replenishment of working capital.

RECOMMENDATIONS

Having taken into account the above principal factors and reasons, we consider that although the entering into of the Equity Transfer Agreement is not in the ordinary and usual course of business of the Group, and the terms of the Equity Transfer Agreement, and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

We therefore advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Kristie Ho
Managing Director

Ms. Kristie Ho is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). She has over 20 years of experience in the securities and investment banking industries.

* *For identification purposes only*

The following is the summary of the valuation report in relation to the appraised value of the target company as at 31 July 2025 for the purpose of incorporation in this circular and for illustrative purposes only.

SUMMARY OF ASSET VALUATION REPORT ON ALL SHAREHOLDERS' EQUITY OF SHANGHAI CENTURY LIANHUA SUPERMARKET YANGPU CO., LTD.*(上海世紀聯華超市楊浦有限公司) INVOLVED IN EQUITY TRANSFER

Shanghai Lixin Appraisal Co., Ltd.*(上海立信資產評估有限公司) was commissioned by Lianhua Supermarket Holdings Co., Ltd. and Shanghai Century Lianhua Supermarket Development Co., Ltd.*(上海世紀聯華超市發展有限公司) to evaluate the market capitalization of the entire equity of shareholders of Shanghai Century Lianhua Supermarket Yangpu Co., Ltd.*(上海世紀聯華超市楊浦有限公司)("**Yangpu Century Lianhua**") involved as a result of the proposed equity transfer by Shanghai Century Lianhua Supermarket Development Co., Ltd.*(上海世紀聯華超市發展有限公司), a subsidiary of Lianhua Supermarket Holdings Co., Ltd., as at 31 July 2025, by using the asset approach and complying with necessary valuation procedures on the basis of independence, objectivity and fairness in accordance with requirements under relevant laws, administrative regulations and asset appraisal standards. The report of asset valuation is as follows:

Valued entity:	Shanghai Century Lianhua Supermarket Yangpu Co., Ltd.*(上海世紀聯華超市楊浦有限公司)
Purpose of the valuation:	Equity transfer
Valuation subject and valuation scope:	The valuation subject is the value of the entire equity of shareholders of Yangpu Century Lianhua. The scope of the valuation is all assets and liabilities of Yangpu Century Lianhua, including current assets, long-term equity investments, property, plant and equipment, intangible assets and current liabilities.
Type of value:	Market capitalization.
Valuation date:	31 July 2025.
Valuation method:	Asset approach.

I. VALUATION SUBJECT AND VALUATION SCOPE

The valuation subject is the value of the entire equity of shareholders of Yangpu Century Lianhua. The scope of the valuation is all assets and liabilities of Yangpu Century Lianhua, including current assets, long-term equity investments, property, plant and equipment, intangible assets and current liabilities.

II. TYPE AND DEFINITION OF VALUE

The type of value of the valuation conclusion of this report is market capitalization of asset commissioned to be evaluated.

Market capitalization is the estimated value of the valuation subject in a normal fair transaction on the Valuation Date by a willing buyer and a willing seller acting out of their own rationality and without any coercion.

The selection of such type of value for the purpose of this valuation is mainly based on factors including the purpose of this valuation, market condition, valuation assumption and condition of valuation subject. It should note that there might be difference in value for the same asset in different markets.

III. VALUATION DATE

The Valuation Date of this project's asset is 31 July 2025.

IV. BASIS OF THE VALUATION

(I) Legal and Regulatory Basis

1. Company Law of the People's Republic of China (as amended for the second time at the seventh meeting of the Standing Committee of the 14th National People's Congress on 29 December 2023);

2. Law of the People's Republic of China on Asset Appraisal (as adopted at the 21st meeting of the Standing Committee of the 12th National People's Congress on 2 July 2016);

3. Securities Law of the People's Republic of China (as amended for the second time at the 15th meeting of the Standing Committee of the 13th National People's Congress on 28 December 2019);

4. Measure for the Supervision and Management of State-owned Equity in Listed Companies (Order [2018] No. 36 of China Securities Regulatory Commission of the Ministry of Finance of State-owned Assets Supervision and Administration Commission of the State Council);

5. Law of the People's Republic of China on State-Owned Assets in Enterprises (as adopted at the fifth meeting of the Standing Committee of the 11th National People's Congress on 28 October 2008);

6. Measures for the Administration of the Assessment of State-Owned Assets (as amended by Order No. 732 of the State Council of the People's Republic of China in 2020);

7. Provisions on Certain Issues Concerning the Administration of Assessment of State-Owned Assets (Order No.14 of the Ministry of Finance);

8. Measure for the Supervision and Management of the Transaction of State-Owned Assets in Enterprises (Order No. 32 of the Ministry of Finance of the SASAC of the State Council);

9. Notice on Issues Concerning Strengthening the Management of the Assessment of State-Owned Assets in Enterprises (SASAC Property Right [2006] No. 274);

10. Implementation Rules for the Measures for the Administration of the Assessment of State-Owned Assets (Guo Zi Ban Fa [1992] No. 36 of the Former State Administration Bureau of State-owned Assets);

11. Guidelines on the Filing of the Assessment Project of State-Owned Assets in Enterprises (Guo Zi Fa Property Right [2013] No. 64);

12. Notice on the Transmission of the State Council SASAC "Notice on Matters Relating to the Establishment of a Public Announcement System for Asset Appraisal Projects of Central Enterprises" (Shanghai State-owned Assets Assessment [2016] No. 338);

13. Handbook for the Examination of Valuation Reports of State-owned Assets of Shanghai Municipal Enterprises (Shanghai State-owned Assets Assessment [2018] No. 353);

14. Interim Measures for the Administration of Valuation of State-owned Assets of Shanghai Municipal Enterprises (Shanghai State-owned Assets Assessment [2019] No. 366);

15. Operation Manual for the Approval of State-owned Assets Valuation Projects of Shanghai Municipal Enterprises (Shanghai State-owned Assets Assessment [2020] No. 100);

16. Accounting Standards for Business Enterprises, General Rules on Financial Affairs of Enterprises and Accounting System for Business Enterprises of the Ministry of Finance;

17. Other relevant regulations and provisions.

(II) Basis of Appraisal Standards

1. Basic Standards for Asset Appraisal (Finance [2017] No. 43);

2. Asset Appraisal Professional Ethics Standards (China Appraisal Society [2017] No. 30);

3. Asset Appraisal Practicing Standards – Assets Appraisal Report (China Appraisal Society [2018] No. 35);

4. Asset Appraisal Practicing Standards – Asset Appraisal Procedures (China Appraisal Society [2018] No. 36);

5. Asset Appraisal Practicing Standards – Asset Appraisal Files (China Appraisal Society [2018] No. 37);

6. Asset Appraisal Practicing Standards – Enterprise Value (China Appraisal Society [2018] No.38);

7. Asset Appraisal Practicing Standards – Asset Appraisal Engagement Contract (China Appraisal Society [2017] No. 33);

8. Asset Appraisal Practicing Standards – Asset Appraisal Approach (China Appraisal Society [2019] No. 35);

9. Asset Appraisal Practicing Standards – Intangible Assets (China Appraisal Society [2017] No. 37);

10. Asset Appraisal Practicing Standards – Real Estate (China Appraisal Society [2017] No. 38);

11. Asset Appraisal Practicing Standards – Machinery and Equipment (China Appraisal Society [2017] No. 39);

12. Guidance on Appraisal Report of State-owned Assets of Enterprises (China Appraisal Society [2017] No. 42);

13. Guidance on Business Quality Control of Asset Appraisal Agency (China Appraisal Society [2017] No. 46);

14. Guiding Opinions on Types of Value under Asset Appraisal (China Appraisal Society [2017] No. 47);

15. Guiding Opinions on Legal Ownership of the Asset Appraisal Target (China Appraisal Society [2017] No. 48).

(III) Ownership Basis

1. Business license;

2. Capital verification report and articles of association;

3. Order contracts or purchase invoices for major raw materials, major machinery and equipment;

4. Business license for long-term equity investment unit;

5. Articles of association and capital verification report of long-term equity investment unit;

6. Other property right certificates.

(IV) Pricing Basis

1. Manual of Data and Parameters Commonly Used in Asset Appraisal, China Science and Technology Press;

2. Pricing Handbook for Mechanical and Electrical Products, China Machine Press;

3. The audit report issued by Shanghai Certified Public Accountants LLP;

4. Certain contracts and agreements provided by the company;

5. Field survey records of valuation personnel;

6. Statistics, technical standards and policy documents issued by relevant state departments;

7. Various supporting information related to the appraisal which is collected by the valuation personnel.

V. VALUATION METHOD

According to relevant standards, three basic approaches, the income approach, the market approach and the cost approach (the asset approach), can be adopted to carry out enterprise value evaluation business.

(I) Market Approach

This evaluation business is an overall value appraisal of an enterprise. In regard to such appraisal, there are few equity transaction cases of similar enterprises in China at present. Or from the only cases available, it is also difficult to collect relevant transaction background information and comparable factor information, or the impact of comparable factors on enterprise value is difficult to quantify. In the meanwhile, it is also difficult to find comparable company information in the capital market which is similar to the assets scale and structure, business scope and profitability of the target enterprise. The market method is not applicable in this appraisal.

(II) Income Approach

According to the audited financial statement provided by the valued entity, the operating losses were incurred in all the historical periods of 2023 and from January to July of 2025, and there is a great uncertainty as to whether the future operations will be profitable, the enterprise is unable to accurately predict the future profitability, therefore the income approach is not applicable in this valuation.

(III) Asset Approach

The asset approach may be considered for valuation if each of the enterprise's assets and liabilities can be identified and valued individually. This valuation is based on the financial audit as at the Valuation Date. The scope of the assets and liabilities under valuation provided by the valued entity is clear, which can be identified by means of relevant financial information, purchase and construction information and on-site investigation, and it is possible to be valued individually in accordance with the characteristics of the assets and liabilities, the prerequisites for the implementation of the valuation method and other factors, and therefore the asset approach is adopted in this valuation.

Based on the above suitability analysis and the requirements of the asset appraisal standards, and taking into account the specific circumstances of the assets under valuation, the asset approach is adopted to assess the value of the assets under valuation.

VI. IMPLEMENTATION PROCESS AND STATUS OF THE VALUATION PROCEDURES

(I) Overview of the On-site Investigation

The asset appraiser Yang Yang, as the project leader, arranged the valuation personnel to carry out the field inventory of the valued entity according to the arrangement of the valuation plan by clarifying each professional person in charge and the division of inventory work. The field inventory was conducted from 27 August 2025 to 28 August 2025.

Special person assigned by the appraisal agency to guide the valued entity to conduct self-examination. The valued entity, after the self-examination and requirement of filling evaluation forms put forward on the training for the enterprise personnel, filled in and completed the detailed proforma report for inventory of various assets and liabilities according to the requirements of the Asset Appraisal Standards, and prepared the Explanations of the Enterprise on Relevant Matters in Conducting the Asset Valuation.

The valuation personnel obtained the information necessary for the evaluation business by conducting investigations through enquiry, external confirmations, verification, supervision of inventory-taking, survey and inspection, so as to know about the current situation and the legal ownership of the valued target.

Finally, they summarized the results of inventory and analyzed, whether the scope and depth of asset inventory can meet the requirements of evaluation whether it was consistent with the scope of assets involved in this economic behavior, and whether it can meet the requirements of the evaluation stage.

(II) Overview of the Estimated Valuation

1. Liquidity

(1) Monetary capital

The carrying amount of monetary capital was RMB1,711,568.98, all of which are bank deposits with carrying amount of RMB1,711,568.98.

Bank deposits

The carrying amount of bank deposits was RMB1,711,568.98. The enterprise has a total of 2 bank deposit accounts, both of which are RMB accounts.

Bank deposits are checked by reconciling the balances with bank statements, and confirmation letters are sent when necessary for verification. For outstanding deposits, a bank deposit reconciliation statement will be prepared. After such amounts are reconciled, the authenticity of the outstanding deposits will also be verified when necessary by randomly checking subsequent vouchers or reviewing bank statements after the Valuation Date, to determine the nature of the outstanding deposits. No issues affecting net assets were found.

Renminbi accounts are assessed at the verified carrying amount.

Valuation results of monetary capital

Unit: RMB

Monetary capital	Carrying amount	Appraised value
Bank deposits	1,711,568.98	1,711,568.98
Total	1,711,568.98	1,711,568.98

(2) Accounts receivable

Accounts receivable include prepayments and other receivables.

Trade receivables

The gross carrying amount of trade receivables was RMB173,110.71, bad debt provision was RMB3,462.21 and the carrying amount of trade receivables amounted to RMB169,648.50, which were mainly settlement amounts receivable from the sale of goods. After checking, the number of accounts receivable and their aging distribution are shown in the table below:

Unit: RMB

Age	Number of accounts	Amount	Percentage
Within one year	22	173,110.71	100%
Total		173,110.71	100%

a) For receivables that can be recovered and have no bad debt risk, the appraised value is determined based on the carrying amount. For those that can be adequately evidenced as uncollectible, the appraised value is nil.

b) For trade receivables that may result in bad debts, the loss rate is determined on the basis of the nature of the receivables and their aging, in combination with the Company's historical bad debt measurement policies. The risk loss is calculated by multiplying the book balance by the risk loss rate. The appraised value is ultimately determined by deducting the potential losses from the book balance.

c) The provision for bad debts of trade receivables is appraised as nil.

Prepayments

The carrying amount of prepayments of RMB71,189,812.16 was mainly prepayments made by the enterprise for the purchase of goods, products and services. The valuation personnel, based on the review of relevant purchase contracts, supporting documents and ledgers, issued confirmation letters to recipients of large payment amounts or long-aged receivables. By analyzing the responses and information gathered during the verification, it was concluded that prepayments aged within one year accounted for 100.00% of the total amount.

a. For prepayments that can be recovered for corresponding goods or services, the appraised value is determined on the basis of the value of the assets or rights formed by the corresponding goods or services.

b. For amounts that cannot form assets or rights, such as expenses for which invoices have not yet been received, the appraised value is nil.

Other receivables

The gross carrying amount of other receivables was RMB73,050.12, bad debt provision was RMB3,666.00 and the carrying amount of other receivables amounted to RMB69,384.12. We have one subsidiary ledger, primarily consisting of employee loan advance funds and insurance claims. The valuation personnel conducted a verification of the names, dates, amounts and business details on the detailed list of other receivables provided by the enterprise against the accounting vouchers and relevant documentation.

The aging of other receivables is shown in the table below:

Age	**Amount** *(RMB)*	**Percentage of total amount**
Within one year	70,800.12	3.08%
Over three years	2,250.00	96.92%
Total	73,050.12	100%

a. For receivables that can be recovered and have no bad debt risk, the appraised value is determined based on the carrying amount. For those that can be adequately evidenced as uncollectible, the appraised value is nil.

b. For other receivables that may result in bad debts, the loss rate is determined on the basis of the nature of the receivables and their aging, in combination with the Company's historical bad debt measurement policies. The risk loss is calculated by multiplying the book balance by the risk loss rate. The appraised value is ultimately determined by deducting the potential losses from the book balance.

c. The provision for bad debts of other receivables is appraised as nil.

(3) Inventories

All inventories represent stock items. The gross carrying amount of inventories under commissioned valuation was RMB3,335,666.63, the provision for the decline in value of inventories was nil, and the net carrying amount of inventories amounted to RMB3,335,666.63. With the cooperation of relevant personnel from the enterprise, the appraiser conducted an inventory count of the inventory, understood the enterprise's internal control system for inventory, checked the quantities in the inventory detail ledger with the actual inventory quantities on a sampling basis, and completed an inventory count sheet. The appraiser verified necessary source documents such as payment vouchers, receipt documents, issue documents, sales orders, and delivery documents to trace the inventory under review and cross-check the submitted appraisal declaration form.

(4) Other current assets

The carrying amount of other current assets of RMB1,489,351.72 represents input tax to be deducted.

