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If you have sold or transferred all your shares in Lianhua Supermarket Holdings Co., Ltd., you should at once hand this circular and the form of proxy previously sent to shareholders to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

**ELECTION OF DIRECTORS
AND
ELECTION OF SUPERVISORS
AND
PROPOSED ANNUAL REMUNERATION OF
THE INDEPENDENT NON-EXECUTIVE DIRECTORS
AND
PROPOSED AMENDMENTS TO
THE ARTICLES OF ASSOCIATION OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

A Letter from the Board of the Company is set out on pages 3 to 6 of this circular.

A notice convening the AGM to be held at 10:00 a.m. on Monday, 12 June 2017 at the Conference Room, 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the PRC, together with the relevant reply slip and proxy form, are enclosed herein. If you are eligible, and intend, to attend the AGM, please complete and return the relevant reply slip in accordance with the instructions printed thereon as soon as possible and in any event not later than Tuesday, 23 May 2017. If you are not able to attend the AGM, please complete and return the relevant proxy form enclosed herewith in accordance with the instructions printed thereon by not less than 24 hours before the time appointed for holding of the aforementioned meeting or any adjourned meetings. Completion and return of the proxy form will not preclude you from attending and voting in person at any of the aforementioned meetings or any adjournment thereof should you so wish.

27 April 2017

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DEFINITIONS

In this circular, unless otherwise indicated in the context, the following expressions have the meaning set out below:

“AGM”	the annual general meeting of the Company for the year 2016 to be held at 10:00 a.m. on Monday, 12 June 2017 at the Conference Room, 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the PRC
“Bailian Group”	Bailian Group Co., Ltd.* (百聯集團有限公司)
“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
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	25 April 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Notice”	notice of AGM, which is set out on pages 19 to 22 of this circular
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC)
“Proxy Form”	the form of proxy enclosed with the Notice of AGM dated 27 April 2017

DEFINITIONS

“Shanghai Bailian”	Shanghai Bailian Group Co., Ltd.* (上海百聯集團股份有限公司), a company listed on the Shanghai Stock Exchange
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company

LETTER FROM THE BOARD



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

Executive Directors:

Qi Yue-hong

Non-executive Director:

Ye Yong-ming

Zhang Ye

Zhou Jing-bo

Qian Jian-qiang

Zheng Xiao-yun

Wong Tak Hung

Independent non-executive Directors:

Xia Da-wei

Lee Kwok Ming, Don

Sheng Yan

Zhang Jun

Registered address:

Room 713, 7th Floor

No. 1258 Zhen Guang Road

Shanghai, PRC

*Principal place of business
in Hong Kong:*

26th to 27th Floors

Harcourt Building

29 Gloucester Road

Wanchai

Hong Kong

27 April 2017

To the Shareholders

Dear Sir or Madam,

**ELECTION OF DIRECTORS
AND
ELECTION OF SUPERVISORS
AND
PROPOSED ANNUAL REMUNERATION OF
THE INDEPENDENT NON-EXECUTIVE DIRECTORS
AND
PROPOSED AMENDMENTS TO
THE ARTICLES OF ASSOCIATION OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information relating to the Notice and the resolutions to be proposed at the AGM relating to, among other things:

- (i) the election of Directors;

LETTER FROM THE BOARD

- (ii) the election of Supervisors;
- (iii) the proposed annual remuneration of the independent non-executive Directors;
- (iv) proposed amendments to Article 21 of the articles of association of the Company; and
- (v) notice of Annual General Meeting.

1. ELECTION OF DIRECTORS

In view of the expiration of the term of office of the fifth session of the Board at the conclusion of the AGM, the Board recommends Mr. Ye Yong-ming, Ms. Xu Zi-ying, Ms. Qi Yue-hong, Mr. Zhang Ye, Mr. Qian Jian-qiang, Ms. Zheng Xiao-yun, Mr. Wong Tak Hung, Mr. Xia Da-wei, Mr. Lee Kwok Ming, Don, Ms. Sheng Yan and Mr. Zhang Jun as candidates for Directors of the sixth session of the Board. Please refer to Appendix I for the biography of the candidates for Directors of the sixth session of the Board.

Pursuant to Provision A.4.3 of Appendix 14 of the Listing Rules, if an independent non-executive director serves more than nine years, any further appointment of such independent non-executive director should be subject to a separate resolution to be approved by shareholders. Upon the expiry of the current service contracts, Mr. Xia Da-wei, and Mr. Lee Kwok Ming, Don will have served as independent non-executive Directors for more than nine years. The reasons why the Board believes they are still independent and should be re-elected are set out in Appendix I of this circular.

2. ELECTION OF SUPERVISORS

In view of the expiration of the term of office of the fifth session of the supervisory committee of the Company at the conclusion of the AGM, Bailian Group and Shanghai Bailian, Shareholders of the Company, recommended Mr. Lv Yong and Ms. Tao Qing as candidates for Supervisors of the sixth session of the supervisory committee, respectively. Please refer to Appendix II of this circular for the biography of the candidates for Supervisors of the sixth session of the supervisory committee.

