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

**(Stock Code: 00980)**

## **DISCLOSEABLE TRANSACTIONS SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS**

### **SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS**

The Board announces that on 16 February 2017, Lianhua Huashang, a subsidiary of the Company, subscribed for: (i) the Wenzhou Bank Wealth Management Product from Wenzhou Bank in the amount of RMB200 million; (ii) the Bank of Hangzhou Wealth Management Product from Bank of Hangzhou in the amount of RMB300 million; (iii) the Shanghai Bank Wealth Management Product from Shanghai Bank in the amount of RMB300 million; and (iv) the China Merchants Bank Wealth Management Product from China Merchants Bank in the amount of RMB300 million.

### **LISTING RULES IMPLICATIONS**

#### **Wenzhou Bank Wealth Management Product**

As one of the applicable percentage ratios of the subscription amount of the Wenzhou Bank Wealth Management Product when aggregated with the Wenzhou Bank Previous Wealth Management Product 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.

#### **Bank of Hangzhou Wealth Management Product**

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

#### **Shanghai Bank Wealth Management Product**

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

## **China Merchants Bank Wealth Management Product**

As one of the applicable percentage ratios of the subscription amount of the China Merchants Bank Wealth Management Product exceeds 5% but is less than 25%, the subscription of the China Merchants 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 WEALTH MANAGEMENT PRODUCTS**

The Board announces that on 16 February 2017, Lianhua Huashang, a subsidiary of the Company, subscribed for: (i) the Wenzhou Bank Wealth Management Product from Wenzhou Bank in the amount of RMB200 million; (ii) the Bank of Hangzhou Wealth Management Product from Bank of Hangzhou in the amount of RMB300 million; (iii) the Shanghai Bank Wealth Management Product from Shanghai Bank in the amount of RMB300 million; and (iv) the China Merchants Bank Wealth Management Product from China Merchants Bank in the amount of RMB300 million, the details of which are set out as follows:

#### **(a) Subscription of the Wenzhou Bank Wealth Management Product**

Lianhua Huashang entered into a subscription agreement with Wenzhou Bank on 16 February 2017 for the subscription of the Wenzhou Bank Wealth Management Product. The material terms of the subscription agreement are set out as follows:

Date of subscription: 16 February 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 Series No. 17011\* (“金鹿理財－樂尊享”第17011期理財產品)

Subscription amount: RMB200 million

Term of investment period: From 17 February 2017 to 12 February 2018

Investment portfolio: The funds raised through this issue of wealth management product will be invested in government bonds, corporate bonds, and other bonds related products

Expected rate of investment return: 4.60%

**(b) Subscription of the Bank of Hangzhou Wealth Management Product**

Lianhua Huashang entered into a subscription agreement with Bank of Hangzhou on 16 February 2017 for the subscription of the Bank of Hangzhou Wealth Management Product. The material terms of the subscription agreement are set out as follows:

Date of subscription: 16 February 2017

Parties: (1) Lianhua Huashang; and  
(2) Bank of Hangzhou

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

Name of the wealth management product: Scheduled 361 Days “Fortune 99” Profit Making Wealth Management Product No. 17020\* (“幸福99”卓越增盈(尊享)第17020期預約361天型)

Subscription amount: RMB300 million

Term of investment period: From 17 February 2017 to 13 February 2018

Investment portfolio: The funds raised through this issue of wealth management product will be invested in bonds, interbank deposits, money market funds, bond funds and securities

Expected rate of investment return: 4.20%

**(c) Subscription of the Shanghai Bank Wealth Management Product**

Lianhua Huashang entered into a subscription agreement with Shanghai Bank on 16 February 2017 for the subscription of the Shanghai Bank Wealth Management Product. The material terms of the subscription agreement are set out as follows:

Date of subscription: 16 February 2017

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

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

Name of the wealth management product: Shanghai Bank “Winner” Portfolio Series of Wealth Management Product No. WGFJ17007\* (上海銀行“贏家”資產組合系列理財產品(第WGFJ17007期))

Subscription amount:	RMB300 million
Term of investment period:	From 16 February 2017 to 13 February 2018
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in various financing projects, interbank deposits, bonds, trust plans and asset management plans
Expected rate of investment return:	4.15%