The valuation personnel confirmed the authenticity of the carrying amount by verifying the accounts, related contracts and vouchers. The appraised value under this valuation is confirmed based on the verified carrying amount.

The appraised value of other current assets was RMB1,489,351.72.

2. Long-term equity investments

The carrying amount of the long-term equity investments was RMB1,000,000.00, with a total of 2 investee enterprises, including 1 wholly-owned subsidiary and 1 controlling sub-subsidiary. The valuation personnel verified the business licenses, capital verification reports, articles of association, investment agreements and relevant vouchers of the investee enterprises. Specific details are as follows:

Unit: RMB'0000

No.	Company Name	Subsidiary Type	Registered Capital	Paid-in Capital	Shareholding Percentage	Principal Business	Location of Production and Operation
1	Shanghai Century Lianhua Supermarket Management Co., Ltd.* (上海世紀聯華超市管理有限公司)	Wholly-owned subsidiary	100	100	100%	Retail industry	Yangpu District, Shanghai
1-1	Henan Century Lianhua Supermarket Co., Ltd.	Controlling sub-subsidiary	4,000	4,000	60%	Retail industry	Zhengzhou, Henan

Different valuation methods are applied based on the different circumstances of the investee companies:

For investee companies over which control (or significant influence) is exercised, separate valuations are conducted; 2 investee companies were included in the separate overall appraisal, with their final appraised value determined by multiplying the appraised value of the total equity interests of the investee company's shareholders by the respective equity proportion.

As there are few cases of equity transactions of similar enterprises in China, or although there are cases, it is difficult to collect information, such as the transaction background and comparable factors etc., and it is difficult to quantify the impact of comparable factors on the value of the enterprise. It is also difficult to find information on comparable companies in the capital market that are similar to the subsidiaries of the valued entity in terms of asset size and structure, scope of operation and profitability, and therefore the market approach is not applicable to the valuation of the subsidiaries.

The long-term equity investments comprise 1 wholly-owned subsidiary and 1 controlling sub-subsidiary. Analysis indicates that both the subsidiary and sub-subsidiary are operating at a loss. Therefore, the income approach is not applicable to the subsidiary and sub-subsidiary included in these long-term equity investments.

The asset approach may be considered for valuation if each of the enterprise's assets and liabilities can be identified and valued individually. This valuation is based on the financial audit as at the Valuation Date. The scope of the assets and liabilities under valuation provided by the subsidiaries of the valued entity is clear, which can be identified by means of relevant financial information, purchase and construction information and on-site investigation, and it is possible to be valued individually in accordance with the characteristics of the assets and liabilities, the prerequisites for the implementation of the valuation method and other factors, and therefore the asset approach is adopted for the valuation of the subsidiary and sub-subsidiary held as long-term equity investments.

Details of the long-term equity investment valuation are as follows:

Unit: RMB

No.	Company Name	Shareholding Percentage	Carrying Amount	Appraised Value	Valuation Appreciation
1	Shanghai Century Lianhua Supermarket Management Co., Ltd.*(上海世紀聯華超市管理有限公司)	100%	–17,913,490.29	–5,002,962.87	12,910,527.42
1-1	Henan Century Lianhua Supermarket Co., Ltd.	60%	65,578,993.92	87,096,539.61	21,517,545.69

The valuation notes for investee companies included in the separate overall appraisal are provided in Parts III to IV.

The appraised value of the long-term equity investments was RMB-5,002,962.87.

3. Fixed assets – equipment

The cost of equipment was RMB26,857,422.24 and the net carrying amount was RMB6,980,532.06, representing machinery and equipment.

Accompanied by the equipment management personnel of the valued entity, the valuation personnel checked and verified the equipment according to the Detailed Statement of Property, Plant and Equipment Inspection filed, and conducted a field survey of the use of the equipment on site. The results are as follows:

(I) Overview of equipment

The cost of equipment was RMB26,857,422.24 and the net carrying amount was RMB6,980,532.06, totalling 215 items. The equipment mainly comprising cold storage units, refrigerated cabinets, refrigerated display cases, refrigerators, ice makers, monitors, computers, printers, handheld terminals, electronic scales, air conditioners, fans, pumps, televisions, surveillance equipment, pallet trucks, dough mixers, dough kneaders, shelving, tables, chairs, cabinets, fire doors, and renovation expenses.

After checking, the equipment is in normal use.

(II) Valuation method

The appraised asset will continue to be used in its current location and the valuation formula of the cost approach is as follows:

Appraised value = full replacement price × residue ratio

Determination of the full replacement price

The full replacement price refers to the total cost of repurchasing, constructing or forming an asset in a new state exactly the same or basically similar to the appraised object under current conditions.

The corresponding value-added tax is not included in the full replacement value of the appraisal.

The full replacement price is determined on the basis of the prevailing market price plus relevant reasonable charges (e.g. transportation and utilities, installation and commissioning charges, capital costs and other reasonable charges).

Full replacement price = replacement current price + transportation and utilities + installation and commissioning charges + capital costs + other reasonable charges – value-added tax

Replacement current price is obtained by requesting quotations from manufacturers and distributors, or by consulting the Handbook of Quotations for Electromechanical Products (《機電產品報價手冊》), or through the relevant sales websites. For equipment for which quotations and prices could not be obtained, they are determined either by adjusting the prevailing market price of similar equipment or by adjusting the purchase cost by the price index.

The rate of transportation and utilities and the rate of installation and commissioning charges are determined based on relevant indicators by equipment category from the Equipment Appraisal System and Parameters (《設備評估系統及參數》) prepared by the valuation firm or the information collected for this valuation.

Other reasonable charges: mainly refers to the engineering survey and design fees, supervision fees and management fees of the construction party, etc., which are determined based on the relevant indicators by equipment category from the Equipment Appraisal System and Parameters prepared by the valuation firm or the information collected for this valuation. For equipment for simple projects, the cost is generally not considered.

Capital cost mainly refers to the interest occupied by the above expenses. The capital cost is calculated for equipment with a large value and a long construction period; the capital cost is generally excluded for equipment with a short construction period and a small value.

Value-added tax = replacement current price ÷ 1.13 × 13% + (transportation and utilities + installation and commissioning charges) ÷ 1.09 × 9% + other reasonable charges ÷ 1.06 × 6%

Determination of the integrated residue ratio

The integrated residue ratio of the general equipment is determined directly using the ageing approach

Integrated residue ratio = (economic service life – serviced life) ÷ economic service life × 100%

The residue ratio is determined on the basis of the observed actual operating condition for general equipment that can continue to be used beyond its normal economic service life.

(3) Examples

Example 1: Asset name: High-efficiency water-cooled screw chiller unit (Machinery and Equipment Appraisal Details No. 81)

Asset No.: 2.06.05.613001.000001

Cost: RMB1,024,000.00	Carrying amount: RMB51,200.00
Purchase date: October 2012	Commissioning date: October 2012
Model specification: 30XW1002	Quantity: 2 units

(1) Determination of the full replacement price

According to Alibaba.com, the market price for the model of screw chiller unit is RMB220,000.

Therefore: Original appraised value = RMB220,000.00/(1 + 13%) × 2 = RMB389,400.00 (rounded)

(2) Determination of the residue ratio

The economic service life of the equipment is set at 14 years. It has been in actual use for 12.75 years. Considering that the chiller unit remains operational, an on-site inspection indicates that its residue ratio is 15%.

(3) Determination of the appraised value

Appraised value = 389,400.00×15%

= RMB58,410.00 (rounded)

Example 2: Asset name: Horizontal single-stage centrifugal pump (Machinery and Equipment Appraisal Details No. 86)

Asset No.: 2.06.08.613001.000001

Cost: RMB38,607.00	Carrying amount: RMB1,930.35
Purchase date: October 2012	Commissioning date: October 2012
Model specification: SLW150-400-45/4	Quantity: 3 units

(1) Determination of the full replacement price

According to Alibaba.com, the market price for the model of centrifugal pump is RMB10,600.

Therefore: Original appraised value = RMB10,600.00/(1 + 13%) × 3 = RMB28,100.00 (rounded)

(2) Determination of the residue ratio

The economic service life of the equipment is set at 8 years. It has been in actual use for 12.75 years. Considering that the centrifugal pump remains operational, an on-site inspection indicates that its residue ratio is 15%.

(3) Determination of the appraised value

Appraised value = 28,100.00×15%

= RMB4,215.00 (rounded)

(IV) Valuation conclusion

In conclusion, the valuation conclusion of the equipment is as follows:

Unit: RMB

Item	Cost	Carrying amount	Original appraised value	Net appraised value
Machinery and equipment	26,857,422.24	6,980,532.06	28,175,800.00	7,005,156.00
Total	**26,857,422.24**	**6,980,532.06**	**28,175,800.00**	**7,005,156.00**

The analysis of the reasons for the valuation appreciation of the equipment is as follows:

The carrying amount of the equipment subject to appraisal is RMB6,980,532.06, with an appraised value of RMB7,005,156.00. The valuation appreciation amounts to RMB24,623.94, with an appreciation rate of 0.35%. The primary reason for the appreciation is that: the depreciation period of the enterprise's equipment is shorter than the general economic useful life, resulting in accelerated depreciation and consequently leading to valuation appreciation.

4. Right-of-use assets

The carrying amount of right-of-use assets was RMB9,345,865.86, primarily representing the rent for the retail space at Zhongyuan City Plaza*（中原城市廣場）.

The right-of-use asset represents the appraised entity's entitlement to use the leased office building assets during the lease term. The valuation personnel reviewed relevant lease agreements and audit adjusting entries for the right-of-use assets, verified the formation circumstances and equity components of the right-of-use assets, and ascertained their initial cost composition, lease term, and remaining lease period. In this valuation, considering that the rental rates for the appraised entity's business premises were generally consistent with market reasonable levels and no significant leasehold gains or losses were identified, this valuation did not consider the impact of recognizing related right-of-use asset and lease liability accounts on the total shareholders' equity valuation conclusion. The right-of-use asset accounts (finance lease receivables, long-term receivables, right-of-use assets) and lease liability accounts (lease liabilities due within one year, lease liabilities) were recognized using the method applied prior to the implementation of the lease accounting standard and be uniformly appraised as nil. For prepaid rent or accrued rent payable of the target enterprise that is still within the benefit period as of the Valuation Date, the appraised value is determined after analysis.

The appraised value of right-of-use assets was nil.

5. Current liabilities

(1) Accounts payable

The carrying amount of accounts payable was RMB169,477.80, primarily consisting of amounts payable for goods. This valuation checks the consistency between the breakdown accounts and the general account and adopts the debt confirmation alternative procedure of confirming and reviewing the sales invoice, warehousing list and other relevant information to confirm the authenticity and completeness of such debts. The appraised value is determined at verified carrying amount in this valuation.

The appraised value of accounts payable was RMB169,477.80.

(2) Advances

The carrying amount of advances was RMB4,795.12, primarily consisting of prepayments for goods. The valuer checks the consistency between the breakdown accounts and the general account, and verifies the authenticity of liabilities by a random check of receipt vouchers and agreements. The appraised value is determined at verified carrying amount in this valuation.

The appraised value of advances was RMB4,795.12.

(3) Salaries payable

The carrying amount of salaries payable was RMB207,067.33, primarily consisting of salaries accrued by the enterprise, which is not actually paid or used. The valuer checks relevant books and vouchers and are aware of that the salary policy and its usage are in compliance with relevant requirements of the China. The appraised value is determined at verified carrying amount in this valuation.

The appraised value of salaries payable was RMB207,067.33.

(4) Taxes payable

The carrying amount of taxes payable was RMB1,410.73, consisting of individual income tax payable, city construction tax, and educational surcharge. The valuer verifies the authenticity of the liabilities by reviewing the accounting information, tax returns and payment receipt, so as to determine the actual liabilities. The carrying amount is verified to be correct. The appraised value is determined at verified carrying amount in this valuation.

The appraised value of taxes payable was RMB1,410.73.

(5) Other payables

The carrying amount of other payables was RMB1,218,913.16, primarily consisting of deposits, advances, and accrued expenses. In this valuation, the authenticity of the liabilities was verified by checking the consistency between the detailed ledger and the general ledger, conducting a sample review of some vouchers, invoices, agreements, and through confirmation letters or responses from telephone inquiries. The appraised value was determined at verified carrying amount in this valuation.

The appraised value of other payables was RMB1,218,913.16.

(6) Non-current liabilities due within one year

The carrying amount of non-current liabilities due within one year was RMB4,074,425.50, primarily consisting of property management fees. The valuer checks the consistency between the breakdown accounts and the general account and verifies the authenticity and completeness of the non-current liabilities by reviewing relevant information including accounting vouchers, original vouchers and contracts, with no noncompliance event being found. The appraised value was determined at verified carrying amount in this valuation.

The appraised value of non-current liabilities due within one year was RMB79,981.85.

6. Non-current liabilities

The carrying amount of lease liabilities was RMB30,574,699.23, which represented rental payments for the retail space at Zhongyuan City Plaza*(中原城市廣場)due under leases with terms longer than one year. The valuer checks the consistency between the breakdown accounts and the general account and verifies the authenticity and completeness of the non-current liabilities by reviewing relevant information including accounting vouchers, original vouchers and contracts.

The appraised value of lease liabilities was nil.

7. Valuation conclusion using the asset approach

Based on the asset approach, the appraised value of the entire equity of shareholders of Yangpu Century Lianhua as of the Valuation Date is RMB78,285,979.25.

VII. ASSUMPTIONS

(I) Basic Assumptions

1. Going concern assumption

This assumes that the operating conditions of Yangpu Century Lianhua, such as the supply and marketing model and profit distribution with affiliated enterprises, will remain unchanged.

2. Open market assumption

This assumes that assets can be freely bought and sold on a fully competitive market, and that their price is determined by the value judgment of independent buyers and sellers on the asset under the supply situation of a certain market.

An open market is a fully competitive market with many buyers and sellers. In this market, buyers and sellers are equal, and both have the opportunity and time to obtain sufficient market information. The trading behavior of both buyers and sellers is voluntary and rational, and is not forced or unrestricted.

3. Transaction assumptions

The source of value of any asset is inseparable from transactions. Regardless of whether the appraised asset is involved in a transaction in an economic activity related to the purpose of the valuation, we assume that the valuation subject is in the process of being transacted, and the valuer conducts the appraisal based on the trading conditions of the asset to be appraised and other simulated market conditions.

(II) General Assumptions

1. The industry in which the enterprise is located will maintain a stable development trend, and there will be no major changes in the current national and local laws, regulations, systems, and socio-political and economic policies;

2. Interest rates and exchange rates remain at current levels without significant changes;

3. There are no other force majeure events or unforeseeable circumstances that have a significant adverse effect.

In accordance with the requirements of asset valuation, it is assumed that these assumptions are valid as of the Valuation Date. The valuation personnel will not be responsible for any different valuation conclusions that may arise due to changes in the future economic environment that affect these assumptions.

VIII. VALUATION CONCLUSION

(I) Valuation conclusion

The carrying amount of total assets was RMB95.2918 million, while its appraised value was RMB79.9676 million, with a valuation appreciation of RMB-15.3242 million or -16.08%.

The carrying amount of total liabilities was RMB36.2508 million, while is appraised value was RMB1.6816 million, with a valuation appreciation of RMB-34.5692 million or -95.36%.

The carrying amount of net assets (owner's equity) was RMB59.0410 million, while its appraised value was RMB78.2860 million, with a valuation appreciation of RMB19.2450 million or 32.60%.

The valuation results are summarised as follows:

Summary of Valuation Results (On an Individual Basis)

Valuation Date: 31 July 2025 *Unit: RMB'0000*

Item	Carrying amount A	Appraised value B	Change C=B-A	Percentage of change D=C/A*100%
Current assets	7,796.54	7,796.54	0.00	0.00
Non-current assets	1,732.64	200.22	–1,532.42	–88.44
Of which: Long-term equity investments	100.00	–500.30	–600.30	–600.30
Fixed assets	698.05	700.52	2.47	0.35
Total assets	9,529.18	7,996.76	–1,532.42	–16.08
Current liabilities	567.61	168.16	–399.45	–70.37
Non-current liabilities	3,057.47	0.00	–3,057.47	–100.00
Total liabilities	3,625.08	168.16	–3,456.92	–95.36
Owners' equity	5,904.10	7,828.60	1,924.50	32.60

Note 1: The above carrying amounts are financial data of the parent company of Yangpu Century Lianhua, which has been audited by Shanghai Certified Public Accountants LLP and an unqualified audit report has been issued thereon.