3. PROPOSED ANNUAL REMUNERATION OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board recommends an annual fee of RMB150,000 (after taxation) payable to each independent non-executive Director of the sixth session of the Board after taking into account factors including but not limited to remuneration paid by company of the same kind and time and responsibility to be assumed by the independent non-executive Directors, etc.

LETTER FROM THE BOARD

4. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

In view of the Company has been informed that Yonghui Superstores Co., Ltd.* (永輝超市股份有限公司, “**Yonghui Superstores**”), a shareholder of the Company, has entered into an equity transfer agreement with Shanghai Yiguo E-commerce Co., Ltd. (上海易果電子商務有限公司, “**Shanghai Yiguo**”) on 23 December 2016, pursuant to which Yonghui Superstores agreed to transfer all 237,029,400 domestic shares it holds (representing 21.17% equity interest in the Company as at the date of this circular) to Shanghai Yiguo (the “**Equity Transfer**”). The Company has been informed by Shanghai Yiguo and Yonghui Superstores that the equity transfer registration procedures in respect of the Equity Transfer at China Securities Depository and Clearing Corporation Limited were completed and the Equity Transfer was completed on 28 December 2016.

The Board of Directors has recommended that after the completion of all the necessary approval procedures in the Equity Transfer, the contents of Article 21 of the articles of association of the Company as:

“The Company shall issue a total number of 1,119,600,000 ordinary shares, which consist of:

- (1) 715,397,400 domestic shares (254,160,000 shares to be held by Bailian Group Co. Ltd.; 224,208,000 by Shanghai Bailian Group Co., Limited; and 237,029,400 by Yonghui Superstores Co., Ltd.), and 31,602,600 non-listed foreign shares (31,602,600 by Wong Sun Hing);
- (2) total number of 372,600,000 overseas-listed foreign shares.”

be amended to:

“The Company shall issue a total number of 1,119,600,000 ordinary shares, which consist of:

- (1) 715,397,400 domestic shares (254,160,000 shares to be held by Bailian Group Co. Ltd.; 224,208,000 by Shanghai Bailian Group Co., Limited; and 237,029,400 by Shanghai Yiguo E-commerce Co., Ltd.), and 31,602,600 non-listed foreign shares (31,602,600 by Wong Sun Hing);
- (2) total number of 372,600,000 overseas-listed foreign shares.”

The Company proposes to authorize any executive director of the board of directors of the Company to make such further amendments according to the opinions provided by the relevant approval authorities.

LETTER FROM THE BOARD

5. AGM

The AGM will be held at 10:00 a.m. on Monday, 12 June 2017 at the Conference Room, 13th Floor, Bailian Central Plaza, 1258 Zhen Guang Lu, Shanghai, the PRC. The Notice is set out on pages 19 to 22 of this circular.

6. RECOMMENDATION

The Board considers that the proposed resolutions in relation to (i) the election of Directors; (ii) the election of Supervisors; (iii) the proposed annual remuneration of the independent non-executive Directors; and (iv) the proposed amendments to the articles of association of the Company are in the interests of the Company and the Shareholders as a whole, and recommend the Shareholders to vote in favour of all resolutions to be proposed at the AGM.

Yours faithfully,
By order of the Board
Ye Yong-ming
Chairman

Candidates for Executive Directors

Ms. Qi Yue-hong, aged 47, an economist, is the vice chairman and secretary of CPC committee of the Company. Ms. Qi graduated from Fudan University in cultural heritage and museology and international economic law in August 1993. From September 1993 to February 2002, she was a store management staff, the deputy manager of the eastern building management department and the director of the supervision and audit office of Shanghai No. 1 Department Store Co., Ltd. (上海市第一百貨商店股份有限公司, a company used to be listed on the Shanghai Stock Exchange who changed its name to Shanghai Bailian Group Co., Ltd and was incorporated into Shanghai Bailian in 2011). She was the assistant to general manager of Shanghai No. 1 Yao Han Co., Ltd. (上海第一八佰伴有限公司) from February 2002 to January 2003. She was the deputy manager of the personnel department of Shanghai Yibai (Holdings) Company Ltd. from January 2003 to March 2004. She was the deputy general manager of Orient Shopping Centre Ltd. (東方商廈有限公司) from March 2004 to September 2005. She was the general manager of Changsha Bailian Orient Shopping Centre Ltd. (長沙百聯東方商廈有限公司) from September 2005 to March 2007. She was the general manager and secretary of party general branch of Shanghai New Hua Lian Mansion Co., Ltd. (上海新華聯大廈有限公司) from March 2007 to January 2008. She was the general manager and secretary of party general branch of Shanghai Bailian Xijiao Shopping Centre Co., Ltd. (上海百聯西郊購物中心有限公司) from January 2008 to March 2010. She was the deputy general manager of Shanghai Bailian Group Co., Ltd. (上海百聯集團股份有限公司, a company formerly listed on the Shanghai Stock Exchange) from March 2010 to March 2012 and was appointed as vice general manager of Shanghai Bailian Group Co., Ltd. from December 2015 to December 2016. Ms. Qi was the deputy general manager of the Company from March 2012 to November 2015, and has been appointed as an executive director of the Company since June 2013 and vice chairman of the Company since November 2015. Ms. Qi was appointed as the General Manager of the Company on 3 January 2017.

