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

## **ANNOUNCEMENT TERMINATION OF EXISTING CONTINUING CONNECTED TRANSACTIONS**

### **TERMINATION AGREEMENT**

Reference is made to the circular of the Company dated 15 November 2005 and the announcements of the Company dated 27 October 2005, 28 November 2008, 28 November 2011, 23 December 2014, 28 November 2017 and 24 December 2020, respectively, relating to, among others, the leasing of the Premises under the Shanghai Xianxia Leasing Agreement entered into between Century Lianhua Changning and Bailian Xijiao.

On 30 January 2024, Century Lianhua Changning, a subsidiary of the Company, entered into the Termination Agreement with Bailian Xijiao, a subsidiary of Shanghai Bailian in relation to, among others, the early termination of the Shanghai Xianxia Leasing Agreement. This announcement is made by the Company pursuant to Rule 14A.35 of the Listing Rules.

### **BACKGROUND**

Reference is made to the circular of the Company dated 15 November 2005 and the announcements of the Company dated 27 October 2005, 28 November 2008, 28 November 2011, 23 December 2014, 28 November 2017 and 24 December 2020, respectively, relating to, among others, the leasing of the Premises under the Shanghai Xianxia Leasing Agreement entered into between Century Lianhua Changning and Bailian Xijiao. On 30 January 2024, Century Lianhua Changning, a subsidiary of the Company, entered into the Termination Agreement with Bailian Xijiao, a subsidiary of Shanghai Bailian in relation to, among others, the early termination of the Shanghai Xianxia Leasing Agreement.

## **THE TERMINATION AGREEMENT**

On 30 January 2024, Century Lianhua Changning entered into the Termination Agreement with Bailian Xijiao, the principal terms of which are summarised as follows:

### **Date**

30 January 2024

### **Parties**

- (1) Century Lianhua Changning (as lessee); and
- (2) Bailian Xijiao (as lessor)

### **Premises**

Address: No. 88, Xian Xia Xi Lu, Chang Ning District, Shanghai, the PRC

Total leasing area: 15,300.79 sq.m.

### **Date of Termination**

27 June 2022

### **Compensation for early termination**

- (1). A total sum of RMB10 million is payable by Bailian Xijiao to Century Lianhua Changning as compensation payment for the early termination of the Shanghai Xianxia Leasing Agreement. The sum represents the entire sum payable by Bailian Xijiao to Century Lianhua Changning in connection to the early termination of the Shanghai Xianxia Leasing Agreement and covers compensation for all losses to be incurred by Century Lianhua Changning, including, among others, staff redundancy payment payable by Century Lianhua Changning, the loss on the fixed assets and the loss on inventory of goods.

- (2). The compensation payment will be payable by Bailian Xijiao to Century Lianhua Changning no later than 31 January 2024 in one go.
- (3). Both parties shall not be liable to each other for any breach of contract or compensation other than the compensation set out above.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE TERMINATION AGREEMENT**

Given the transformation and upgrading needs of Bailian Xijiao (being the Landlord), all tenants are required to cease operation and withdraw from business, therefore, the hypermarket of the Company located in the Premise also ceased operation. And the parties have decided to enter into the Termination Agreement after arms' length negotiation. Under the Termination Agreement, Century Lianhua Changning will be compensated for the early termination of the Shanghai Xianxia Leasing Agreement as requested by Bailian Xijiao.

The Directors (including independent non-executive Directors) consider that the termination of the Shanghai Xianxia Leasing Agreement and the compensation for the early termination is fair and reasonable and on normal commercial terms and the terms of the Termination Agreement are fair and reasonable, on normal commercial terms in the interest of the Company and the Shareholders as a whole.

## **BOARD'S APPROVAL**

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

Since Mr. Pu Shao-hua, Mr. Shi Xiao-long, Mr. Chong Xiao-bing, Ms. Zhang Shen-yu and Mr. Dong Xiao-chun are either holding senior positions or are directors in Bailian Group and/or its subsidiaries, they have abstained from voting on the relevant resolution of the Board to approve the entering into of the Termination Agreement. Save as disclosed above, none of the other Directors was required to abstain from voting to approve the relevant Board resolution.

## **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 the Century Lianhua Changning**

Century Lianhua Changning, a subsidiary of the Company, is principally engaged in operating hypermarket located in the Premise in Chang Ning District, Shanghai.

### **Information of the Bailian Xijiao**

Bailian Xijiao is principally engaged in property development and management and leasing of property in China. Shanghai Bailian, Bailian Holding, Shanghai Yuying and Changning HCD holds 75%, 12.48%, 11.52% and 1% equity interests in Bailian Xijiao. Shanghai Bailian is a joint stock company listed on Shanghai Stock Exchange (stock code: 600827/900923) and Bailian Group is the controlling shareholder of Shanghai Bailian with a direct and indirect shareholding of 53.16%. Bailian Group is 100% held by Shanghai State-owned Assets Supervision and Administration Commission. Bailian Group also holds 52% equity interest in Bailian Holding, and Shanghai Yuyuan, a joint stock company listed on Shanghai Stock Exchange (stock code: 600655) holds the remaining 48% equity interest in Bailian Holding. Bailian Group also holds 52% equity interest in Shanghai Yuying, and Shanghai Yuyuan holds the remaining 48% equity interest in Shanghai Yuying. Changning HCD is indirectly 100% held by the State-owned Assets Supervision and Administration Commission of Shanghai Changning District.

## **DEFINITIONS**

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

“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
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“Bailian Holding”	Shanghai Bailian Holding Co., Ltd.* (上海百聯控股有限公司)
“Bailian Xijiao”	Shanghai Bailian Xijiao Shopping Centre Co., Ltd.* (上海百聯西郊購物中心有限公司), formerly known as Shanghai Friendship Shopping Centre Development Co., Ltd.* (上海友誼購物中心發展有限公司)
“Board”	the board of Directors
“Century Lianhua Changning”	Shanghai Century Lianhua Changning Co., Ltd.* (上海世紀聯華超市長寧有限公司)
“Changning HCD”	Shanghai Changning House Construction Development Co., Ltd.* (上海長住企業發展有限公司)
“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
“H Share(s)”	the overseas listed foreign shares of nominal value of RMB1.00 each in the registered capital of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Premises”	No. 88 Xian Xia Xi Lu, Chang Ning District, Shanghai, the PRC, with a total leasing area of 15,300.79 sq.m.

“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Bailian”	Shanghai Bailian Group Co., Limited* (上海百聯集團股份有限公司), a substantial Shareholder
“Shanghai Xianxia Leasing Agreement”	the leasing agreement dated 30 September 2003, relating to the leasing of the Premises
“Shanghai Yuying”	Shanghai Yuying Enterprise Management Co., Ltd.* (上海豫贏企業管理有限公司)
“Shanghai Yuyuan”	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.* (上海豫園旅遊商城(集團)股份有限公司)
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Agreement”	the termination agreement dated 30 January 2024 entered into between Century Lianhua Changning and Bailian Xijiao for termination of the Shanghai Xianxia Leasing Agreement
“%”	per cent

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

Shanghai, the PRC, 30 January 2024

*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, Hu Xiao, 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.

\* *For identification purpose only*