Note 2: The asset approach is adopted in this valuation, and the increase or decrease in the value of the subsidiary's assets and liabilities is reflected in the valuation results of the parent company's long-term equity investment items.

Detailed valuation conclusion using asset approach are set forth in the appraisal schedules.

Analysis of reasons for valuation changes:

The carrying amount of long-term equity investments was RMB1.0000 million, while its appraised value was RMB-5.0030 million, with a valuation appreciation of RMB-6.0030 million or -600.30%. The primary cause of impairment was the prolonged operating losses of the long-term equity investment entity.

The carrying amount of fixed assets was RMB6.9805 million, while its appraised value was RMB7.0052 million, with a valuation appreciation of RMB24,700 or 0.35%. The primary cause of appreciation was that the economic useful life of the fixed asset equipment exceeds its accounting depreciation period, resulting in a valuation appreciation.

Based on the above appraisal, the valuation conclusion is as follows: The appraised value of the entire equity of shareholders of Yangpu Century Lianhua as of the Valuation Date of 31 July 2025 is RMB78.2860 million.

(II) Other considerations regarding the valuation conclusion

The valuation conclusion is solely to comment on the value of the entire equity of shareholders.

In view of the limitations of market information, the premium or discount due to factors such as controlling interest and minority interest are not considered in this valuation.

The value of partial equity interests does not necessarily equal to the product of the total equity value and the shareholding proportion.

(III) Validity period of assessment conclusions

The valuation conclusion is valid to use for one year, that is valid from the Valuation Date on 31 July 2025 to 30 July 2026.

The conclusions of this valuation report shall not be used beyond the validity period of the valuation conclusion.

IX. DESCRIPTION OF SPECIAL MATTERS

(I) Incomplete or Defective Key Information such as Ownership

The information on the ownership of the assets under appraisal is basically complete, and the Valuer has not found any apparent title defects of the assets. The principal and the valued entity have also expressly stated that there are no matters of title defects.

(II) Other Key Information not Provided by the Principal

The principal has provided other key information necessary for the valuation as requested.

(III) Uncertain factors such as Pending Matters and Legal Disputes

The Valuer was not informed of uncertain factors such as pending matters and legal disputes existing as of the Valuation Date. The principal and the valued entity have also expressly stated that there are no uncertain matters such as pending matters and legal disputes.

(IV) Significant Use of Expert Work and Related Reports

We obtained the following professional reports through legal channels, and prudently referred to the relevant contents of the professional reports in this assessment:

1. The unqualified audit report (Shang Kuai Shi Bao Zi (2025) No. 15322) issued by Shanghai Certified Public Accountants LLP.

   The types and carrying amounts of asset set out in the Valuation Report have been audited by Shanghai Certified Public Accountants LLP, which have issued the special audit report (Shang Kuai Shi Bao Zi (2025) No. 15322) thereon. Its opinion provided in the audit report stated that "We have audited the financial statements of Yangpu Century Lianhua, which comprise the balance sheets as at 31 December 2023, 31 December 2024 and 31 July 2025, and the income statements, the cash flow statements, and the statement of changes in owners' equity for 2023, 2024 and January to July 2025, and the notes to the relevant financial statements. In our opinion, the accompanying financial statements have been prepared in accordance with the Accounting Standards for Enterprises in all material respects and can give a fair view of the financial positions as at 31 December 2023, 31 December 2024 and 31 July 2025, as well as the operating results and cash flows for 2023, 2024 and January to July 2025." Under the requirements for the use of financial statements according to the adopted valuation approaches, the asset valuation professionals have analyzed and judged such financial statements, but have taken no responsibility to express a professional opinion on whether the relevant financial statements have given a fair view of the financial position, the current operating results and cash flows on the Valuation Date.

In accordance with the relevant provisions of the current valuation standards, we shall only be responsible for the use of relevant professional reports that cause improper citation.

(V) Significant Subsequent Event

During the Valuation Date and up to the date of issuance of the Valuation Report, we have not found that the valued entity has any event that has a significant impact on the appraisal conclusions. The principal and the valued entity have not clearly informed the existence of any significant subsequent event in an effective way.

(VI) Relevant Limitations of Valuation Procedures, Remedial Measures Taken by the Valuation Firm and Their Impact on Valuation Conclusions

There are no limitations on the valuation procedures for this asset valuation.

(VII) Guarantee, Lease and Contingent Liabilities (Contingent Assets), etc.

The premises of the enterprise are leased, and the enterprise fails to declare other relevant matters except the lease of premises. The valuer did not discover relevant matters through on-site investigation. Due to the limitations of the valuer's verification methods, we cannot express a definite opinion on the absence of the aforementioned matters.

(VIII) Deficiencies in Economic Activities Corresponding to the Asset Valuation that May Have a Material Effect on the Valuation Conclusion

In economic activities corresponding to this asset valuation, we have not found the deficiency that may have a material effect on the valuation conclusion.

(IX) Supplementary explanation on the change in this valuation

In respect of the main reasons for the appraised value representing an increase over the carrying amount of Yangpu Century Lianhua on a consolidated basis (compared to that on a standalone basis as set out under section headed "Summary of Valuation Results (On an Individual Basis)"), right-of-use assets and lease liabilities are among the major subjects of valuation appreciation, details of which are set out below.

This valuation was conducted in accordance with the relevant provisions of Valuation Standards – Enterprise Value (China Appraisal Society [2018] No. 38), in which the parent company and the long-term equity investment in subsidiaries were separately valued under the asset approach. The amount representing the appraised value of the entire shareholders' equity interest of the long-term equity investment in subsidiaries multiplied by the percentage of shareholding was aggregated to the parent company's long-term equity investment. The above valuation methodology truly reflects the actual operating status and market value of the enterprise. An analysis of the appraisal result is set out below:

1. The audited carrying amount of the net assets in the financial statement of the parent company of Yangpu Century Lianhua, under Chinese accounting standard, was RMB59.0410 million, while its appraised value was RMB78.2860 million, with a valuation appreciation of RMB19.2450 million. The main reason was that the revaluation of right-of-use assets and lease liabilities resulted in an increase of net assets of RMB25.2233 million; long-term equity investment depreciated by RMB6.003 million after being appraised using the asset approach; the rest is the increase and decrease of property, plant and equipment after being appraised using the market approach and replacement cost approach.

2. The subject of this transfer is 100% equity interest of Yangpu Century Lianhua, and the audited carrying amount of net assets attributable to the parent company of Yangpu Century Lianhua in the consolidated financial statement, under Chinese accounting standard, was RMB40.1276 million, based on which, there was a valuation appreciation of RMB38.1584 million in its appraised value as above. The major items with changes are set out below:

1. Property, plant and equipment

The consolidated carrying amount of the property, plant and equipment was RMB13.0836 million, with appraised value of RMB17.8694 million and valuation appreciation of RMB4.7858 million. The main reasons for the appreciation were: the valuation of the underground parking space of Henan Century Lianhua Supermarket Co., Ltd. increased by RMB5.5175 million after being appraised using the market approach; the valuation of the equipment increased by RMB2.4178 million after being appraised using the replacement cost approach; and the valuation of the equipment of Shanghai Century Lianhua Supermarket Yangpu Co., Ltd.*(上海世紀聯華超市楊浦有限公司) increased by RMB0.0246 million after being appraised using the replacement cost approach. The details of the valuation of the parking space of Henan Century Lianhua Supermarket Co., Ltd. were set out below:

The parking spaces commissioned for valuation are No. 1 underground parking space in Zone E and No. 3 underground parking space in Zone E on Basement Level 1 located at No. 66 Jing San Road, Jinshui District, Zhengzhou City, including land use rights, structures and buildings. The land area corresponds to the land area allocated to the valuation subject, with the parking spaces having a gross floor area of 3,247.29 square meters. The parking spaces were acquired by the enterprise. According to the Commercial Housing Sales Contract provided by the enterprise, there are a total of 110 parking spaces.

1) Valuation approach

The valuation subjects are underground parking spaces. There are numerous transaction cases of similar properties in the market, thus making the market approach suitable for valuation. Under normal operating conditions, stable returns can be generated, which is typical for an income-generating property, thus the income approach is also applied in this valuation. The valuation subjects are underground parking spaces, which are highly market-oriented. If the cost accumulation approach is adopted for valuation, the result might significantly deviate from the market value, therefore the cost approach is not deemed appropriate for this valuation. The valuation subjects are legally designated as underground parking spaces, which cannot be repurposed, are in normal usable conditions, require no renovation or redevelopment and are not projects under construction. Therefore, the hypothetical development approach is also not applicable. The valuation approaches adopted for this valuation are the market approach and the income approach, with the final result based on the market approach.

2) Key Parameters of the Market Approach

According to the principle of substitution, the market comparable cases are selected by considering the properties within the same supply and demand circle as the subject property, with similar transaction status, market conditions, locational attributes, physical characteristics, and ownership status, or those with comparable utility value. Accordingly, after searching for real estate transaction data on RESO*（瑞數）, we have identified some recent cases of similar listing in the same area, of which three cases similar to the valuation subject are selected as follows (the best and exhausted selection in accordance with the "Real Estate Valuation Standards" (GB/T50291-2015), taking into account the relevant comparative factors and combining the information available to the valuer and to the best of the valuer):

No.	Location	Number of Parking Space *(Unit)*	Total Transaction Amounts *(RMB0000)*	Transaction Unit Price *(RMB0000/Unit)*	Transaction Date
1	No. 28 Dongfeng Road	1	7.00	7.00	July 2025
2	No.59 Huayuanbei Road	1	5.90	5.90	September 2025
3	No.52 Beisanhuang Road	1	6.50	6.50	September 2025

After adjusting for comparison factors across the three cases, including: (i) market conditions adjustment; (ii) transaction status corrections; (iii) locational attributes adjustments; (iv) physical characteristics adjustments; and (v) ownership status adjustments, with each of the above factors in respect of the assets commissioned as the benchmark and the corresponding index as 1. The relevant factors of the comparative cases were compared with the assets commissioned, with the change in the indices ranging from 0% to 10% (for instance, as a correction factor for the transaction situation, since the transaction unit prices shown in the three cases are purchase prices, so the corresponding indices have not been adjusted), and the amended indices were formed. The unit prices (tax exclusive) were divided by the relevant modified indices in turn to arrive at the modified unit prices (tax inclusive) of RMB60,606, RMB51,082 and RMB56,277 for the three cases respectively. The average of the unit prices (tax exclusive) of the three cases then yields a benchmark unit price (tax exclusive) of RMB53,300 per unit (rounded down). Total market approach price = RMB53,300×110 = RMB5,860,000 (rounded down).

3) Valuation Result

For this valuation, the market approach and the income approach were utilized in measuring the value of the properties commissioned for valuation, which came out to be RMB5,860,000 and RMB3,662,500 respectively. The income approach yielded a lower value than the market approach. The market comparison approach, being market-oriented, better reflects the impact of real estate market conditions and surrounding environmental factors on property prices, and more accurately represents the true market value of the property. In contrast, the income approach adopts a market return perspective, deriving the market rental of the subject property through comparison of market rents, while considering relevant taxes, costs and capital expenses, to arrive at the market value via discounted cash flow analysis. Given that the income approach relies on future projections and entails certain uncertainties, the market comparison approach result has been directly adopted for this valuation, i.e., the market value of the underground parking spaces (tax exclusive) is RMB5,860,000. Deed tax is calculated at 3% of the real estate market value in accordance with relevant regulations. Deed tax= RMB5,860,000×3%= RMB175,800. The appraised value of parking spaces= RMB5,860,000+RMB175,800 = RMB6,035,800, with an equivalent unit price of approximately RMB54,870.91 per unit.

(2) The revaluation of right-of-use assets and lease liabilities resulted in an increase of net assets of RMB33.3795 million, which was mainly attributable to the fact that right-of-use assets and lease liabilities were uniformly valued at nil, restored to the method of recognition prior to the implementation of the new lease accounting standards. An analysis was conducted to determine the subject company's prepaid rent or outstanding rent payable that was still within the benefit period as of the Valuation Date, and based on which to determine the appraised value.

X. Notes on Other Matters

1. The appraisal conclusions only reflect the market value of the appraised assets on the Valuation Date.

2. The "appraised value" as set out in this report refers to the market value of the appraised asset, determined using the principle of open market. This is based on the premise that the existing use of the appraised asset remains unchanged and continues to be used, and subject to the external economic environment on the Valuation Date. However, this value does not take into consideration the impact on the valuation from any existing or potential future mortgages or guarantees, or the increase in price due to particular transaction. Additionally, this report does not consider the impact on asset value from national macroeconomic policy changes and in case of natural force and other force majeure.

3. The principal and other relevant parties shall be responsible for the authenticity, integrity and legality of the information provided by the valued entity for the scope of this appraisal and the data, statements and relevant materials used. The relevant ownership documents and materials involved in the asset valuation report shall be provided by the valued entity, and the valued entity shall bear legal responsibility for its authenticity, legality and integrity. The asset valuation firm and its asset appraisal professionals have placed adequate emphasis on the legal ownership of the valuation subject and carried out investigation and verification on the materials used in the asset appraisal activities according to law. However, we only express opinions on the value of the appraised assets, and we have no right to make any form of guarantee on their legal ownership. This report shall not be used as any form of title documents.

4. For the defects of the enterprise that may affect the appraised value of assets, the valuation firm and the valuers shall not assume relevant responsibilities thereunder if they are not specified at the time of engagement by the enterprise and the appraisal professionals are generally unable to be informed based on professional experience.

5. The appraisal of the assets to be valued as set out in this report is to reflect the value of the appraised assets in an objective manner. We do not intend to request the asset owner to make account treatment according to the results and presentation in this report. The superior financial and tax authorities of the asset owner should decide whether and how to make relevant account treatment in compliance with the national accounting rules.

6. This appraisal is for the purpose of equity transfer and, unless otherwise stated, in assessing the value of shareholders' equity, we do not take into account any restrictions that may affect the value of the equity transaction, such as fees and taxes borne by the relevant parties during the transaction thereof. Tax matters related to equity transactions (such as corporate or individual income tax) shall be handled by the national tax authorities according to the law. According to the usual practice, equity transaction is an economic behavior between shareholders, which generally does not involve the accounting adjustment of the valued entity. Therefore, we do not make any tax provision for the revaluation increase and decrease of enterprise value in the appraisal conclusions of this report.

7. In the assets valuation report, all tables or textual expressions are denominated in RMB ten thousands, and any difference between the total amount and the sum of the individual subvalues is due to rounding off.

8. During the effective term of the valuation conclusion after the Valuation Date, if the quantity and pricing standard of the assets change, it should be dealt with according to the following principles:

   (1) In the event of changes in the quantity of the assets, adjustments should be made accordingly to the amount of the assets using the original valuation methods;

   (2) In the event of changes in the pricing standard of the assets resulting in an evident impact on the valuation conclusion, the principal shall engage a qualified assets valuation firm in a timely manner to re-evaluate the appraised value;

   (3) The principal should give full consideration to changes in the quantity and pricing standard of the assets subsequent to the Valuation Date and make adjustments accordingly when determining the actual price of the assets.

The above specific issues may have an impact on the valuation conclusion, and users of the valuation report should exercise caution.

XI. LIMITATIONS ON USE OF THE ASSET VALUATION REPORT

(I) This report may only be used after being filed with the state-owned assets administration department.

(II) This asset valuation report shall only be used for the purpose of the valuation and economic activities as set out herein.

(III) This asset valuation report shall only be used by the principal and the users of this asset valuation report as specified to serve the purpose of the valuation stated herein and to submit to the relevant property appraisal authority for review. The right to use this asset valuation report shall rest with the principal.