Ms. Qi is presented for election as an executive Director of the Company at the AGM for a term from the date of the AGM until the conclusion of the annual general meeting of the Company for the year 2019, subject however to the articles of association of the Company. If elected, Ms. Qi will enter into a service contract with the Company and she will be entitled to receive remuneration from the Company during the term of directorship. Ms. Qi will be entitled to a basic remuneration of RMB277,200 per year which is determined according to the results of the Company and the condition of similar companies in the market and her basic remuneration may be adjusted and discretionary bonus during her term of directorship may be determined according to the results of the Company and the condition of similar companies in the market, while such adjustments and determination shall be in accordance with the new remuneration policy of the Company approved by the Shareholders at the 2013 AGM.

As at the Latest Practicable Date, Ms. Qi has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571). Save as disclosed herein, Ms. Qi has not held any other directorships in any public listed companies in the past three years and, she has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Ms. Qi confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the Shareholders and the Stock Exchange.

Candidates for Non-Executive Directors

Mr. Ye Yong-ming, aged 52, is a member of the Communist Party of China and holder of master's degree in EMBA with China Europe International Business School. Mr. Ye has been the secretary of Party Committee, chairman of the Board and president of Bailian Group since September 2015, and has been chairman of the Board of Shanghai Bailian Group Co., Ltd. since December 2015. He has served successively as a vice president of SAIC Motor (Shanghai Automatic Industrial Corporation Motor, 上海汽車集團股份有限公司, a company listed on the Shanghai Stock Exchange with stock code 600104), general manager of SAIC General Motors Corporation Limited, deputy general manager, general manager and deputy secretary of Party Committee of SAIC Sales Co., Ltd. (上海汽車工業銷售總公司), executive manager of Shanghai Volkswagen, general manager of SAIC-Volkswagen Sales Co., Ltd. (上海上汽大眾汽車銷售有限公司), vice president (in charge of vehicle services) and a member of the Party Committee of SAIC Motor. Mr. Ye has been appointed as a non-executive Director and chairman of the Board since November 2015.

Mr. Ye is presented for election as a non-executive Director of the Company at the AGM for a term from the date of the AGM until the conclusion of the annual general meeting of the Company for the year 2019, subject however to the articles of association of the Company. If elected, Mr. Ye will not enter into any service agreement with the Company and he will not be entitled to any remuneration from the Company during the term of directorship.

As at the Latest Practicable Date, Mr. Ye has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571). Save as disclosed herein, Mr. Ye has not held any other directorships in any public listed companies in the past three years and, he has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Mr. Ye confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the Shareholders and the Stock Exchange.

Ms. Xu Zi-ying, aged 48, graduated from Shanghai Jiaotong University with a degree in Business Administration. During the period from September 2000 to December 2003, Ms. Xu served as deputy director and director of the High Technology Industry Development Office of Shanghai Development Planning Commission. From December 2003 to October 2007, Ms. Xu served as director of the High Technology Industry Department of Shanghai Development and Reform Commission. From October 2007 to April 2008, Ms. Xu served as deputy chief economist and director of the High Technology Industry Division of Shanghai Development and Reform Commission. From April 2008 to October 2013, Ms. Xu served as vice president of Shanghai Electric (Group) Company. From October 2013 to March 2017, Ms. Xu served as deputy director and a member of the Party Committee of the Shanghai Municipal Bureau of Economy and Information. Ms. Xu has been the chairman, deputy secretary and director of Bailian Group Co.,Ltd. since April 2017.

Ms. Xu is presented for election as a non-executive Director of the Company at the AGM for a term from the date of the AGM until the conclusion of the annual general meeting of the Company for the year 2019, subject however to the articles of association of the Company. If elected, Ms. Xu will not enter into any service agreement with the Company and she will not be entitled to any remuneration from the Company during the term of directorship.

As at the Latest Practicable Date, Ms. Xu has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571). Save as disclosed herein, Ms. Xu has not held any other directorships in any public listed companies in the past three years and, she has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Ms. Xu confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the Shareholders and the Stock Exchange.

Mr. Zhang Ye, aged 46, graduated from Shanghai Jiaotong University in 1993 with a bachelor degree in Industrial Foreign Trade and Computer Science Application and obtained his EMBA at Cheung Kong Graduate School of Business in 2009. From 1999 to present, Mr. Zhang Ye was the founder and the chairman of Enmore Holdings Co., Ltd (上海易貿科技控股有限公司). Mr. Zhang Ye was one of the founders of Shanghai Yiguo E-commerce Co., Ltd (上海易果電子商務有限公司). From 2014 to present, Mr. Zhang Ye was the chairman and the chief executive officer of Shanghai Yiguo E-commerce Co., Ltd. Mr. Zhang Ye was appointed as a non-executive director of the Company on 14 March 2017.