**(d) Subscription of China Merchants Bank Wealth Management Product**

Lianhua Huashang entered into a subscription agreement with China Merchants Bank on 16 February 2017 for the subscription of the China Merchants Bank Wealth Management. The material terms of the subscription agreement are set out as follows:

Date of subscription:	16 February 2017
Parties:	(1) Lianhua Huashang; and (2) China Merchants Bank

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

Name of the wealth management product:	China Merchants Bank Point Gold Company Financial Management Series No. 280 Financial Plan (Code: 75280)* (招商銀行點金公司理財增利系列280號理財計劃 (代碼: 75280))
Subscription amount:	RMB300 million
Term of investment period:	From 16 February 2017 to 4 January 2018
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in bonds, bank deposits, trust plans and asset management plans
Expected rate of investment return:	4.00%

## **REASONS FOR AND BENEFITS OF SUBSCRIBING FOR WEALTH MANAGEMENT PRODUCTS**

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 Wealth Management Products. Given that the Wealth Management Products are 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 agreements for the subscription of the Wealth Management Products were entered into on normal commercial terms, in the ordinary course of business of the Company and were and are 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, Bank of Hangzhou, Shanghai Bank and China Merchants Bank**

Wenzhou Bank, Bank of Hangzhou, Shanghai Bank and China Merchants Bank are commercial banks in the PRC.

## **LISTING RULES IMPLICATIONS**

### **Wenzhou Bank Wealth Management Product**

As one of the applicable percentage ratios of the subscription amount of the Wenzhou Bank Wealth Management Product when aggregated with Wenzhou Bank Previous Wealth Management Product 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.

### **Bank of Hangzhou Wealth Management Product**

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

### **Shanghai Bank Wealth Management Product**

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

## China Merchants Bank Wealth Management Product

As one of the applicable percentage ratios of the subscription amount of the China Merchants Bank Wealth Management Product exceeds 5% but is less than 25%, the subscription of the China Merchants 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
“China Merchants Bank”	Hangzhou branch of China Merchants Bank Co., Ltd.* (招商銀行股份有限公司杭州分行)
“China Merchants Bank Wealth Management Product”	the subscription of the wealth management product by Lianhua Huashang from China Merchants Bank with an amount of RMB300 million on 16 February 2017, details of which were set out in this announcement
“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
“Group”	the Company and its subsidiaries from time to time
“Bank of Hangzhou”	Huanbei branch of Bank of Hangzhou Co., Ltd.* (杭州銀行股份有限公司環北支行)
“Bank of Hangzhou Previous Wealth Management Product”	the subscription of the wealth management products by Lianhua Huashang from Bank of Hangzhou with an amount of RMB100 million and RMB200 million on 8 November 2016 and 13 January 2017 respectively (details of which, please refer to the announcement of the Company dated 13 January 2017)
“Bank of Hangzhou Wealth Management Product”	the subscription of the wealth management product by Lianhua Huashang from Bank of Hangzhou with an amount of RMB300 million on 16 February 2017, details of which were set out in this announcement
“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
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Bank”	Hangzhou branch of Bank of Shanghai Co., Ltd* (上海銀行股份有限公司杭州分行)
“Shanghai Bank Wealth Management Product”	the subscription of the wealth management product by Lianhua Huashang from Shanghai Bank with an amount of RMB300 million on 16 February 2017, details of which were set out in this announcement
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Management Products”	the China Merchants Bank Wealth Management Product, the Bank of Hangzhou Wealth Management Product, the Shanghai Bank Wealth Management Product and the Wenzhou Bank Management Product
“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 Previous Wealth Management Product”	the subscription of the wealth management product by Lianhua Huashang from Wenzhou Bank with an amount of RMB400 million on 24 January 2017 (details of which, please refer to the announcement of the Company dated 24 January 2017)
“Wenzhou Bank Wealth Management Product”	the subscription of the wealth management product by Lianhua Huashang from Wenzhou Bank with an amount of RMB200 million on 16 February 2017, details of which were set out 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, 16 February 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*