The right to interpret the contents of this asset valuation report shall rest with the valuation firm, and no other entity or department shall have the right to interpret it, unless otherwise expressly and specifically provided for in national laws and regulations.

Any extract, quote or disclosure of the whole or part of the contents of the Valuation Report in the public media shall be subject to the written consent of the valuation firm and the undersigning appraiser of the report after the valuation firm has reviewed the relevant contents, except as stipulated in laws and regulations and as otherwise agreed by the relevant parties.

(IV) The valuation firm and its asset valuation professionals shall not be liable if the principal or other users of the asset valuation report fail to use the asset valuation report in accordance with the provisions of laws and administrative regulations and the scope of use set out in the asset valuation report.

(V) Except for the principal, other users of the asset valuation report as agreed in the asset valuation commission contract and the users of the asset valuation report as stipulated in the laws and administrative regulations, no other institution or individual shall be the user of the asset valuation report.

(VI) The user of the asset valuation report shall correctly understand the valuation conclusion. The valuation conclusion is not equivalent to the realizable price of the valuation subject, and the valuation conclusion shall not be considered as a guarantee of the realizable price of the valuation subject.

(VII) This asset valuation report contains certain annexes and appraisal schedules, all of which also constitute an important part of this report and shall be valid only when used in conjunction with the body of this report. The valuation firm and the asset appraiser assume no obligation or responsibility for any use other than that for which it is used, such as being shown to the non-asset valuation report user or the non-asset valuation report user who otherwise has access to this report, and do not provide further consultation in connection with this report, nor do they provide testimony, appear in court or otherwise hearings in legal proceedings, and reserve the right to pursue the non-asset valuation report user the losses incurred as a result.

XII. DATE OF THE ASSET VALUATION REPORT

The date of the asset valuation report is the date on which the valuation conclusion is formed and the date of this asset valuation report is 4 November 2025.

Details of proposed amendments to the Articles of Association are set out as follows, with amendments underlined:

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LIANHUA SUPERMARKET HOLDINGS CO., LTD.

No.	Original	Amended
1	Article 8 These Articles of Association are binding on the Company, its shareholders, directors, supervisors, managers and other senior management officers. All the aforementioned persons may raise any claims relating to the affairs of the Company in accordance with these Articles. Shareholders may bring actions against the Company in accordance with these Articles. The Company may bring actions against the shareholders in accordance with these Articles. Shareholders may bring actions against each other in accordance with these Articles, and a shareholder may bring actions against the Company, its shareholders, directors, supervisors, managers and other senior management officers in accordance with these Articles. For the purpose of this Article, "actions" includes taking court proceedings or application for arbitration.	Article 8 These Articles of Association are binding on the Company, its shareholders, directors~~,~~ **~~supervisors~~**, managers and other senior management officers. All the aforementioned persons may raise any claims relating to the affairs of the Company in accordance with these Articles. Shareholders may bring actions against the Company in accordance with these Articles. The Company may bring actions against the shareholders in accordance with these Articles. Shareholders may bring actions against each other in accordance with these Articles, and a shareholder may bring actions against the Company, its shareholders, directors~~, supervisors~~, managers and other senior management officers in accordance with these Articles. For the purpose of this Article, "actions" includes taking court proceedings or application for arbitration.

No.	Original	Amended
2	Article 32 The Company shall not provide gifts, loans, guarantees or other financial assistance for others to obtain shares of the Company or its parent company, unless the Company implements an employee stock ownership plan. For the benefit of the Company, upon resolution of the shareholders' meeting, or the Board of Directors making a resolution in accordance with Articles of Association of the Company or the authorization of the shareholders' meeting, the Company may provide financial assistance to others to acquire shares of the Company or its parent company, but the cumulative total of financial assistance shall not exceed ten percent of the total issued shares capital. Resolutions made by the Board of Directors must be approved by more than two-thirds (including two-thirds) of all Directors. If a violation of the provisions of the preceding two paragraphs causes losses to the Company, the responsible Directors, Supervisors and senior managers shall bear liability for compensation.	Article 32 The Company shall not provide gifts, loans, guarantees or other financial assistance for others to obtain shares of the Company or its parent company, unless the Company implements an employee stock ownership plan. For the benefit of the Company, upon resolution of the shareholders' meeting, or the Board of Directors making a resolution in accordance with Articles of Association of the Company or the authorization of the shareholders' meeting, the Company may provide financial assistance to others to acquire shares of the Company or its parent company, but the cumulative total of financial assistance shall not exceed ten percent of the total issued shares capital. Resolutions made by the Board of Directors must be approved by more than two-thirds (including two-thirds) of all Directors. If a violation of the provisions of the preceding two paragraphs causes losses to the Company, the responsible Directors~~,~~ **~~Supervisors~~** and senior managers shall bear liability for compensation.

No.	Original	Amended
3	Article 43 The holders of shares of the Company shall enjoy the following rights: (I) to receive dividends and other forms of profit distribution on the basis of the number of shares held by them; (II) to be present at and exercise speaking and voting rights at shareholders' meetings in person or by proxy; (III) to supervise and manage the business activities of the Company, and to make suggestions and raise queries; (IV) to transfer shares in accordance with the provisions of laws, administrative regulations, and these Articles; (V) to review and copy the Articles of Association of the Company, register of shareholders (the Hong Kong branch of the register of shareholders must be available for shareholders to inspect, but may allow the Company to suspend shareholder registration procedures on terms equivalent to Article 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), minutes of shareholders' meetings, resolutions of the Board, Supervisors, publicly disclosed financial and accounting reports and other materials that should be reviewed and copied in accordance with laws and administrative regulations);	Article 43 The holders of shares of the Company shall enjoy the following rights: (I) to receive dividends and other forms of profit distribution on the basis of the number of shares held by them; (II) to be present at and exercise speaking and voting rights at shareholders' meetings in person or by proxy; (III) to supervise and manage the business activities of the Company, and to make suggestions and raise queries; (IV) to transfer shares in accordance with the provisions of laws, administrative regulations, and these Articles; (V) to review and copy the Articles of Association of the Company, register of shareholders (the Hong Kong branch of the register of shareholders must be available for shareholders to inspect, but may allow the Company to suspend shareholder registration procedures on terms equivalent to Article 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)**, corporate bond stubs**, minutes of shareholders' meetings, resolutions of the Board~~, Supervisors~~, publicly disclosed financial and accounting reports and other materials that should be reviewed and copied in accordance with laws and administrative regulations);

No.	Original	Amended
	(VI) participate in the distribution of the residual property of the Company on the basis of the number of shares held by them when the Company is terminated or liquidated; (VII) other rights conferred by laws, administrative regulations and these Articles.	(VI) participate in the distribution of the residual property of the Company on the basis of the number of shares held by them when the Company is terminated or liquidated; (VII) other rights conferred by laws, administrative regulations and these Articles.
4	Article 45 In addition to the obligations imposed by laws, administrative regulations or the listing rules of the securities exchange on which the shares of the Company are listed, controlling shareholders may not, in exerting of their shareholders' powers, make decisions prejudicial to the interests of all or part of shareholders as a result of the exercise of their voting rights set forth below: (I) to relieve the duty of directors and supervisors to act honestly in the best interest of the Company; (II) to approve the expropriation by a director or supervisor (for his own or another person's interests) of depriving the Company of its property in any manner, including(but not limited to) any opportunities which are in favour of the Company;	Article 45 In addition to the obligations imposed by laws, administrative regulations or the listing rules of the securities exchange on which the shares of the Company are listed, controlling shareholders may not, in exerting of their shareholders' powers, make decisions prejudicial to the interests of all or part of shareholders as a result of the exercise of their voting rights set forth below: (I) to relieve the duty of directors ~~**and supervisors**~~ to act honestly in the best interest of the Company; (II) to approve the expropriation by a director ~~**or supervisor**~~ (for his own or another person's interests) of depriving the Company of its property in any manner, including(but not limited to) any opportunities which are in favour of the Company;

No.	Original	Amended
	(III) to approve the expropriation by a director or supervisor (for his own or another person's interests) to deprive other shareholders of their personal rights and interests, including (but not limited to) any right to distribution and voting, except pursuant to are structuring of the Company submitted to and adopted by a shareholders' meeting in accordance with these Articles.	(III) to approve the expropriation by a director **~~or supervisor~~** (for his own or another person's interests) to deprive other shareholders of their personal rights and interests, including (but not limited to) any right to distribution and voting, except pursuant to are structuring of the Company submitted to and adopted by a shareholders' meeting in accordance with these Articles.
5	Article 48 The shareholders' meeting shall exercise the following powers: (I) to elect and replace directors who are not staff representatives and decide on matters concerning their remunerations; (II) to elect and replace the supervisors who are not staff representatives and decide on matters concerning their remunerations; (III) to examine and approve reports of the Board; (IV) to examine and approve reports of the Supervisory Committee; (V) to examine and approve the Company's profit distribution plan and plan for recovery of losses;	Article 48 The shareholders' meeting shall exercise the following powers: (I) to elect and replace directors who are not staff representatives and decide on matters concerning their remunerations; (II) **~~to elect and replace the supervisors who are not staff representatives and decide on matters concerning their remunerations;~~** **~~(III)~~** to examine and approve reports of the Board; **~~(IV) to examine and approve reports of the Supervisory Committee;~~** (**~~V~~**III) to examine and approve the Company's profit distribution plan and plan for recovery of losses;

No.	Original	Amended
	(VI) to pass resolutions concerning the increase or reduction of the Company's registered capital;	(~~VI~~V) to pass resolutions concerning the increase or reduction of the Company's registered capital;
	(VII) to pass resolution on matters such as the merger, split-up, dissolution, liquidation or change of company form of the Company;	(~~VII~~V) to pass resolution on matters such as the merger, split-up, dissolution, liquidation or change of company form of the Company;
	(VIII) to pass resolution on the issuance of bonds by the Company, and authorize the Board of Directors to exercise the aforementioned powers within a certain scope;	(~~VIII~~VI) to pass resolution on the issuance of bonds by the Company, and authorize the Board of Directors to exercise the aforementioned powers within a certain scope;
	(IX) to pass ordinary resolution on the appointment, dismissal or termination of appointment of an accounting firm;	(~~IX~~VII) to pass ordinary resolution on the appointment, dismissal or termination of appointment of an accounting firm;
	(X) to amend these Articles of the Company;	(~~X~~VIII) to amend these Articles of the Company;
	(XI) to examine and deliberate on the proposals put forward by shareholders representing more than one percent shares with voting rights;	(~~XI~~IX) to examine and deliberate on the proposals put forward by shareholders representing more than one percent shares with voting rights;
	(XII) other matters required by the provisions of laws, administrative regulations and these Articles to be resolved at shareholders' meetings.	(~~XII~~X) other matters required by the provisions of laws, administrative regulations and these Articles to be resolved at shareholders' meetings.

No.	Original	Amended
	The shareholders' meeting may authorize the Board of Directors to decide to issue shares not exceeding 50% of the issued shares within three years, but if non monetary assets are used as capital contributions, a resolution of the shareholders' meeting shall still be required. If the Board of Directors decides to issue shares in accordance with this provision, which results in changes in the registered capital and issued shares of the Company, the amendments of this provision in the Articles of Association does not need to be voted on by the shareholders' meeting. If the Board of Directors, authorized by the shareholders' meeting, decides to issue new shares in accordance with the provisions of this clause, the resolution of the Board of Directors shall be passed by more than two-thirds (including two-thirds) of all Directors.	The shareholders' meeting may authorize the Board of Directors to decide to issue shares not exceeding 50% of the issued shares within three years, but if non monetary assets are used as capital contributions, a resolution of the shareholders' meeting shall still be required. If the Board of Directors decides to issue shares in accordance with this provision, which results in changes in the registered capital and issued shares of the Company, the amendments of this provision in the Articles of Association does not need to be voted on by the shareholders' meeting. If the Board of Directors, authorized by the shareholders' meeting, decides to issue new shares in accordance with the provisions of this clause, the resolution of the Board of Directors shall be passed by more than two-thirds (including two-thirds) of all Directors.
6	Article 49 Without the prior approval of a shareholders' meeting, the Company may not enter into any contract with any person other than a director, supervisor, manager or other senior management officer of the Company for the delegation of the whole business management or part of the important business management of the Company to that person.	Article 49 Without the prior approval of a shareholders' meeting, the Company may not enter into any contract with any person other than a director~~, supervisor~~, manager or other senior management officer of the Company for the delegation of the whole business management or part of the important business management of the Company to that person.

No.	Original	Amended
7	Article 50 The shareholders' meetings consist of annual meetings and extraordinary meetings and shall be convened by the Board. An annual meeting of shareholders shall be convened once a year, and shall be held within six months after the end of every fiscal year. The Board shall convene an extraordinary shareholders' meeting within two months of the occurrence of one of the following circumstances: (I) the number of directors is less than the number provided by the Company Law or less than two-thirds prescribed by these Articles; (II) the losses of the Company that have not been made up reach one third of the total paid-up share capital; (III) at the request of shareholders who individually or collectively hold more than ten percent of the Company's shares; (IV) the Board considers that there is a need or the Supervisory Committee proposes a meeting; (V) other circumstances stipulated by laws, administrative regulations, departmental rules or the Articles of Association.	Article 50 The shareholders' meetings consist of annual meetings and extraordinary meetings and shall be convened by the Board. An annual meeting of shareholders shall be convened once a year, and shall be held within six months after the end of every fiscal year. The Board shall convene an extraordinary shareholders' meeting within two months of the occurrence of one of the following circumstances: (I) the number of directors is less than the number provided by the Company Law or less than two-thirds prescribed by these Articles; (II) the losses of the Company that have not been made up reach one third of the total paid-up share capital; (III) at the request of shareholders who individually or collectively hold more than ten percent of the Company's shares; (IV) the Board considers that there is a need **for** ~~**or the Supervisory Committee proposes**~~ a meeting; (V) **the Audit Committee proposes a meeting;** **(VI)** other circumstances stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

No.	Original	Amended
8	Article 51 When an annual shareholders' meeting is to be held by the Company, notice shall be given to shareholders twenty days before the meeting in writing. When a shareholder' extraordinary meeting is to be held by the Company, notice shall be given to shareholders fifteen days before the meeting in writing. The matters to be transacted at the meeting and the date and place of the meeting shall be notified to shareholders whose names are on the register.	Article 51 When an annual shareholders' meeting is to be held by the Company, notice shall be given to shareholders twenty days before the meeting in writing. When a shareholder' extraordinary meeting is to be held by the Company, notice shall be given to shareholders fifteen days before the meeting in writing. The matters to be transacted at the meeting and the date and place of the meeting shall be notified to shareholders whose names are on the register. **The shareholders' meeting can be held not only in the form of an on-site meeting, but also through electronic communication or network at the same time. The Company can provide convenience for shareholders to attend the shareholders' meetings through other means such as video conferences and telephone conferences. Shareholders who participate in the shareholders' meeting through the above methods shall be deemed to be present.** **If the shareholders' meeting of the Company adopts the network or other methods, the voting time and voting procedures of the network or other methods shall be clearly stated in the notice of the shareholders' meeting.**