Mr. Zhang Ye is presented for election as a non-executive Director of the Company at the AGM for a term from the date of the AGM until the conclusion of the annual general meeting of the Company for the year 2019, subject however to the articles of association of the Company. If elected, Mr. Zhang Ye will not enter into any service agreement with the Company and he will not be entitled to any remuneration from the Company during the term of directorship.

As at the Latest Practicable Date, Mr. Zhang Ye has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571). Save as disclosed herein, Mr. Zhang Ye has not held any other directorships in any public listed companies in the past three years and, he has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Mr. Zhang Ye confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the Shareholders and the Stock Exchange.

Mr. Qian Jian-qiang, aged 55, is a postgraduate in Economic Management with Graduate School of Party School of the Central Committee of C.P.C. Mr. Qian has been the general manager, deputy secretary of the Party Committee and a director of Shanghai Bailian Group Co., Ltd. (a company listed on the Shanghai Stock Exchange with Stock No. 600827) since June 2015. Mr. Qian once worked in the Organization & HR Department of Shanghai Foreign Supply Co., Ltd. (上海對外供應公司), and has been a manager of the Department Store of Shanghai Friendship Store, general manager of Shanghai Friendship Supply Co., Ltd. (上海友誼供貨有限公司), a director and general manager of Shanghai Friendship South Mall Co., Ltd. (上海友誼南方商城有限公司), assistant to the general manager of the Shopping Centre Department of Shanghai Bailian, assistant to the general manager of Shanghai Bailian, vice general manager of Shanghai Bailian, vice general manager of Shanghai Friendship Incorporated Company (上海友誼集團股份有限公司, now known as Shanghai Bailian, a company listed on the Shanghai Stock Exchange with Stock No. 600827), vice general manager and deputy secretary of the Party Committee of Shanghai Bailian, Mr. Qian possesses abundant experience in operation and management of retail commerce. Mr. Qian has been appointed as a non-executive Director of the Company since November 2015.

Mr. Qian is presented for election as a non-executive Director of the Company at the AGM for a term from the date of the AGM until the conclusion of the annual general meeting of the Company for the year 2019, subject however to the articles of association of the Company. If elected, Mr. Qian will not enter into any service agreement with the Company and he will not be entitled to any remuneration from the Company during the term of directorship.

As at the Latest Practicable Date, Mr. Qian has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571). Save as disclosed herein, Mr. Qian has not held any other directorships in any public listed companies in the past three years and, he has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Mr. Qian confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the Shareholders and the Stock Exchange.

Ms. Zheng Xiao-yun, aged 54, is a senior accountant and postgraduate majoring in accounting of the Chinese University of Hong Kong. She has been the financial director and secretary of the Board of Shanghai Bailian since June 2015. Ms. Zheng once served as an accountant, assistant to the manager and vice manager of the Financial Department in Shanghai Forever Co., Ltd. (上海永久股份有限公司). She has served successively as financial director of Shanghai Advertisement & Decoration Co., Ltd. (上海市廣告裝潢公司), vice manager of the Financial Department of Shanghai Yibai (Group) Co., Ltd. (上海一百(集團)有限公司), financial director of Shanghai Quanfang Investment Management Co., Ltd. (上海全方投資管理有限公司), financial director of the Comprehensive Business Department of Shanghai Bailian, financial director of Shanghai Bailian Investment Management Co., Ltd. (上海百聯投資管理有限公司), financial director of Shanghai Bailian Group Asset Operation & Management Co., Ltd. (上海百聯集團資產經營管理有限公司) and director of Shanghai Baihong Trading Co., Ltd. (上海百紅商業貿易有限公司) and chairman of Hualian Group Asset Trust Co., Ltd. (華聯集團資產託管有限公司), and financial director of Bailian E-commerce Co., Ltd. (百聯電子商務有限公司). Ms. Zheng possesses abundant experience in financial management. Ms. Zheng has been appointed as a non-executive Director of the Company since November 2015.

Ms. Zheng is presented for election as a non-executive Director of the Company at the AGM for a term from the date of the AGM until the conclusion of the annual general meeting of the Company for the year 2019, subject however to the articles of association of the Company. If elected, Ms. Zheng will not enter into any service agreement with the Company and she will not be entitled to any remuneration from the Company during the term of directorship.

As at the Latest Practicable Date, Ms. Zheng has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571). Save as disclosed herein, Ms. Zheng has not held any other directorships in any public listed companies in the past three years and, she has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Ms. Zheng confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the Shareholders and the Stock Exchange.

Mr. Wong Tak Hung, aged 65, is the president of Wong Sun Hing Investment Co., Ltd. (王新興投資有限公司). From 1970 to 1978, Mr. Wong was the manager of Sun Hing Textile Factory (新興毛紡織造廠), and from 1978 to 1990, he was the managing director of Wong Sun Hing Company Limited (王新興有限公司). Since 1990, he has been the president of Wong Sun Hing Group (王新興集團). He has also been the chairman of Shenzhen Xin Xing Entrepreneurship Guarantee Company Limited (深圳新興創業擔保有限公司) since 2003 and he has been acting as the chairman of Guangzhou Wanling Properties Company Limited (廣州市萬菱置業有限公司) from 2004. Since 2005, he has also been acting as the chairman of Wanling Industrial (Guangdong) Company Limited (萬菱實業(廣東)有限公司). Mr. Wong joined the Group in April 1997, and he has over 30 years of business experience.

