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*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 00980)**

## **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT**

### **SUBSCRIPTION OF THE WENZHOU BANK WEALTH MANAGEMENT PRODUCT**

The Board announces that on 24 January 2017, Lianhua Huashang, a subsidiary of the Company, subscribed for the Wenzhou Bank Wealth Management Product from Wenzhou Bank in the amount of RMB400 million.

#### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios of the subscription amount of the Wenzhou Bank Wealth Management Product when aggregated with the Previous Transaction exceeds 5% but is less than 25%, the subscription of the Wenzhou Bank Wealth Management Product constitutes a discloseable transaction which is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **SUBSCRIPTION OF THE WENZHOU BANK WEALTH MANAGEMENT PRODUCT**

The Board announces that on 24 January 2017, Lianhua Huashang, a subsidiary of the Company, subscribed for the Wenzhou Bank Wealth Management Product from Wenzhou Bank in the amount of RMB400 million.

Lianhua Huashang entered into a subscription agreement with Wenzhou Bank on 24 January 2017 for the subscription of the Wenzhou Bank Wealth Management Product in the amount of RMB400 million. The material terms of the subscription agreement are set out as follows:

Date of subscription: 24 January 2017

Parties: (1) Lianhua Huashang; and  
(2) Wenzhou Bank

To the best knowledge, information and belief of the Directors, Wenzhou Bank and its ultimate beneficial owners are Independent Third Parties.

Name of the wealth management product: "Jinlu Wealth Management – Prime" Wealth Management Product No.17005 (“金鹿理财-樂尊享”第17005期理財產品)

Subscription amount:	RMB400 million
Term of investment period:	From 25 January 2017 to 25 January 2018
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in fixed income non-standardised debt assets, interbank market and stock market debt assets, including but not limited to sovereign bonds, financial bonds, central bills, corporate bonds, mid-term and short-term financing bonds, bond repurchase, interbank deposits and etc.
Expected rate of investment return:	4.65%

## **REASONS FOR AND BENEFITS OF SUBSCRIBING FOR THE WENZHOU BANK WEALTH MANAGEMENT PRODUCT**

The Company's daily operation and its annual issue of single-purpose prepayment cards have brought it with affluent capital reserves. Without affecting the Company's operational liquidity, the Company (through its subsidiary Lianhua Huashang) utilised certain idle funds to subscribe for the Wenzhou Bank Wealth Management Product. Given that the Wenzhou Bank Wealth Management Product is highly secured, the Board considers that such utilization does not cause any adverse impact on the working capital of the Company.

Appropriate short-term wealth management with low risk exposure is conducive to enhancing the utilisation of capital and increasing income from idle funds. The Board is therefore of the view that the Wenzhou Bank Wealth Management Product was entered into on normal commercial terms, in the ordinary course of business of the Company and was and is in the interest of the Company and its Shareholders.

## **INFORMATION ABOUT THE PARTIES**

### **The Company**

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

### **Wenzhou Bank**

Wenzhou Bank is a commercial bank in the PRC.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios of the subscription amount of the Wenzhou Bank Wealth Management Product when aggregated with the Previous Transaction exceeds 5% but is less than 25%, the subscription of the Wenzhou Bank Wealth Management Product constitutes a discloseable transaction which is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	Lianhua Supermarket Holdings Co., Ltd, a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Independent Third Party”	a third party (and where the third party is a corporation, such corporation and its ultimate beneficial owners) who is/are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Lianhua Huashang”	Hangzhou Lianhua Huashang Group Co., Ltd* (杭州聯華華商集團有限公司), a subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Transaction”	the subscription of the wealth management products by Lianhua Huashang from Wenzhou Bank with a subscription amount of RMB200 million on 14 February 2016, details of which please refer to the details of the defined term of “7th Wenzhou Bank Wealth Management Product” in the announcement of the Company dated 5 October 2016
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wenzhou Bank”	Hangzhou branch of Bank of Wenzhou Co., Ltd.* (溫州銀行股份有限公司杭州分行)

“Wenzhou Bank Wealth Management Product”

the subscription of the wealth management product offered by Wenzhou Bank with an amount of RMB400 million on 24 January 2017, details of which were disclosed in this announcement

“%”

per cent

By Order of the Board  
**Lianhua Supermarket Holdings Co., Ltd.**  
**Hu Li-ping, Stephen Mok**  
*Joint Company Secretary*

Shanghai, the People’s Republic of China, 24 January 2017

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

*Executive director:* *Qi Yue-hong;*

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

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

\* *for identification purposes only*