No.	Original	Amended
9	Article 54 The notice of a meeting of shareholders shall meet the following requirements: (I) shall be made in writing; (II) shall specify the place, date and time of the meeting; (III) shall include the matters to be transacted at the meeting; (IV) provide such information and explanation as are necessary for the shareholders to make wise decisions on the matters to be transacted at the meeting. This principle includes (but not limited to): when the Company proposes a merger, repurchase of shares, reorganization of share capital, or other restructuring, it shall provide the specific terms and contract (if any) in respect of the proposed transactions and earnestly explain the cause and results of the transaction; (V) If any director, supervisor, manager or other senior management officer is significantly interested in any matter to be transacted, the nature and extent of such conflict of interest shall be disclosed. If the effects of the matters on such director, supervisor, manager or other senior management officer as a shareholder is different from the effect on other shareholders, the difference shall be explained;	Article 54 The notice of a meeting of shareholders shall meet the following requirements: (I) shall be made in writing; (II) shall specify the place, date and time of the meeting; (III) shall include the matters to be transacted at the meeting; (IV) provide such information and explanation as are necessary for the shareholders to make wise decisions on the matters to be transacted at the meeting. This principle includes (but not limited to): when the Company proposes a merger, repurchase of shares, reorganization of share capital, or other restructuring, it shall provide the specific terms and contract (if any)in respect of the proposed transactions and earnestly explain the cause and results of the transaction; (V) If any director~~, supervisor~~, manager or other senior management officer is significantly interested in any matter to be transacted, the nature and extent of such conflict of interest shall be disclosed. If the effects of the matters on such director~~, supervisor~~, manager or other senior management officer as a shareholder is different from the effect on other shareholders, the difference shall be explained;

No.	Original	Amended
	(VI) It shall contain the full text of any special resolution proposed to be adopted at the meeting of shareholders; (VII) It shall state conspicuously that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on his/her behalf, and that a proxy need not be a shareholder of the Company; (VIII) It shall state clearly the time and place for delivery of the replies of shareholders intending to attend the meeting and the proxy forms.	(VI) It shall contain the full text of any special resolution proposed to be adopted at the meeting of shareholders; (VII) It shall state conspicuously that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on his/her behalf, and that a proxy need not be a shareholder of the Company; (VIII) It shall state clearly the time and place for delivery of the replies of shareholders intending to attend the meeting and the proxy forms.
10	Article 68 The following matters shall be resolved by ordinary resolutions at the shareholders' meetings: (I) the work reports of the Board and the Supervisory Committee; (II) the profit distribution plans and loss recovery plans formulated by the Board; (III) the removal of the members of the Board and the Supervisory Committee, their remuneration, and methods of payment of their remuneration,	Article 68 The following matters shall be resolved by ordinary resolutions at the shareholders' meetings: (I) the work reports of the Board ~~and the Supervisory Committee~~; (II) the profit distribution plans and loss recovery plans formulated by the Board; (III) the removal of the members of the Board ~~and the Supervisory Committee~~, their remuneration, and methods of payment of their remuneration,

No.	Original	Amended
	(IV) annual report of the Company; (V) other matters other than those prescribed by laws, administrative regulations, or these Articles to be passed by special resolutions. The remuneration set forth in the above item (III) shall include (but be not limited to) the compensation payable to any director or supervisor at the time of his/her removal as director or supervisor or retirement. Regarding the election of each director and/or supervisor, each candidate for director and supervisor shall submit a single proposal.	(IV) annual report of the Company; (V) other matters other than those prescribed by laws, administrative regulations, or these Articles to be passed by special resolutions. The remuneration set forth in the above item (III) shall include (but be not limited to) the compensation payable to any director ~~**or supervisor**~~ at the time of his/her removal as director ~~**or supervisor**~~ or retirement. Regarding the election of each director ~~**and/or supervisor**~~, each candidate for director ~~**and supervisor**~~ shall submit a single proposal.
11	Article 70 Shareholders demanding the convening of an extraordinary shareholders' meeting shall proceed in accordance with the following procedures: (I) Shareholders who individually or collectively hold more than ten per cent have the right to request the Board to convene an extraordinary shareholders' meeting, which shall be submitted to the Board in writing**.** The Board shall, in accordance with laws, administrative regulations and the Articles of Association, give written feedback on whether to agree or disagree to convene an extraordinary shareholders' meeting within ten days after receiving the request.	Article 70 Shareholders demanding the convening of an extraordinary shareholders' meeting shall proceed in accordance with the following procedures: (I) Shareholders who individually or collectively hold more than ten per cent have the right to request the Board to convene an extraordinary shareholders' meeting, which shall be submitted to the Board in writing**.** The Board shall, in accordance with laws, administrative regulations and the Articles of Association, give written feedback on whether to agree or disagree to convene an extraordinary shareholders' meeting within ten days after receiving the request.

No.	Original	Amended
	If the Board agrees to convene an shareholders' extraordinary meeting, it shall issue a notice on the convening of the shareholders' meeting within five days after the resolution of the Board is made, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. (II) If the Board does not agree to convene an shareholders' extraordinary meeting or fails to provide feedback within ten days after receiving the request, shareholders who individually or collectively hold more than ten percent of the company's shares have the right to propose to the Supervisory Committee to convene an shareholders' extraordinary meeting and shall submit a request in writing to the board of supervisors. If the Supervisory Committee agrees to convene an shareholder's extraordinary meeting, it shall issue a notice of convening the shareholders' meeting within five days of receiving the request. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.	If the Board agrees to convene a~~n~~ shareholders' extraordinary meeting, it shall issue a notice on the convening of the shareholders' meeting within five days after the resolution of the Board is made, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. (II) If the Board does not agree to convene an shareholders' extraordinary meeting or fails to provide feedback within ten days after receiving the request, shareholders who individually or collectively hold more than ten percent of the company's shares have the right to propose to the ~~Supervisory~~**Audit** Committee to convene an shareholders' extraordinary meeting and shall submit a request in writing to the **Audit Committee**~~board of supervisors~~. If the ~~Supervisory~~**Audit** Committee agrees to convene a~~n~~ shareholder's extraordinary meeting, it shall issue a notice of convening the shareholders' meeting within five days of receiving the request. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

No.	Original	Amended
	(III) If the Supervisory Committee fails to issue a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Supervisory Committee has not convened and presided over the shareholders' meeting, and shareholders who individually or collectively hold more than ten percent of the company's shares for more than 90 consecutive days may convene and preside over it on their own.	(III) If the ~~**Supervisory**~~**Audit** Committee fails to issue a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the ~~**Supervisory**~~**Audit** Committee has not convened and presided over the shareholders' meeting, and shareholders who individually or collectively hold more than ten percent of the company's shares for more than 90 consecutive days may convene and preside over it on their own.
12	Article 76 The Company shall have a Board of Directors, consisting of 11 members, of which there shall be at least 3 independent non-executive directors, representing at least one-third of the Board of Directors, and the remaining members may be executive or non-executive directors. The Board shall have a chairman and a vice chairman.	Article 76 The Company shall have a Board of Directors, consisting of 11 members, of which there shall be at least 3 independent non-executive directors, representing at least one-third of the Board of Directors, and the remaining members may be executive or non-executive directors. The Board shall have a chairman ~~**and,**~~ a vice chairman **and a staff representative director**.

No.	Original	Amended
13	Article 77 All directors shall be elected or replaced at shareholders' meetings, whose each tenure shall be three years commencing from the day when he/she is elected. Upon the expiration of the tenure, any director may be re-elected. If there are special provisions in the listing rules or laws and regulations of the place where the company's shares are listed, such provisions shall prevail. The intention to nominate a director and the written notice of a nominee to indicate his/her willingness to accept the nomination shall be delivered to the Company no earlier than the next day after the dispatch of the notice of the shareholders' meeting and no later than seven days prior to the date of such meeting. Any executive director shall enter into a service contract with the Company, pursuant to which, either default party shall be held liable for breach of contract. The effective term of such service contract shall be three years and may be extended in accordance with law. Any non-executive director or independent non-executive director shall sign confirmation of appointment with the Company. Directors need not hold any share in the Company.	Article 77 All directors shall be elected or replaced at shareholders' meetings, whose each tenure shall be three years commencing from the day when he/she is elected. Upon the expiration of the tenure, any director may be re-elected. If there are special provisions in the listing rules or laws and regulations of the place where the company's shares are listed, such provisions shall prevail. The intention to nominate a director and the written notice of a nominee to indicate his/her willingness to accept the nomination shall be delivered to the Company no earlier than the next day after the dispatch of the notice of the shareholders' meeting and no later than seven days prior to the date of such meeting. Any executive director shall enter into a service contract with the Company, pursuant to which, either default party shall be held liable for breach of contract. The effective term of such service contract shall be three years and may be extended in accordance with law. Any non-executive director or independent non-executive director shall sign confirmation of appointment with the Company. Directors need not hold any share in the Company.

No.	Original	Amended
	The chairman and vice chairman of the Board shall be appointed or removed from office by more than half of all directors. The term of office of the chairman and vice chairman is three years and may be renewed upon re-election. Subject to applicable laws and administrative regulations, a meeting of shareholders may pass any ordinary resolution to remove any director whose term is still effective, including any director who in the meantime serves as a manager or other management positions of the Company, provided that such removal shall not be prejudicial to any claim for compensation in accordance with any contract. Any director may serve concurrently as a manager or other senior management officer of the Company (except as a supervisor). The Board shall have the power to appoint any person either to fill in the casual vacancy on the Board or as an addition to the existing Board. Any director thus appointed shall hold office until the next annual meeting of shareholders after his/her appointment and be eligible for re-election at such meeting.	The chairman and vice chairman of the Board shall be appointed or removed from office by more than half of all directors. The term of office of the chairman and vice chairman is three years and may be renewed upon re-election. Subject to applicable laws and administrative regulations, a meeting of shareholders may pass any ordinary resolution to remove any director whose term is still effective, including any director who in the meantime serves as a manager or other management positions of the Company, provided that such removal shall not be prejudicial to any claim for compensation in accordance with any contract. Any director may serve concurrently as a manager or other senior management officer of the Company **~~(except as supervisor)~~, the staff representative director of the Board is democratically elect by the staff of the Company through the staff representative assembly, staff assembly or other forms, and do not need to be submitted to the shareholders' meeting for review.** The Board shall have the power to appoint any person either to fill in the casual vacancy on the Board or as an addition to the existing Board. Any director thus appointed shall hold office until the next annual meeting of shareholders after his/her appointment and be eligible for re-election at such meeting.

No.	Original	Amended
14	Article 78 The Board shall be accountable to the shareholders' meetings and shall exercise the following powers: (I) to convene shareholders' meetings and present reports thereto; (II) to implement the resolutions adopted at the shareholders' meetings; (III) to decide on the business policies, business plans, investment plans and investment projects of the Company; (IV) to decide the Company's annual financial budget and final accounts; (V) to formulate the Company's profit distribution plans and loss recovery plans; (VI) to formulate the Company's plans on the increase or reduction of registered capital and the issue of corporate bonds; (VII) to formulate the Company's plans on merger, split-up, dissolution and change of company form; (VIII) to decide on the establishment of the Company's internal management organisation;	Article 78 The Board shall be accountable to the shareholders' meetings and shall exercise the following powers: (I) to convene shareholders' meetings and present reports thereto; (II) to implement the resolutions adopted at the shareholders' meetings; (III) to decide on the business policies, business plans, investment plans and investment projects of the Company; (IV) to decide the Company's annual financial budget and final accounts; (V) to formulate the Company's profit distribution plans and loss recovery plans; (VI) to formulate the Company's plans on the increase or reduction of registered capital and the issue of corporate bonds; (VII) to formulate the Company's plans on merger, split-up, dissolution and change of company form; (VIII) to decide on the establishment of the Company's internal management organisation;

No.	Original	Amended
	(IX) to appoint or dismiss the manager of the Company; upon the nomination of the manager, to appoint or dismiss any deputy manager, financial officer and other senior management personnel according to the manager's nomination; and to decide on their remuneration, rewards and punishments; (X) to establish the Company's basic management system; (XI) to formulate proposal for the amendments to the Company's Articles of Association; (XII) to draw up major acquisition or sale schemes of the Company; (XIII) to decide on and handle at its own discretion all matters related to the payment of interim dividends (provided that the total amount of interim dividends paid shall not exceed 30% of the Company's net profits in the first half of that year. The interim dividends with excessive amount shall be submitted for resolution by the shareholders' meetings);	(IX) to appoint or dismiss the manager of the Company; upon the nomination of the manager, to appoint or dismiss any deputy manager, financial officer and other senior management personnel according to the manager's nomination; and to decide on their remuneration, rewards and punishments; (X) to establish the Company's basic management system; (XI) to formulate proposal for the amendments to the Company's Articles of Association; (XII) to draw up major acquisition or sale schemes of the Company; **(XIII) to manage the information disclosure of the Company;** **(XIV) to propose to the shareholders' meeting to appoint or replace the accounting firm auditing the Company;** **(XV) to listen to the work report of the manager of the Company and inspect the work of the manager of the Company;**

No.	Original	Amended
	(XIV) subject to applicable laws, administrative regulations, rules and these Articles, to exercise the powers of fundraising and loan, decide on the mortgage, pledge, rent, sub-contracting, or transfer of the Company's assets, and authorize the manager to exercise the aforesaid powers set forth herein within specified scope; and (XV) other powers conferred by the shareholders' meetings and these Articles. When the Board makes a resolution on any of the above-mentioned matters, except for the particulars specified in items (VI), (VII), (XI), and (XII) that require the approval of more than two thirds (including two thirds) directors or otherwise provided in these Articles of Association, other matters maybe resolved with the consent of more than half of the directors.	(~~XIII~~XVI) to decide on and handle at its own discretion all matters related to the payment of interim dividends (provided that the total amount of interim dividends paid shall not exceed 30% of the Company's net profits in the first half of that year. The interim dividends with excessive amount shall be submitted for resolution by the shareholders' meetings); (~~XIV~~XVII) subject to applicable laws, administrative regulations, rules and these Articles, to exercise the powers of fundraising and loan, decide on the mortgage, pledge, rent, sub-contracting, or transfer of the Company's assets, and authorize the manager to exercise the aforesaid powers set forth herein within specified scope; and (~~XV~~XVIII) other powers conferred by the shareholders' meetings and these Articles. When the Board makes a resolution on any of the above-mentioned matters, except for the particulars specified in items (VI), (VII), (XI), and (XII) that require the approval of more than two thirds (including two thirds) directors or otherwise provided in these Articles of Association, other matters maybe resolved with the consent of more than half of the directors.

No.	Original	Amended
	Before the Board of Directors makes a resolution on the following matters, it shall be approved by more than half of all members of the audit committee: (I) hiring and dismissing the accounting firm that undertakes the company's audit business; (II) the appointment and dismissal of the person in charge of finance; (III) disclosing financial and accounting reports; (IV) Other matters stipulated by laws and administrative regulations. The Board shall exercise any power that is not specified in these Articles to be exercised by the meetings of shareholders. The Board shall abide by the provisions of these Articles and the provisions formulated from time to time by the shareholders' meetings, provided that such provisions formulated by the meetings shall not invalidate any act of the Board that was effective prior to such provisions.	Before the Board of Directors makes a resolution on the following matters, it shall be approved by more than half of all members of the audit committee: (I) **disclosure of financial accounting reports, financial information in periodic reports and internal control evaluation reports;** (~~I~~**II**) hiring and dismissing the accounting firm that undertakes the company's audit business; (~~II~~**III**) the appointment and dismissal of the person in charge of finance; (~~III~~**IV**) ~~**disclosing financial and accounting reports**~~ **making changes in accounting policies, accounting estimates or correcting major accounting errors for reasons other than changes in accounting standards;** (~~IV~~**V**) Other matters stipulated by laws and administrative regulations. The Board shall exercise any power that is not specified in these Articles to be exercised by the meetings of shareholders. The Board shall abide by the provisions of these Articles and the provisions formulated from time to time by the shareholders' meetings, provided that such provisions formulated by the meetings shall not invalidate any act of the Board that was effective prior to such provisions.