Mr. Wong is presented for election as a non-executive Director of the Company at the AGM for a term from the date of the AGM until the conclusion of the annual general meeting of the Company for the year 2019, subject however to the articles of association of the Company. If elected, Mr. Wong will not enter into any service agreement with the Company and he will not be entitled to any remuneration from the Company during the term of directorship.

As at the Latest Practicable Date, Mr. Wong has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571). Save as disclosed herein, Mr. Wong has not held any other directorships in any public listed companies in the past three years and, he has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Mr. Wong confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the Shareholders and the Stock Exchange.

Candidates for Independent Non-executive Directors

Mr. Xia Da-wei, aged 64, is a professor and a doctoral tutor of Shanghai National Accounting Institute and deputy chairman of the Chinese Industrial Economic Association (中國工業經濟學會), consultant of China Accounting Standards Committee of the Ministry of Finance (財政部會計準則委員會), chairman of Shanghai Accounting Association, honorary professor of The Chinese University of Hong Kong (香港中文大學), part-time professor of the School of Management of Fudan University and member of the listing committee of Shanghai Stock Exchange. Mr. Xia is also an independent director of Baosteel Holdings Co.,Ltd (寶鋼股份有限公司) (a company listed on the Stock Exchange), an independent director of Shanghai Electric Power Co., Ltd. (上海電力股份有限公司) (a company listed on the Shanghai Stock Exchange) and an independent director of China United Network Communications Limited (中國聯合網絡通信股份有限公司) (a company listed on the Shanghai Stock Exchange). He joined the Group in September 2004.

Mr. Xia is presented for election as an independent non-executive Director of the Company at the AGM for a term from the date of the AGM until the conclusion of the annual general meeting of the Company for the year 2019, subject however to the articles of association of the Company. If elected, Mr. Xia will enter into a service contract with the Company and he will be entitled to receive remuneration RMB150,000 (after taxation) per year, which amount is determined by the Board taking into account the condition of similar companies in the market and the prevailing market conditions subject to approval by the Shareholders at the AGM, from the Company during the term of directorship.

As at the Latest Practicable Date, other than holding 8,694 ordinary shares of Shanghai Bailian (representing approximately 0.0005% of the total issued shares of Shanghai Bailian), Mr. Xia has no interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571). Save as disclosed herein, Mr. Xia has not held any other directorships in any public listed companies in the past three years and, he has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Mr. Xia confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the Shareholders and the Stock Exchange.

Mr. Xia has served as an independent non-executive Director for more than nine years and his re-election will be subject to a separate resolution to be approved by the Shareholders. Being an independent non-executive Director with in-depth understanding of the Company's operations and business and with professional qualifications, Mr. Xia has expressed objective views and given independent guidance to the Company over the years, and he continues demonstrating a firm commitment to his role. The Board considers that the long service of Mr. Xia would not affect his exercise of independent judgment and is satisfied that Mr. Xia has the required character, integrity and experience to continue fulfilling the role of an independent non-executive Director. Meanwhile, Mr. Xia satisfies the independence requirements under Rule 3.13 of the Listing Rules. The Board therefore considers the re-election of Mr. Xia as independent non-executive Director is in the best interest of the Company and Shareholders as a whole.

Mr. Lee Kwok Ming, Don, aged 59, is the financial controller of Stella International Holdings Ltd. (九興控股有限公司), which is listed on the Stock Exchange. He is a fellow of the Hong Kong Institute of Certified Public Accountants (香港會計師公會) and an associate of the Chartered Institute of Management Accountants in the United Kingdom (英國特許管理會計師公會). He holds a Master's degree of science in business administration from the University of Bath (英國巴富大學). Mr. Lee has held the position of financial controller in various listed companies on the Stock Exchange. Mr. Lee has more than 30 years of financial management experience and extensive experience in mergers and acquisitions, as well as corporate finance. He joined the Group in May 2003.

Mr. Lee is presented for election as an independent non-executive Director of the Company at the AGM for a term from the date of the AGM until the conclusion of the annual general meeting of the Company for the year 2019, subject however to the articles of association of the Company. If elected, Mr. Lee will enter into a service contract with the Company and he will be entitled to receive remuneration RMB150,000 (after taxation) per year, which amount is determined by the Board taking into account the condition of similar companies in the market and the prevailing market conditions subject to approval by the Shareholders at the AGM, from the Company during the term of directorship.

As at the Latest Practicable Date, Mr. Lee has no interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571). Save as disclosed herein, Mr. Lee has not held any other directorships in any public listed companies in the past three years and, he has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Mr. Lee confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the Shareholders and the Stock Exchange.

