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

(Stock Code: 00980)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board would like to inform the Shareholders and potential investors that the Group is expected to record a decrease in net loss in a range of approximately 40% to 60% for the year ended 31 December 2022 as compared to the audited net loss of approximately RMB423 million for the year ended 31 December 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Lianhua Supermarket Holdings Co., Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a relatively significant decrease in its operating loss for the year 2022, which is mainly due to that the Group actively promoted the development of its supply chain and cost control, resulting in an increase in its operating profit. In addition, the guaranteed supply completed in Shanghai and Zhejiang regions during the pandemic in the first half of 2022 effectively recovered the loss arising from the temporary store closures due to the pandemic precautionary measures.

Given the above, the Board would like to inform the Shareholders and potential investors that the Group is expected to record a decrease in net loss in a range of approximately 40% to 60% for the year ended 31 December 2022 as compared to the audited net loss of approximately RMB423 million for the year ended 31 December 2021.

This profit warning announcement is prepared only based on the information currently available to the Group and a preliminary assessment on the management accounts of the Group by the management of the Company, which has not been audited or reviewed by the Company's auditors. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the Group's annual results for the year ended 31 December 2022, which is expected to be published in March 2023. There may be differences between such information and the estimated financial information set out above.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Shanghai, the People's Republic of China, 28 February 2023

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

Executive Director: Chong Xiao-bing;

Non-executive Directors: Pu Shao-hua, Shi Xiao-long, Xu Pan-hua, Zhang Shen-yu, Dong Xiao-chun and Wong Tak Hung;

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