No.	Original	Amended
15	Article 81 The Board shall hold at least two meetings each year, which shall be convened by the chairman. Notice of such a meeting shall be given to all directors ten days prior to the meeting. In the event of urgent matter, upon the proposal by Shareholders representing more than one-tenth of the voting rights, more than one third (including one third) of the directors or the Supervisory Committee jointly or the by the manager, an extraordinary meeting of the Board shall be held.	Article 81 The Board shall hold at least two meetings each year, which shall be convened by the chairman. Notice of such a meeting shall be given to all directors ten days prior to the meeting. In the event of urgent matter, upon the proposal by Shareholders representing more than one-tenth of the voting rights, more than one third (including one third) of the directors or the ~~**Supervisory**~~**Audit** Committee jointly or the by the manager, an extraordinary meeting of the Board shall be held.
16	Article 82 Meetings of the Board may be held without notice if the time and place of such meeting have been fixed by the Board before such a meeting is held. If the Board has not fixed the time and place of the meeting of the Board in advance, the chairman of the Board shall cause the Company's secretary to have the notice of the time and place of the meeting delivered in person or sent by telex, or telegraph, or fax, or express mail, or registered mail to all directors, the managers, and the chairman of the Supervisory Committee, not less than ten days and no more than thirty days before the meeting is held.	Article 82 Meetings of the Board may be held without notice if the time and place of such meeting have been fixed by the Board before such a meeting is held. If the Board has not fixed the time and place of the meeting of the Board in advance, the chairman of the Board shall cause the Company's secretary to have the notice of the time and place of the meeting delivered in person or sent by telex, or telegraph, or fax, or express mail, or registered mail to all directors, and the managers~~**, and the chairman of the Supervisory Committee**~~, not less than ten days and no more than thirty days before the meeting is held.

No.	Original	Amended
	If an interim meeting of the Board is convened in the event of urgent matters, the chairman of the Board shall cause the Company's secretary to have the notice of the time, place and mode of the interim meeting sent by telex, or telegraph, or fax or delivered in person to all directors, the managers, and the chairman of the Supervisory Committee, not less than two days and no more than ten days before the interim meeting is held. All notices shall be given in Chinese and contain the agenda and topics to be discussed at the meetings. If necessary, an English version of such notices may be attached. All notices delivered to the directors shall contain adequate information on matters to be considered at the meetings. Any director is entitled to request supplemental information. When more than one forth of the directors or more than two external directors consider the aforesaid information inadequate or not clear in reasoning, they may jointly submit a written request to postpone the meeting or to postpone the discussion of the related matter, which shall be adopted by the Board. Notice is deemed to be given to any director who attends the meeting without objecting, before or at the commencement of the meeting, for not receiving the notice of Board meeting.	If an interim meeting of the Board is convened in the event of urgent matters, the chairman of the Board shall cause the Company's secretary to have the notice of the time, place and mode of the interim meeting sent by telex, or telegraph, or fax or delivered in person to all directors, and the managers~~, and the chairman of the Supervisory Committee~~, not less than two days and no more than ten days before the interim meeting is held. All notices shall be given in Chinese and contain the agenda and topics to be discussed at the meetings. If necessary, an English version of such notices may be attached. All notices delivered to the directors shall contain adequate information on matters to be considered at the meetings. Any director is entitled to request supplemental information. When more than one fo~~u~~rth of the directors or more than two external directors consider the aforesaid information inadequate or not clear in reasoning, they may jointly submit a written request to postpone the meeting or to postpone the discussion of the related matter, which shall be adopted by the Board. Notice is deemed to be given to any director who attends the meeting without objecting, before or at the commencement of the meeting, for not receiving the notice of Board meeting.

No.	Original	Amended
17	Article 88 Any written resolution bearing the signatures of all directors shall be deemed to be equally valid with a resolution passed at a duly-convened meeting of the Board. Such a resolution may consist of several documents in the like form, each signed by one or more directors. For the purpose of this Article, any resolution bearing the signature or name of a director, sent to the Company by telegraph, post, fax, or in person shall be deemed to be signed by such director. The Board of Directors has established special committees such as the Audit Committee, Strategy Committee, Nomination Committee, Remuneration and Appraisal Committee, and Environmental, Social and Governance (ESG) Committee. The relevant committees are responsible to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Independent directors should constitute the majority of the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee. The Board of Directors is responsible for formulating relevant work procedures and standardizing its operations.	Article 88 Any written resolution bearing the signatures of all directors shall be deemed to be equally valid with a resolution passed at a duly-convened meeting of the Board. Such a resolution may consist of several documents in the like form, each signed by one or more directors. For the purpose of this Article, any resolution bearing the signature or name of a director, sent to the Company by telegraph, post, fax, or in person shall be deemed to be signed by such director. The Board of Directors has established special committees such as the Audit Committee, Strategy Committee, Nomination Committee, Remuneration and Appraisal Committee, and Environmental, Social and Governance (ESG) Committee. The relevant committees are responsible to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Independent directors should constitute the majority of the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee. The Board of Directors is responsible for formulating relevant work procedures and standardizing its operations.

No.	Original	Amended
		The Company does not have a Supervisory Committee or Supervisors, and the Audit Committee shall exercise the functions and powers of the Supervisory Committee as stipulated in the Company Law and other relevant laws and administrative regulations. When exercising the relevant functions and powers of the Supervisory Committee, the Audit Committee shall be responsible to the shareholders' meeting and report relevant information.
18	Chapter XIII Supervisory Committee	Delete entire article
19	Article 97 The Company shall have a Supervisory Committee. The Supervisory Committee shall be responsible for the supervision over the Board, directors, the manager, and other senior management officers of the Company, and prevent them from misusing their powers or infringing on the rights and interests of shareholders, the Company, and the Company's employees.	Delete entire article
20	Article 98 The Supervisory Committee shall consist of three supervisors, one of whom shall serve as the chairman of the Supervisory Committee. The tenure of office of a supervisor is three years and may serve consecutive terms if re-elected upon the expiration of his term. The appointment and removal of the chairman of the Supervisory Committee shall take effect upon a resolution adopted by more than half of the supervisors.	Delete entire article

No.	Original	Amended
21	Article 99 The Supervisory Committee shall consist of two members representing the shareholders and one member representing employees of the Company. The supervisor representing the shareholders shall be elected and removed at the meetings of shareholders, and the supervisor representing the employees shall be democratically elected and removed from office by the employees of the Company.	Delete entire article
22	Article 100 The directors, the manager and other senior management officers (including but not limited to financial officers) shall not serve concurrently as a supervisor.	Delete entire article
23	Article 101 The Supervisory Committee shall hold meetings at least twice a year, and convene meetings at least once every six months**,** which shall be convened by the chairman of the Supervisory Committee. Supervisors may propose to hold an extraordinary meeting of the Supervisors Committee.	Delete entire article
24	Article 102 The Supervisory Committee shall be accountable to the meetings of shareholders and shall exercise the following powers in accordance with law: (I) to inspect the financial affairs of the Company;	Delete entire article

No.	Original	Amended
	(II) to monitor the acts of the directors, the manager, and other senior management officers so as to guard against the violation of laws, administrative regulations, or these Articles of the Company in the course of the performance of their duties; (III) to require the directors, the manager, and other senior management officers to rectify their behaviour when their conduct is harmful to the interests of the Company; (IV) to verify the financial reports, business reports and profit distribution plans and other financial information proposed to be submitted by the Board to the meetings of shareholders, and in the case of doubt, may appoint a certified public accountant and a certified auditor, in the name of the Company, to assist in reviewing the same; (V) to propose convening of extraordinary meetings of shareholders; (VI) to represent the Company in the negotiation with or bring a lawsuit against any director; (VII) other powers prescribed by these Articles of Association of the Company;The supervisors shall sit in on the meetings of the Board.	

No.	Original	Amended
25	Article 103 The general meetings of supervisors shall be convened upon the presence of more than half of the supervisors. The resolutions of the Supervisory Committee shall be passed upon the favorable votes of more than half of the supervisors. The voting on the resolution of the Supervisory Committee shall be one person, one vote.	Delete entire article
26	Article 104 All reasonable expenses incurred by the Supervisory Committee in employing attorneys, certified public accountants and certified auditors in the exercise of its powers shall be paid by the Company.	Delete entire article
27	Article 105 All reasonable expenses incurred by a supervisor in attending meetings of the Supervisory Committee shall be paid by the Company, including transportation expenses from the location of the supervisor to the place of the meeting(if different from the location of the supervisor), the traveling and accommodation fees during the meeting, the rental of the place of meeting and local transportation expenses.	Delete entire article

No.	Original	Amended
28	Article 106 Supervisors shall perform their duties of supervision according to the provisions of the laws, administrative regulations and these Articles of Association of the Company.	Delete entire article
29	Chapter XIV Qualifications and Obligations of Directors, Supervisors, Managers, and Other Senior Management Officers	Chapter ~~XIV~~**XIII** Qualifications and Obligations of Directors~~, Supervisors~~, Managers, and Other Senior Management Officers
30	Article 107 The following persons may not serve as a director, supervisor, manager or any other senior management officer of the Company in any of the following circumstances: (I) an individual who has no civil capacity or restricted civil capacity; (II) persons who were committed the offences of corruption, bribery, infringement of properties, misappropriation of properties, or sabotaging the social and economical order, and have been punished, or have been deprived of their political rights, in each case where less than five years have elapsed since the date of completion of the execution of such punishment or deprivation, or have been sentenced to probation less than two years since the probation period expires;	Article ~~107~~**97** The following persons may not serve as a director~~, supervisor~~, manager or any other senior management officer of the Company in any of the following circumstances: (I) an individual who has no civil capacity or restricted civil capacity; (II) persons who were committed the offences of corruption, bribery, infringement of properties, misappropriation of properties, or sabotaging the social and economical order, and have been punished, or have been deprived of their political rights, in each case where less than five years have elapsed since the date of completion of the execution of such punishment or deprivation, or have been sentenced to probation less than two years since the probation period expires;

No.	Original	Amended
	(III) persons who were directors, or factory managers or manager of a company or enterprise which has become bankrupt and liquidated as a result of improper operation and mismanagement, and who were personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of the completion of the liquidation of such company or enterprise;	(III) persons who were directors, or factory managers or manager of a company or enterprise which has become bankrupt and liquidated as a result of improper operation and mismanagement, and who were personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of the completion of the liquidation of such company or enterprise;
	(IV) persons who were a former legal representative of a company or enterprise which had its business license revoked or to be ordered to close due to a violation of law and who were personally liable, where less than three years have elapsed since the date of the revocation of such business license or be ordered to close;	(IV) persons who were a former legal representative of a company or enterprise which had its business license revoked or to be ordered to close due to a violation of law and who were personally liable, where less than three years have elapsed since the date of the revocation of such business license or be ordered to close;
	(V) persons were listed as executor of dishonesty by the people's court who have a relatively large amount of debt outstanding and not repaid when due;	(V) persons were listed as executor of dishonesty by the people's court who have a relatively large amount of debt outstanding and not repaid when due;
	(VI) persons who are under criminal investigation by the judicial authority for violation of the criminal law which is not yet concluded;	(VI) persons who are under criminal investigation by the judicial authority for violation of the criminal law which is not yet concluded;
	(VII) persons who are ineligible for enterprise leadership according to laws and administrative regulations;	(VII) persons who are ineligible for enterprise leadership according to laws and administrative regulations;

No.	Original	Amended
	(VIII) a non-natural person; (IX) persons who have been convicted by the competent authority of offences involving fraud or dishonesty in violation of the provision of the relevant securities regulations, where less than five years has elapsed since the date of such ruling; and (X) any public servants, unless permitted by laws and administrative regulations. If the Company elects, appoints directors, supervisors, or hires senior management personnel in violation of the provisions of the preceding paragraph, the election, appointment, or appointment shall be invalid. If a director, supervisor, or senior management member experiences any of the situations listed in the first paragraph of this Article of Association during their tenure, the Company shall dismiss them from their positions.	(VIII) a non-natural person; (IX) persons who have been convicted by the competent authority of offences involving fraud or dishonesty in violation of the provision of the relevant securities regulations, where less than five years has elapsed since the date of such ruling; and (X) any public servants, unless permitted by laws and administrative regulations. If the Company elects, appoints directors~~,~~ **~~supervisors~~**, or hires senior management personnel in violation of the provisions of the preceding paragraph, the election, appointment, or appointment shall be invalid. If a director**~~, supervisor~~**, or senior management member experiences any of the situations listed in the first paragraph of this Article of Association during their tenure, the Company shall dismiss them from their positions.

No.	Original	Amended
31	Article 109 In addition to the obligations imposed by laws, administrative regulations, or the listing rules of the securities exchange(s) where the Company's shares are listed, the directors, supervisors, the manager, and other senior management officers of the Company shall also have the following obligations towards each shareholder in the exercise of the powers granted to them by the Company: (I) not to cause the Company to act beyond the scope of business stipulated in its business license; (II) to act honestly in the best interests of the Company; (III) not to deprive the Company of its property in any way, including (but not limited to) any opportunity that is favorable to the Company; (IV) not to deprive the shareholders of their individual rights or interests, including (but not limited to) the rights to distribution and voting rights, except restructuring of the Company submitted for approval at a shareholders' meeting according to these Articles.	Article ~~**109**~~**99** In addition to the obligations imposed by laws, administrative regulations, or the listing rules of the securities exchange(s) where the Company's shares are listed, the directors~~**, supervisors**~~, the manager, and other senior management officers of the Company shall also have the following obligations towards each shareholder in the exercise of the powers granted to them by the Company: (I) not to cause the Company to act beyond the scope of business stipulated in its business license; (II) to act honestly in the best interests of the Company; (III) not to deprive the Company of its property in any way, including (but not limited to) any opportunity that is favorable to the Company; (IV) not to deprive the shareholders of their individual rights or interests, including (but not limited to) the rights to distribution and voting rights, except restructuring of the Company submitted for approval at a shareholders' meeting according to these Articles.

No.	Original	Amended
32	Article 110 The directors, supervisors, the manager and other senior management officers of the Company, having a diligent obligation to the company, shall have the obligation, in the exercise of their rights or the discharge of their obligations, to perform their due acts and reasonable attention with care, diligence, and skills in the best interests of the Company as a prudent person and a management officer shall do under similar circumstances. Where the controlling shareholder or actual controller of the Company does not serve as a director of the Company but actually carries out the Company's affairs, the provisions of the preceding two paragraphs shall apply.	Article ~~110~~**100** The directors~~, supervisors~~, the manager and other senior management officers of the Company, having a diligent obligation to the company, shall have the obligation, in the exercise of their rights or the discharge of their obligations, to perform their due acts and reasonable attention with care, diligence, and skills in the best interests of the Company as a prudent person and a management officer shall do under similar circumstances. Where the controlling shareholder or actual controller of the Company does not serve as a director of the Company but actually carries out the Company's affairs, the provisions of the preceding two paragraphs shall apply.
33	Article 111 The directors, supervisors, manager and other senior management officers of the Company must, having a loyal obligation to the company, in the exercise of their duties, abide by the principles of honesty and credibility, and shall not use their authority to seek illegitimate benefits where their personal interests conflict with the interests of the Company. This principle shall include (but not be limited to) the fulfillment of the following obligations: (I) to act honestly in the best interests of the Company;	Article ~~111~~**101** The directors~~, supervisors~~, manager and other senior management officers of the Company must, having a loyal obligation to the company, in the exercise of their duties, abide by the principles of honesty and credibility, and shall not use their authority to seek illegitimate benefits where their personal interests conflict with the interests of the Company. This principle shall include (but not be limited to) the fulfillment of the following obligations: (I) to act honestly in the best interests of the Company;

No.	Original	Amended
	(II) to exercise their powers within the scope of functions and powers and not to act beyond such powers;	(II) to exercise their powers within the scope of functions and powers and not to act beyond such powers;
	(III) to personally exercise the discretions invested in him/her, not to allow himself/herself to be manipulated by another person, and not to delegate the discretions to another person unless otherwise permitted by laws and administrative regulations or with the consent of any shareholders' meeting that has been informed;	(III) to personally exercise the discretions invested in him/her, not to allow himself/herself to be manipulated by another person, and not to delegate the discretions to another person unless otherwise permitted by laws and administrative regulations or with the consent of any shareholders' meeting that has been informed;
	(IV) to be equally and fairly to the holders;	(IV) to be equally and fairly to the holders;
	(V) not to conclude a contract or enter into a transaction or arrangement with the Company, except as otherwise provided in these Articles of Association of the Company or with the consent of any shareholders' meeting that has been informed;	(V) not to conclude a contract or enter into a transaction or arrangement with the Company, except as otherwise provided in these Articles of Association of the Company or with the consent of any shareholders' meeting that has been informed;
	(VI) not to use the Company's property for his/her own benefits in any way without the consent of any shareholders' meeting that has been informed;	(VI) not to use the Company's property for his/her own benefits in any way without the consent of any shareholders' meeting that has been informed;
	(VII) not to use his/her functions and powers as a means to accept bribes or other forms of illegal income, and not to illegally appropriate the Company's properties in any way, including (but not limited to) any opportunity that is favourable to the Company;	(VII) not to use his/her functions and powers as a means to accept bribes or other forms of illegal income, and not to illegally appropriate the Company's properties in any way, including (but not limited to) any opportunity that is favourable to the Company;