Mr. Lee has served as an independent non-executive Director for more than nine years and his re-election will be subject to a separate resolution to be approved by the Shareholders. Being an independent non-executive Director with in-depth understanding of the Company's operations and business and with professional qualifications, Mr. Lee has expressed objective views and given independent guidance to the Company over the years, and he continues demonstrating a firm commitment to his role. The Board considers that the long service of Mr. Lee would not affect his exercise of independent judgment and is satisfied that Mr. Lee has the required character, integrity and experience to continue fulfilling the role of an independent non-executive Director. Meanwhile, Mr. Lee satisfies the independence requirements under Rule 3.13 of the Listing Rules. The Board therefore considers the re-election of Mr. Lee as independent non-executive Director is in the best interest of the Company and Shareholders as a whole.

Ms. Sheng Yan, aged 48, received her degree in Master of Business Administration from the Hong Kong University of Science and Technology. From 1991 to 1994, Ms. Sheng was a software engineer of China Southern Airlines Hubei Branch (中國南方航空公司湖北分公司). From 1994 to 1998, Ms. Sheng was a co-founder of Guangzhou Jiatu Electronics Co., Ltd (廣州嘉圖電子有限公司). From 2000 to 2002, Ms. Sheng was a senior consultant of Arthur Anderson Inc (安達信管理諮詢有限公司). From 2002 to 2006, Ms. Sheng was a consultant manager of BearingPoint Inc (畢博管理諮詢有限公司). Since 2006, Ms. Sheng was a global partner and executive vice president of Greater China of HayGroup Management Consulting (Shanghai) Co., Ltd (合益集團管理諮詢(上海)有限公司), which was acquired by KornFerry in 2015 and Ms. Sheng was a senior partner of KornFerry Shanghai Limited (光輝國際(人才)上海有限公司). Ms. Sheng has good knowledge, background and project experience in areas of executive team building, leadership development, leadership coaching, strategic decoding, operating model and job system, executive team performance appraisal and incentive scheme, corporate culture development, corporation innovation and so forth. Ms. Sheng Yan was appointed as an independent non-executive director of the Company on 14 March 2017.

Ms. Sheng is presented for election as an independent non-executive Director of the Company at the AGM for a term from the date of the AGM until the conclusion of the annual general meeting of the Company for the year 2019, subject however to the articles of association of the Company. If elected, Ms. Sheng will enter into a service contract with the Company and she will be entitled to receive remuneration RMB150,000 (after taxation) per year, which amount is determined by the Board taking into account the condition of similar companies in the market and the prevailing market conditions subject to approval by the Shareholders at the AGM, from the Company during the term of directorship.

As at the Latest Practicable Date, Ms. Sheng has no interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571). Save as disclosed herein, Ms. Sheng has not held any other directorships in any public listed companies in the past three years and, he has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Ms. Sheng confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the Shareholders and the Stock Exchange.

Mr. Zhang Jun, aged 41. Mr. Zhang Jun obtained his double bachelor degrees in Accounting and Applied Mathematics, respectively, from Shanghai Jiaotong University in 1998, and he holds the title and qualification of certified public accountant of The Chinese Institute of Certified Public Accountants. Mr. Zhang Jun has over 18 year experience in accounting & finance and operation & management. Mr. Zhang Jun currently holds the position as president & chief operation officer at PizzaExpress China, and had served as chief financial officer with this company from December 2015 to December 2016. Prior to joining PizzaExpress China, from August 1998 to July 2002, Mr. Zhang Jun was an auditor and senior auditor of Arthur Andersen (Shanghai Office) (安達信•華強會計師事務所上海分所). From July 2002 to August 2005, Mr. Zhang Jun was a senior auditor and audit manager of PriceWaterhouseCoopers (PRC) (普華永道中天會計師事務所有限公司). From August 2005 to October 2006, Mr. Zhang Jun was a financial manager and controller of Shanghai Shen Mei Food and Beverage Co., Ltd. (Coca-Cola bottling facility) (上海申美飲料食品有限公司 (可口可樂瓶裝廠)). From October 2006 to August 2007, Mr. Zhang Jun was a chief accounting officer of Home Inns & Hotels Management Inc. (如家快捷酒店管理有限公司), a company listed on Nasdaq, stock code: HMIN. From August 2007 to November 2014, Mr. Zhang Jun worked at Xiaonanguo Restaurants Holdings Limited (小南國餐飲控股有限公司), a company listed on the mainboard of the Stock Exchange, stock code: 03666, as a chief financial officer from August 2007 to December 2013, as chief strategy officer and vice president of supply chain from January 2014 to November 2014. From November 2014 to December 2015, Mr. Zhang Jun was a chief financial officer and senior vice president of Shanghai Pankoo Restaurants Management Co. Ltd (上海盤古餐飲管理有限公司). Mr. Zhang Jun was appointed as an independent non-executive director of the Company on 14 March 2017.

Mr. Zhang Jun is presented for election as an independent non-executive Director of the Company at the AGM for a term from the date of the AGM until the conclusion of the annual general meeting of the Company for the year 2019, subject however to the articles of association of the Company. If elected, Mr. Zhang Jun will enter into a service contract with the Company and he will be entitled to receive remuneration RMB150,000 (after taxation) per year, which amount is determined by the Board taking into account the condition of similar companies in the market and the prevailing market conditions subject to approval by the Shareholders at the AGM, from the Company during the term of directorship.

As at the Latest Practicable Date, Mr. Zhang Jun has no interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571). Save as disclosed herein, Mr. Zhang Jun has not held any other directorships in any public listed companies in the past three years and, he has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Mr. Zhang Jun confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the Shareholders and the Stock Exchange.

Candidates for Supervisors

Mr. Lv Yong, aged 59, graduated with a Bachelor's degree in economics in Shanghai University of Finance and Economics. Since October 2015, he has been the chief financial officer and member of the party committee of Bailian Group. He served as chief officer of infrastructure audit department of Shanghai Municipal Audit Bureau, deputy officer of training center of Shanghai Municipal Audit Bureau, deputy principal of SHTVU (Shanghai TV University), Shanghai Municipal Audit Bureau Branch, deputy director and director of general office of Shanghai Municipal Audit Bureau, chief accountant and chief financial officer of Shanghai Yibai (Holdings) Company Ltd. (上海一百(集團)有限公司), chief financial officer of Shanghai Brilliance (Group) Co., Ltd. (上海百聯(集團)有限公司), and chief financial officer of Bailian Group. Mr. Lv has extensive experiences in corporate management. Mr. Lv has been appointed as a Supervisor and Head of the Supervisors Committee of the Company in December 2015.

Mr. Lv is presented for election as a Supervisor of the Company at the AGM for a term from the date of the AGM until the conclusion of the annual general meeting of the Company for the year 2019, subject however to the articles of association of the Company. If elected, Mr. Lv will not enter into a service contract with the Company and he will not be entitled to any remuneration from the Company during the term of serving as supervisor of the Company.

As at the Latest Practicable Date, Mr. Lv has no interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571). Save as disclosed herein, Mr. Lv has not held any other directorships in any public listed companies in the past three years and, he has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Mr. Lv confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the Shareholders and the Stock Exchange.

Ms. Tao Qing, aged 52, graduated from the Party School of C.C. of C.P.C. (中央黨校) with master degree in economy management. Ms. Tao served for the finance department of Shanghai Hualian successively as clerk, section member, chief member and deputy section chief from September 1985 to June 1996. She was the manager of the finance division of Shanghai New Hua Lian Mansion Co., Ltd. (上海新華聯大廈有限公司) (“**New Hua Lian Mansion**”) from June 1996 to June 1999, the deputy manager of the finance department of Shanghai Hualian Co., Ltd and the chief financial officer of New Hua Lian Mansion from June 1999 to February 2000, and promoted as general manager of the finance department of Shanghai Hualian Co., Ltd and the chief financial officer of New Hua Lian Mansion in February 2000. She took the role of chief financial officer of Shanghai Jinzhao International Trading Co., Ltd. (上海金照國際商貿有限公司) from January 2001 to January 2004. Ms. Tao has been the director assistant of the auditing center, manager of the No.1 auditing division, deputy director and director of the auditing center of Bailian Group since January 2004. Ms. Tao was a supervisor of Shanghai Bailian between October 2011 and June 2015. Ms Tao has been appointed as supervisor of the Company since June 2014.

Ms. Tao is presented for election as a Supervisor of the Company at the AGM for a term from the date of the AGM until the conclusion of the annual general meeting of the Company for the year 2019, subject however to the articles of association of the Company. If elected, Ms. Tao will not enter into a service contract with the Company and she will not be entitled to any remuneration from the Company during the term of serving as supervisor of the Company.

As at the Latest Practicable Date, Ms. Tao has no interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571). Save as disclosed herein, Ms. Tao has not held any other directorships in any public listed companies in the past three years and, she has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. Ms. Tao confirmed that there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no matter that need to be brought to the attention of the Shareholders and the Stock Exchange.

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an annual general meeting (the “AGM”) of Lianhua Supermarket Holdings Co., Ltd. (the “Company”) for the year 2016 will be held at 10:00 a.m. on Monday, 12 June 2017 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 ordinary and special resolutions:

ORDINARY RESOLUTIONS

1. To approve the report of the board of directors of the Company (the “Board”) for the year ended 31 December 2016;
2. To approve the report of the supervisory committee of the Company (the “Supervisory Committee”) for the year ended 31 December 2016;
3. To approve the consolidated audited financial statements of the Company and the report of the international auditors for the year ended 31 December 2016;
4. To approve the profit distribution proposal of the Company for the year ended 31 December 2016 for not distributing final dividend;
5. To approve the re-appointment of Shanghai Certified Public Accountants as the Company’s PRC auditors and Deloitte Touche Tohmatsu as the Company’s international auditors for the period from the conclusion of the annual general meeting of the Company for the year 2016 to the conclusion of the annual general meeting of the Company for the year 2017 and to authorize the Board to fix their respective remuneration;
6. To approve the members of the sixth session of the Board (*Note 1*)
 - (i) To approve the appointment of Mr. Ye Yong-ming as a non-executive director of the sixth session of the Board;