No.	Original	Amended
	(VIII) not to accept commissions in connection with any transaction of the Company without the consent of the shareholders' meeting that has been informed;	(VIII) not to accept commissions in connection with any transaction of the Company without the consent of the shareholders' meeting that has been informed;
	(IX) to abide by the Articles of Association of the Company, perform duties faithfully, protect the interests of the Company, and not to use his/her position and powers in the Company to seek personal gains;	(IX) to abide by the Articles of Association of the Company, perform duties faithfully, protect the interests of the Company, and not to use his/her position and powers in the Company to seek personal gains;
	(X) not to compete with the Company in any way without the consent of the shareholders' meeting that has been informed;	(X) not to compete with the Company in any way without the consent of the shareholders' meeting that has been informed;
	(XI) not to embezzle the Company's funds or lend them to others, not to deposit the Company's assets in any account opened in his/her own or in any other person's name, not to use the Company's assets as security for the debts of the Company's shareholder or other individual;	(XI) not to embezzle the Company's funds or lend them to others, not to deposit the Company's assets in any account opened in his/her own or in any other person's name, not to use the Company's assets as security for the debts of the Company's shareholder or other individual;

No.	Original	Amended
	(XII) not to disclose any confidential information in relation to the Company that is acquired by him/her during his/her office without the consent of any shareholders' meeting that has been informed, and not to use such information for any purpose other than the interests of the Company. Provided that such information may be disclosed to the court or other government authorities in any of the following circumstances: (1) provided by laws; (2) required for public interest; (3) required in the own interests of such director, supervisor, manager or other senior management officers of the Company.	(XII) not to disclose any confidential information in relation to the Company that is acquired by him/her during his/her office without the consent of any shareholders' meeting that has been informed, and not to use such information for any purpose other than the interests of the Company. Provided that such information may be disclosed to the court or other government authorities in any of the following circumstances: (1) provided by laws; (2) required for public interest; (3) required in the own interests of such director~~, supervisor~~, manager or other senior management officers of the Company.
34	Article 112 Any director, supervisor, manager and other senior management officers of the Company shall not cite the following persons or organizations ("connected persons") to do what such director, supervisor, manager or other senior management officers may not do: (I) the spouse or minor child of such director, supervisor, manager or other senior management officers of the Company;	Article ~~112~~102 Any director~~, supervisor~~, manager and other senior management officers of the Company shall not cite the following persons or organizations ("connected persons") to do what such director~~, supervisor~~, manager or other senior management officers may not do: (I) the spouse or minor child of such director~~, supervisor~~, manager or other senior management officers of the Company;

No.	Original	Amended
	(II) the trustee of a director, supervisor, manager or other senior management officers of the Company or of any person referred to in item (I) hereof;	(II) the trustee of a director~~, supervisor~~, manager or other senior management officers of the Company or of any person referred to in item (I) hereof;
	(III) the partner of such director, supervisor, manager or other senior management officers of the Company or of any person referred to in item (I) and (II) hereof;	(III) the partner of such director~~,~~ **~~supervisor~~**, manager or other senior management officers of the Company or of any person referred to in item (I) and (II) hereof;
	(IV) the Company over which a director, supervisor, manager or other senior management officers of the Company, alone or jointly with any person referred to in items (I), (II) and (III) hereof or any other director, supervisor, manager, or other senior management officers of the Company, has actual control;	(IV) the Company over which a director~~,~~ **~~supervisor~~**, manager or other senior management officers of the Company, alone or jointly with any person referred to in items (I), (II) and (III) hereof or any other director~~,~~ **~~supervisor~~**, manager, or other senior management officers of the Company, has actual control;
	(V) any director, supervisor, manager or other senior management officers of any company being controlled as referred to in item (IV) hereof.	(V) any director~~, supervisor~~, manager or other senior management officers of any company being controlled as referred to in item (IV) hereof.

No.	Original	Amended
35	Article 113 The obligation to be honest that is imposed on the directors, supervisors, manager and other senior management officers of the Company shall not necessarily cease with the termination of their respective office. The confidentiality obligation in relation to the Company's trade secret shall remain effective upon the termination of their respective office. The term of continuance of other obligations shall be decided upon in accordance with the principle of fairness, depending on the time lapse between the termination of their respective office and the occurrence of the matter against such obligations, as well as the circumstances and conditions under which the relationship between the aforesaid persons and the Company terminates.	Article ~~113~~**103** The obligation to be honest that is imposed on the directors~~, supervisors~~, manager and other senior management officers of the Company shall not necessarily cease with the termination of their respective office. The confidentiality obligation in relation to the Company's trade secret shall remain effective upon the termination of their respective office. The term of continuance of other obligations shall be decided upon in accordance with the principle of fairness, depending on the time lapse between the termination of their respective office and the occurrence of the matter against such obligations, as well as the circumstances and conditions under which the relationship between the aforesaid persons and the Company terminates.
36	Article 114 Any director, supervisor, the manager or other senior management officers of the Company may be relieved from the liability for a specific breach of obligations after the shareholders' meeting has been informed, except in circumstances as specified in Article 45 hereof.	Article ~~114~~**104** Any director~~, supervisor~~, the manager or other senior management officers of the Company may be relieved from the liability for a specific breach of obligations after the shareholders' meeting has been informed, except in circumstances as specified in Article 45 hereof.

No.	Original	Amended
37	Article 115 If a director, supervisor, the manager or other senior management officers of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement (except the employment contracts between such persons and the Company) that the Company has concluded or plans to conclude, he/she shall disclose the nature and extent of the interest to the Board at the earliest opportunity, whether or not the matter concerned is normally subject to the approval of the Board, and be approved by the Board of Directors or shareholders' meeting in accordance with the provisions of the Articles of Association of the Company. Directors, supervisors, managers, and other senior management officers of the Company shall not use their positions to seek business opportunities belonging to the Company for themselves or others, except for any of the following situations: (I) report to the Board of Directors or shareholders and approve the resolution in accordance with the provisions of the Articles of Association Company; (II) the Company cannot take advantage of this business opportunity according to laws, administrative regulations, or the articles of association the Company.	Article ~~115~~**105** If a director~~, supervisor~~, the manager or other senior management officers of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement (except the employment contracts between such persons and the Company) that the Company has concluded or plans to conclude, he/she shall disclose the nature and extent of the interest to the Board at the earliest opportunity, whether or not the matter concerned is normally subject to the approval of the Board, and be approved by the Board of Directors or shareholders' meeting in accordance with the provisions of the Articles of Association of the Company. Directors~~, supervisors~~, managers, and other senior management officers of the Company shall not use their positions to seek business opportunities belonging to the Company for themselves or others, except for any of the following situations: (I) report to the Board of Directors or shareholders and approve the resolution in accordance with the provisions of the Articles of Association Company; (II) the Company cannot take advantage of this business opportunity according to laws, administrative regulations, or the articles of association the Company.

No.	Original	Amended
	The interested director shall not vote on the resolution of any meeting of the Board in respect of the contract, transaction, seeking business opportunities or arrangement that he/she or his/her associate is materially interested, nor be counted into the quorum of such meeting. Unless the interested director, supervisor, manager, or other senior management officers of the Company has disclosed such interest to the Board as required under the preceding paragraph hereof, and the matter interested has been approved by the Board at a meeting where he/she neither voted nor was counted into the quorum, the Company shall have the right to void the contract, transaction or arrangement, except that the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor, manager, or any other senior management officers concerned. If the number of disinterested Directors present at the Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for review.	The interested director shall not vote on the resolution of any meeting of the Board in respect of the contract, transaction, seeking business opportunities or arrangement that he/she or his/her associate is materially interested, nor be counted into the quorum of such meeting. Unless the interested director~~, supervisor~~, manager, or other senior management officers of the Company has disclosed such interest to the Board as required under the preceding paragraph hereof, and the matter interested has been approved by the Board at a meeting where he/she neither voted nor was counted into the quorum, the Company shall have the right to void the contract, transaction or arrangement, except that the other party is a bona fide party acting without knowledge of the breach of obligation by the director~~, supervisor~~, manager, or any other senior management officers concerned. If the number of disinterested Directors present at the Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for review.

No.	Original	Amended
	If spouses, parents, children and siblings of any director, supervisor, manager, or other senior management officers of the Company, as well as companies directly or indirectly controlled by the aforementioned persons, as well as other related relationships with such director, supervisor, manager, or other senior management officers of the Company, have an interest in entering into a contract, conducting transactions or arranging arrangements with the Company, the provisions of the preceding paragraph shall apply. The income of directors, supervisors, managers and other senior management personnel of the Company who violate the provisions of the preceding paragraph shall be owned by the Company.	If spouses, parents, children and siblings of any director~~, supervisor~~, manager, or other senior management officers of the Company, as well as companies directly or indirectly controlled by the aforementioned persons, as well as other related relationships with such director~~, supervisor~~, manager, or other senior management officers of the Company, have an interest in entering into a contract, conducting transactions or arranging arrangements with the Company, the provisions of the preceding paragraph shall apply. The income of directors~~, supervisors~~, managers and other senior management personnel of the Company who violate the provisions of the preceding paragraph shall be owned by the Company.
38	Article 116 If a director, supervisor, the manager or other senior management officers of the Company gives a written notice to the Board before the conclusion of any contract, transaction, or arrangement is first considered by the Company, stating that due to the contents listed in the notice, he/she is interested in such contract, transaction, or arrangement to be made subsequently by the Company, such director, supervisor, manager, or other senior management officers shall be deemed, in so far as what is stated in the notice, to have made the disclosure provided in the Articles of Association hereof.	Article ~~116~~106 If a director~~, supervisor~~, the manager or other senior management officers of the Company gives a written notice to the Board before the conclusion of any contract, transaction, or arrangement is first considered by the Company, stating that due to the contents listed in the notice, he/she is interested in such contract, transaction, or arrangement to be made subsequently by the Company, such director~~, supervisor~~, manager, or other senior management officers shall be deemed, in so far as what is stated in the notice, to have made the disclosure provided in the Articles of Association hereof.

No.	Original	Amended
39	Article 117 The Company shall not in any manner pay tax on behalf of its director, supervisor, manager or other senior management officers.	Article ~~117~~107 The Company shall not in any manner pay tax on behalf of its director~~, supervisor~~, manager or other senior management officers.
40	Article 118 The Company shall not, directly or indirectly, provide a loan to or loan security for any director, supervisor, manager or other senior management officers of the Company or its parent Company, or any connected person of the aforesaid person. The provisions of the preceding paragraph shall not apply to the following circumstances: (I) the provision by the Company of a loan to or loan security for its subsidiaries; (II) the provision of a loan to, or loan security, or other funds by the Company for a director, supervisor, the manager, or other senior management officers of the Company under an employment contract between such person and the Company approved by a shareholders' meeting, so as to enable him/her to pay the expenses incurred for the sake of the Company or for the performance of duties herein prescribed;	Article ~~118~~108 The Company shall not, directly or indirectly, provide a loan to or loan security for any director~~, supervisor~~, manager or other senior management officers of the Company or its parent Company, or any connected person of the aforesaid person. The provisions of the preceding paragraph shall not apply to the following circumstances: (I) the provision by the Company of a loan to or loan security for its subsidiaries; (II) the provision of a loan to, or loan security, or other funds by the Company for a director~~, supervisor~~, the manager, or other senior management officers of the Company under an employment contract between such person and the Company approved by a shareholders' meeting, so as to enable him/her to pay the expenses incurred for the sake of the Company or for the performance of duties herein prescribed;

No.	Original	Amended
	(III) the provision of a loan to or loan security by the Company for a relevant director, supervisor, the manager, or other senior management officers of the Company or for a connected person thereof on normal commercial terms if the ordinary business scope of the Company includes the lending of money or the provision of loan security.	(III) the provision of a loan to or loan security by the Company for a relevant director~~, supervisor~~, the manager, or other senior management officers of the Company or for a connected person thereof on normal commercial terms if the ordinary business scope of the Company includes the lending of money or the provision of loan security.
41	Article 120 The Company shall not be forced to perform a loan security provided in violation of the first paragraph of the Articles of Association of the Company, except: (I) where the loan is provided to a connected person of a director, supervisor, the manager or other senior management officers of the Company or its parent company and the loan provider is not aware of the fact; (II) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.	Article ~~120~~**110** The Company shall not be forced to perform a loan security provided in violation of the first paragraph of the Articles of Association of the Company, except: (I) where the loan is provided to a connected person of a director~~,~~ **supervisor**, the manager or other senior management officers of the Company or its parent company and the loan provider is not aware of the fact; (II) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.

No.	Original	Amended
42	Article 122 If a director, supervisor, the manager or other senior management officers of the Company breaches his obligations to the Company, the Company shall, in addition to any rights and remedies provided by laws and administrative regulations, have the right to: (I) require the relevant director, supervisor, manager, or other senior management officers to compensate for any loss sustained by the Company as a consequence of his/her dereliction of duties; (II) rescind any contract or transaction concluded by the Company with the relevant director, supervisor, manager or other senior management officers, or with a third party (where such third party is aware or should be aware that the director, supervisor, manager or other senior management officers representing the Company was in breach of his obligations to the Company); (III) require the relevant director, supervisor, manager or other senior management officers to surrender the gains derived from the breach of his/her obligations;	Article ~~122~~112 If a director~~, supervisor~~, the manager or other senior management officers of the Company breaches his obligations to the Company, the Company shall, in addition to any rights and remedies provided by laws and administrative regulations, have the right to: (I) require the relevant director~~, supervisor~~, manager, or other senior management officers to compensate for any loss sustained by the Company as a consequence of his/her dereliction of duties; (II) rescind any contract or transaction concluded by the Company with the relevant director~~, supervisor~~, manager or other senior management officers, or with a third party (where such third party is aware or should be aware that the director~~, supervisor~~, manager or other senior management officers representing the Company was in breach of his obligations to the Company); (III) require the relevant director~~, supervisor~~, manager or other senior management officers to surrender the gains derived from the breach of his/her obligations;

No.	Original	Amended
	(IV) to recover any funds received by the relevant director, supervisor, manager or other senior management officers that should have been received by the Company, including (but not limited to) commissions;	(IV) to recover any funds received by the relevant director~~, supervisor~~, manager or other senior management officers that should have been received by the Company, including (but not limited to) commissions;
	(V) require the relevant director, supervisor, manager, or other senior management officers to return the interest earned or to be possibly earned on the funds that should have been given to the Company;	(V) require the relevant director~~,~~ ~~supervisor~~, manager, or other senior management officers to return the interest earned or to be possibly earned on the funds that should have been given to the Company;
	(VI) take legal proceedings to rule that any property obtained by the relevant director, supervisor, manager, or other senior management officers as a result of breach of his/her obligations shall belong to the Company.	(VI) take legal proceedings to rule that any property obtained by the relevant director~~, supervisor~~, manager, or other senior management officers as a result of breach of his/her obligations shall belong to the Company.