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- (ii) To approve the appointment of Ms. Xu Zi-ying as a non-executive director of the sixth session of the Board;
 - (iii) To approve the appointment of Ms. Qi Yue-hong as an executive director of the sixth session of the Board;
 - (iv) To approve the appointment of Mr. Zhang Ye as a non-executive director of the sixth session of the Board;
 - (v) To approve the appointment of Mr. Qian Jian-qiang as a non-executive director of the sixth session of the Board;
 - (vi) To approve the appointment of Ms. Zheng Xiao-yun as a non-executive director of the sixth session of the Board;
 - (vii) To approve the appointment of Mr. Wong Tak Hung as a non-executive director of the sixth session of the Board;
 - (viii) To approve the appointment of Mr. Xia Da-wei as an independent non-executive director of the sixth session of the Board;
 - (ix) To approve the appointment of Mr. Lee Kwok Ming, Don as an independent non-executive director of the sixth session of the Board;
 - (x) To approve the appointment of Ms. Sheng Yan as an independent non-executive director of the sixth session of the Board;
 - (xi) To approve the appointment of Mr. Zhang Jun as an independent non-executive director of the sixth session of the Board.
7. To approve the member of the sixth session of the supervisory committee of the Company (*Note 2*)
- (i) To approve the appointment of Mr. Lv Yong as a supervisor of the sixth session of the Supervisory Committee;
 - (ii) To approve the appointment of Ms. Tao Qing as a supervisor of the sixth session of the Supervisory Committee, and
8. To approve the proposed remuneration of each of the independent non-executive directors of the sixth session of the Board at RMB150,000 (after taxation) per annum and the grant of authorization to the chairman of the sixth session of the Board to enter into service contract or letter of appointment with each of the independent non-executive directors.

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SPECIAL RESOLUTION

1. To approve the proposed amendments to Articles 21 of the articles of association of the Company, and to authorize any executive director of the board of directors of the Company to make such further amendments according to the opinions provided by the relevant approval authorities. (*Note 3*)

By order of the Board,
Ye Yong-ming
Chairman

Shanghai, the PRC, 27 April 2017

Notes:

1. Please refer to pages 7 to 16 of the circular of the Company dated 27 April 2017 for details of the candidates for directors.
2. Please refer to pages 17 to 18 of the circular of the Company dated 27 April 2017 for details of the candidates for supervisors.
3. Please refer to page 5 of the circular of the Company dated 27 April 2017 for details of proposed amendments to article 21 of the articles of association of the Company.
4. The H Shares share register of the Company will be closed from Friday, 12 May 2017 to Monday, 12 June 2017 (both days inclusive), during which no transfer of H Shares of the Company will be effected. Any holders of H Shares, whose names appear on the Company's Register of Members on Monday, 12 May 2017, are entitled to attend and vote at the AGM after completing the registration procedures for attending the meeting. In order to be entitled to attend and vote at the AGM, 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 Thursday, 11 May 2017.
5. The address of the Company's share registrar for share transfer of H Shares in Hong Kong is as follow:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
6. Holders of H Shares of the Company, who intend to attend the AGM, must complete the reply slip for attending the AGM and return them to the office of the secretary to the board of directors of the Company not later than 20 days before the date of the AGM. Details of the office of the secretary to the Board is as follow:

13th Floors
Bailian Central Plaza
1258 Zhen Guang Lu
Shanghai
The PRC

Tel: (8621) 5278 9576
Fax: (8621) 5279 7976
7. Each holder of H Shares who has the right to attend and vote at the AGM is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his behalf at the AGM. A proxy of a shareholder of the Company who has appointed more than one proxy may only vote on a poll.

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8. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorized in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarially certified.
9. In the case of holder of H Shares of the Company, 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 appointor, 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 AGM or any adjournment thereof in order for such documents to be valid.
10. 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 its behalf at the AGM. Notes (8) to (9) also apply to holders of 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 (6) above, not less than 24 hours before the time for holding the AGM or any adjournment, thereof in order for such documents to be valid.
11. Shareholders shall produce their identity documents when attending the meeting. If a proxy attends the AGM on behalf of a shareholder of the Company, he should produce his identity card and the instrument signed by the shareholder or his legal representative, which specifies the date of its issuance. If the legal representative of a legal person share shareholder attends the AGM, such legal representative should produce his identity card and valid documents evidencing his capacity as such legal representative. If a legal person share shareholder appoints a representative of the company other than its legal representative to attend the AGM, such representative should produce his identity card and an authorization instrument affixed with the seal of the legal person share shareholder and duly signed by its legal representative.
12. The AGM is expected to last for half a day. Shareholders of the Company attending the AGM are responsible for their own transportation and accommodation expenses.

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

<i>Executive director:</i>	Qi Yue-hong
<i>Non-executive directors:</i>	Ye Yong-ming, Zhang Ye, Zhou Jing-bo, Qian Jian-qiang, Zheng Xiao-yun and Wong Tak Hung
<i>Independent non-executive directors:</i>	Xia Da-wei, Lee Kwok Ming, Don, Sheng Yan and Zhang Jun