No.	Original	Amended
43	Article 123 The Company shall conclude a written contract with each director and supervisor of the Company in respect of his/her remunerations, subject to the prior approval of the shareholders' meeting. The aforesaid remunerations hereof shall include: (I) remunerations in respect of his/her service as a director, supervisor, or any other senior management officers of the Company; (II) remunerations in respect of his/her service as a director, supervisor, or any other senior management officers of a subsidiary of the Company; (III) remunerations otherwise in connection with the management of the Company or any subsidiary thereof; (IV) funds as compensation for his/her loss of office or retirement to the aforementioned directors and supervisors. A director or supervisor may not sue the Company for any benefits due to him/her on the basis of the above-mentioned matters, except under an aforesaid contract.	Article ~~123~~113 The Company shall conclude a written contract with each director ~~and supervisor~~ of the Company in respect of his/her remunerations, subject to the prior approval of the shareholders' meeting. The aforesaid remunerations hereof shall include: (I) remunerations in respect of his/her service as a director~~, supervisor~~, or any other senior management officers of the Company; (II) remunerations in respect of his/her service as a director~~, supervisor~~, or any other senior management officers of a subsidiary of the Company; (III) remunerations otherwise in connection with the management of the Company or any subsidiary thereof; (IV) funds as compensation for his/her loss of office or retirement to the aforementioned directors ~~and supervisors~~. A director ~~or supervisor~~ may not sue the Company for any benefits due to him/her on the basis of the above-mentioned matters, except under an aforesaid contract.

No.	Original	Amended
44	Article 124 The Company shall specify in the contract concluded with any of its director or supervisor in respect of his/her remunerations that in the event of a takeover of the Company, a director or supervisor of the Company shall, subject to prior approval of a shareholders' meeting, have the right to receive the compensation or other funds obtainable for loss of office or retirement. For the purposes of the preceding paragraph, the term "a takeover of the Company" shall refer to any of the following circumstances: (I) any person makes a general offer of takeover to all the shareholders; (II) any person makes a general offer of take over so that the offer or becomes a controlling shareholder as defined in Article 46 hereof. If the relevant director or supervisor fails to comply with this Article, any fund received by him/her shall belong to the shareholders that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in the distribution of such funds on a pro rata basis shall be borne by the relevant director or supervisor and may not be paid out of such funds.	Article ~~124~~114 The Company shall specify in the contract concluded with any of its director ~~or supervisor~~ in respect of his/her remunerations that in the event of a takeover of the Company, a director ~~or supervisor~~ of the Company shall, subject to prior approval of a shareholders' meeting, have the right to receive the compensation or other funds obtainable for loss of office or retirement. For the purposes of the preceding paragraph, the term "a takeover of the Company" shall refer to any of the following circumstances: (I) any person makes a general offer of takeover to all the shareholders; (II) any person makes a general offer of take over so that the offer or becomes a controlling shareholder as defined in Article 46 hereof. If the relevant director ~~or supervisor~~ fails to comply with this Article, any fund received by him/her shall belong to the shareholders that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in the distribution of such funds on a pro rata basis shall be borne by the relevant director ~~or supervisor~~ and may not be paid out of such funds.

No.	Original	Amended
45	Article 156 The Party Committee of the Company shall formulate working rules including rules of procedure to clarify the principles, scope, organization, execution and supervision in relation to the consideration of matters by the Party Committee. The system and mechanism in which the Party organizations participate in material issues shall be formed to support the exercise of powers by the Board, the Supervisory Committee and the management according to laws.	Article ~~156~~**146** The Party Committee of the Company shall formulate working rules including rules of procedure to clarify the principles, scope, organization, execution and supervision in relation to the consideration of matters by the Party Committee. The system and mechanism in which the Party organizations participate in material issues shall be formed to support the exercise of powers by the Board, the ~~**Supervisory**~~**Audit** Committee and the management according to laws.
46	Article 174 The Company shall comply with the following rules in the settlement of disputes: (I) If any dispute or claim concerning the business of the Company on the basis of the rights or obligations provided for in these Articles, or the Company Law, or in relevant laws or administrative regulations arises between a holder of shares and the Company, or between a holder of shares and a director, or a supervisor, or the manager, or other senior management officers of the Company, or between a holder of shares and a holder of shares, such dispute or claim shall be referred by the parties concerned to arbitration for settlement.	Article ~~174~~**164** The Company shall comply with the following rules in the settlement of disputes: (I) If any dispute or claim concerning the business of the Company on the basis of the rights or obligations provided for in these Articles, or the Company Law, or in relevant laws or administrative regulations arises between a holder of shares and the Company, or between a holder of shares and a director~~**, or a supervisor**~~, or the manager, or other senior management officers of the Company, or between a holder of shares and a holder of shares, such dispute or claim shall be referred by the parties concerned to arbitration for settlement.

No.	Original	Amended
	When a dispute or claim as described above herein is referred to arbitration, such dispute or claim shall be in its entirety, and all persons, being the Company, or any shareholders, directors, supervisors, the manger, or other senior management officers of the Company, that have a cause of action due to the same facts or whose involvement is necessary for the settlement of such dispute or claim, shall abide by arbitration. Disputes concerning the definition of shareholders and the register of shareholders may not be required to be settled by means of arbitration. (II) A dispute or claim submitted for arbitration may be arbitrated, at the option of the arbitration applicant, by either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. After the arbitration applicant submits the dispute or claim for arbitration, the other party concerned shall carry out arbitration in the arbitration institution selected by the applicant.	When a dispute or claim as described above herein is referred to arbitration, such dispute or claim shall be in its entirety, and all persons, being the Company, or any shareholders, directors~~, supervisors~~, the manager, or other senior management officers of the Company, that have a cause of action due to the same facts or whose involvement is necessary for the settlement of such dispute or claim, shall abide by arbitration. Disputes concerning the definition of shareholders and the register of shareholders may not be required to be settled by means of arbitration. (II) A dispute or claim submitted for arbitration may be arbitrated, at the option of the arbitration applicant, by either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. After the arbitration applicant submits the dispute or claim for arbitration, the other party concerned shall carry out arbitration in the arbitration institution selected by the applicant.

No.	Original	Amended
	If the arbitration applicant elects arbitration by the Hong Kong International Arbitration Centre, either party to the dispute or claim may request the arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.	If the arbitration applicant elects arbitration by the Hong Kong International Arbitration Centre, either party to the dispute or claim may request the arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.
	(III) If any disputes or claims referred to in item (I) herein are settled by way of arbitration, the laws of China shall apply, save as otherwise provided in laws and administrative regulations.	(III) If any disputes or claims referred to in item (I) herein are settled by way of arbitration, the laws of China shall apply, save as otherwise provided in laws and administrative regulations.
	(IV) The decision of the arbitration institution shall be final and binding on all parties.	(IV) The decision of the arbitration institution shall be final and binding on all parties.

A. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

B. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

C. DISCLOSURE OF INTERESTS

1. Interests of Directors

As at the Latest Practicable Date, none of the Directors, Supervisors and chief executive of the Company had or was deemed to have any interests and short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director, Supervisor or chief executive is taken or deemed to have under such provisions of the SFO) or which were required to be entered into the register required to be kept by the Company under section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, or which were required to be disclosed under the Takeovers Code.

2. Directors' positions in the substantial Shareholders

As at the Latest Practicable Date, each of Bailian Group and Shanghai Bailian was a company with interests which fell to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, (i) Mr. Pu Shao-hua, the chairman of the Board of the Company and a non-executive Director, is the director, president and deputy secretary of the Party Committee of Bailian Group; (ii) Ms. Zhang Hui-qin, an executive Director of the Company, is the chairman of Hangzhou Lianhua Huashang Group Co., Ltd.*(杭州聯華華商集團有限公司); (iii) Ms. Wang Xiao-yan, the Vice Chairman, an executive Director and the general manager of the Company, is a director and the general manager of Bailian Omni-channel E-commerce Co., Ltd.*(百聯全渠道電子商務有限公司); (iv) Ms. Yang Qin, a non-executive Director of the Company, is the chief financial officer and secretary of the board of directors of Shanghai Bailian; (v) Mr. Li Feng, a Supervisor and the chairman of the supervisory committee of the Company, is the senior director of audit and risk control center of Bailian Group; and (vi) Mr. Luo Yang-hong, a supervisor of the Company, is the deputy general manager of finance of Shanghai Bailian.

Save as disclosed above, none of the Directors, proposed Director and Supervisors was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

D. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation)).

E. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the directors or supervisors of the Company had any direct or indirect interest in any assets which have since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors were materially interested, directly or indirectly, in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group.

F. COMPETING INTERESTS

As at the Latest Practicable Date, according to the Listing Rules, other than the Director disclosed below, none of the Directors had any interest in any businesses which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group.

Name of Director	Name of entity whose business are considered to complete or likely to compete with the business of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the business of the Group	Nature of interest of the Director in the entity
Shen Chen	Sanjiang Shopping Club Co., Ltd.*(三江購物俱樂部股份有限公司)	Community Fresh Supermarket Business	Director

G. EXPERT'S CONSENT AND QUALIFICATIONS

The following is the qualification of the experts who have given opinions or advices which are contained in this circular:

Name	Qualifications
Lego	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Shanghai Lixin	A qualified asset valuer in China

The above experts have given and have not withdrawn their written consent to the issue of this circular with the inclusion of its letter and the references to its name included herein in the form and context in which it is included.

The letter and recommendation given by Lego are given as of the date of this circular for incorporation herein.

The above experts confirmed that as at the Latest Practicable Date, they did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did they have any direct or indirect interests in any assets which have since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

H. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (http://lianhua.todayir.com/en/index.php) for a period of 14 days from the date of this circular:

(a) the Equity Transfer Agreement;

(b) the Valuation Report of Yangpu Century Lianhua;

(c) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 18 to 19 of this circular;

(d) the letter from the Independent Financial Adviser, the text of which is set out on pages 20 to 44 of this circular;

(e) the Independent Financial Adviser's consent letter mentioned in the "G. Expert's Consent and Qualifications" of the Appendix III to this circular; and

(f) the Valuer's consent letter mentioned in the "G. Expert's Consent and Qualifications" of the Appendix III to this circular.

I. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group or to which any member of the Group may become a party.

J. MATERIAL CONTRACTS

In the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following contract, not being contracts entered into the ordinary course of business, were entered into by the Company or any of its subsidiaries which are or may be material:

a) On 12 May 2024, the Company entered into the Share Subscription Agreement with Bailian Group, pursuant to which, the Company has conditionally agreed to issue not more than 360,000,000 new Domestic Shares, and Bailian Group has conditionally agreed to subscribe in cash for 360,000,000 new Domestic Shares at the Subscription Price of RMB1.00 per new Domestic Share.

b) On 27 September 2024, Shanghai Dongran, an indirect wholly-owned subsidiary of Bailian Group, as the Purchaser, entered into (i) Jiangsu Lianhua Equity Transfer Agreement with the Company, as a Vendor, in relation to the proposed sale of the entire equity interest in Jiangsu Lianhua; (ii) Anhui Century Lianhua Equity Transfer Agreement with Century Lianhua Development, a subsidiary of the Company and as a Vendor, in relation to the proposed sale of the entire equity interest in Anhui Century Lianhua; and (iii) Hongkou Century Lianhua Equity Transfer Agreement with Century Lianhua Development, as a Vendor, in relation to the proposed sale of the entire equity interest in Hongkou Century Lianhua, for an aggregate consideration in the amount of approximately RMB145.5234 million.

K. GENERAL

The company secretary of the Company is Ms. Xu Xiao-yi. Ms. Xu Xiao-yi is a senior accountant and certified public accountant.

L. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text, in the event of inconsistency.

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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the "**EGM**") of Lianhua Supermarket Holdings Co., Ltd. (the "**Company**") will be held at 9:30 a.m. on Thursday, 18 December 2025 at the Conference Room, 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the People's Republic of China (the "**PRC**"), to consider and, if thought fit, pass the following resolutions of the Company (unless otherwise specified, capitalised terms used herein shall have the same meaning as defined in the circular of the Company dated 3 December 2025 (the "**Circular**") containing the details of the following resolutions).

ORDINARY RESOLUTION

1. To consider and approve the Equity Transfer Agreement dated 19 November 2025 and the transactions contemplated thereunder and to authorize any one executive Director to make such changes and improvements as may be appropriate and necessary in his/her absolute discretion, to carry out the relevant procedures in accordance with the requirements of the Listing Rules, to sign the relevant legal documents and to decide on other related matters.

SPECIAL RESOLUTION

2. To approve the proposed amendments to the Articles of Association of Lianhua Supermarket Holdings Co., Ltd. and abolishment of the supervisory committee.

By order of the Board
Lianhua Supermarket Holdings Co., Ltd.
Pu Shao-hua
Chairman

Shanghai, the PRC, 3 December 2025

Notes:

1. Please refer to the Circular for the details of the Equity Transfer Agreement and the Disposal contemplated thereunder.

2. The H shares share registrar of the Company will be closed from Tuesday, 16 December 2025 to Thursday, 18 December 2025 (both days inclusive), during which no transfer of H shares of the Company ("**H Shares**") will be effected. Any holders of H Shares, whose names appear on the Company's Register of Members on Thursday, 18 December 2025, are entitled to attend and vote at the EGM after completing the registration procedures for attending the meeting. In order to be entitled to attend and vote at the EGM, persons holding H Shares shall lodge share transfer documents and the relevant share certificates with the H Shares share registrar not later than 4:30 p.m. on Monday, 15 December 2025.

3. The address of the Company's share registrar for share transfer of H Shares in Hong Kong is as follows:

   Computershare Hong Kong Investor Services Limited
   Shops 1712-1716
   17th Floor
   Hopewell Centre
   183 Queen's Road East
   Wanchai
   Hong Kong

4. Details of the office of the secretary to the Board are as follows:

   13th Floor
   Bailian Central Plaza
   No. 1258 Zhen Guang Lu
   Shanghai
   The PRC
   Tel: (8621) 5278 9576
   Fax: (8621) 5279 7976

5. Each holder of H Shares who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his/her/its behalf at the EGM. A shareholder of the Company who has appointed more than one proxy may only vote by poll.

6. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing. If that instrument is signed by an attorney of the appointer, the power of attorney authorizing that attorney to sign, or other documents of authorization, must be notarially certified.

7. In the case of the H Shareholders, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the EGM, or any adjournment thereof, in order for such documents to be valid.

8. Each holder of domestic shares of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for or credited as paid up in Renminbi (the "**Domestic Shares**") and of unlisted foreign shares of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for or credited as paid up in foreign currency (the "**Unlisted Foreign Shares**") is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his/her/its behalf at the EGM. Note 6 and Note 7 also apply to holders of the Domestic Shares and Unlisted Foreign Shares, except that the proxy form or other documents of authority must be delivered to the office of the secretary to the Board, the address of which is set out in Note 4 above, not less than 24 hours before the time for holding the EGM, or any adjournment thereof, in order for such documents to be valid.

9. Shareholders shall produce their identity documents when attending the EGM. If a proxy attends the EGM on behalf of a shareholder of the Company, he/she should produce his/her identity card and the instrument signed by the shareholder or his/her legal representative, which specifies the date of its issuance. If the legal representative of a legal person shareholder attends the EGM, such legal representative should produce his/her identity card and valid documents evidencing his/her capacity as such legal representative. If a legal person shareholder appoints a representative other than its legal representative to attend the EGM, such representative should produce his/her identity card and an authorization instrument affixed with the seal of the legal person shareholder and duly signed by its legal representative.

10. The EGM is expected to last for half a day. Shareholders of the Company attending the EGM are responsible for their own transportation and accommodation expenses.

11. If the EGM fails to be held due to any severe weather occurs on the date of the EGM or force majeure or for other special reasons, the EGM may be delayed to a later date and/or time or terminated (as decided by the Company). The Company will upload an announcement on the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (http://lianhua.todayir.com) to state the delay or termination of the EGM (failure to upload the announcement timely for any reason will not affect the decision to delay or terminate the EGM). Shareholders may also contact the Company's share registrar for share transfer of H Shares in Hong Kong or the office of the secretary to the Board for enquiries.

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

Executive directors:	Wang Xiao-yan, Zhang Hui-qin and Zhu Ding-ping;
Non-executive directors:	Pu Shao-hua, Shen Chen, Cao Hai-lun and Yang Qin;
Independent non-executive directors:	Xia Da-wei, Lee Kwok Ming, Don, Chen Wei and Zhao Xin-sheng.