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JIANGSU HORIZON CHAIN SUPERMARKET COMPANY LIMITED
江蘇宏信超市連鎖股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2625)

PROPOSED CHANGE IN USE OF UNUTILIZED NET PROCEEDS

Reference is made to (i) the prospectus of Jiangsu Horizon Chain Supermarket Company Limited (the "**Company**" and together with its subsidiaries, the "**Group**") dated 21 March 2025 (the "**Prospectus**") in relation to the Global Offering, and (ii) the annual report of the Company for the year ended 31 December 2025 in relation to the use of Net Proceeds (the "**Report**").

Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Prospectus and the Report.

PROPOSED CHANGE IN USE OF UNUTILIZED NET PROCEEDS

As at the date of this announcement, the Company has utilized approximately HKD22.9 million of the Net Proceeds and the unutilized Net Proceeds amounted to HKD66.2 million (the "**Unutilized Net Proceeds**").

Having considered the Group's business needs and efficiency in utilization of the Net Proceeds, the Board resolved on 27 April 2026 to change partial amounts of the use of the Unutilized Net Proceeds designated for "To establish a new distribution centre" to "To expand the existing distribution centre" and "To open new retail stores".

Set out below is the utilization of the Net Proceeds up to the date of this announcement and the proposed change in use of the Unutilized Net Proceeds:

Use of Net Proceeds	**Revised allocated Net Proceeds from the Global Offering based on the Actual Listing Expenses** *(approximate HK$ million)*	**Net Proceeds utilised up to the date of this announcement** *(approximate HK$ million)*	**Unutilized Net Proceeds up to the date of this announcement** *(approximate HK$ million)*	**Revised allocation of Unutilized Net Proceeds** *(approximate HK$ million)*
To open new retail stores	27.5	21.9	5.6	11.9
(i) Store renovation	8.2	8.2	–	6.3
(ii) Purchase of shelves	7.9	5.2	2.7	2.7
(iii) Purchase of cold storage facilities, lightings, air-conditioning, CCTV surveillance system and POS system	7.5	4.6	2.9	2.9
(iv) Installation of fire safety system	3.9	3.9	–	–
To establish a new distribution centre	36.7	–	36.7	13.2
(i) Acquisition of a parcel of land located in Jiangdu District, Jiangsu Province, the PRC	13.2	–	13.2	13.2
(ii) Construction of the new distribution centre	16.3	–	16.3	–
(iii) Acquisition of shelves, lightings and ancillary facilities and installing fire safety system	7.2	–	7.2	–
To establish a new central kitchen	23.9	–	23.9	23.9
(i) Construction of the new central kitchen	4.5	–	4.5	4.5
(ii) Acquisition of machines and equipment	8.9	–	8.9	8.9
(iii) Acquisition and installation of fire safety system, ventilation system, cold storage facilities, utilities, air-conditioning, CCTV surveillance system and ancillary facilities	9.2	–	9.2	9.2
(iv) Acquisition of additional vehicles for the delivery of meals	1.3	–	1.3	1.3
To enhance our ERP system and infrastructure systems	1.0	1.0	–	–
To expand the existing distribution centre	–	–	–	17.2
(i) Expanding onstruction of the existing distribution Centre	–	–	–	10.0
(ii) Acquisition of shelves, lightings and ancillary facilities and installing fire safety system	–	–	–	7.2
Total	89.1	22.9	66.2	66.2

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF UNUTILIZED NET PROCEEDS

Reference is made to the Prospectus and the Report in relation to, among other things, the proposed application of the Unutilized Net Proceeds designated for "To establish a new distribution centre" and "To establish a new central kitchen". As disclosed in the Prospectus, the Group originally intended to acquire a parcel of land in Jiangdu District, Jiangsu Province, the PRC for the construction of the new distribution centre and the new central kitchen. Subsequent to the Listing, the Group has continued to communicate with the relevant government authorities in respect of the implementation of such plans and the regularisation of the Defective Land and the properties thereon on which the existing Muyuan Central Kitchen is located. Based on the Company's communications with the relevant government authorities, the Company understands that preliminary progress has been made in relation to the regularisation of the Defective Land under the policy guidelines of the Land Use Project for the Integrated Development of Primary, Secondary, and Tertiary Industries* (一二三產業融合發展用地項目). For further details, please refer to the section headed "Compliance with Laws and Regulations" under "Report of Directors" in the Report.

Subject to and upon completion of the regularisation of the Defective Land and the obtaining of the relevant land use rights and property ownership in accordance with applicable laws and regulations, the Company may formulate an updated implementation plan in relation to the establishment of the new central kitchen and the new distribution centre, taking into account, among other things, the then status of the relevant land and properties, the Group's business development needs, operational requirements and the expected utilisation of resources. Pending completion of the aforesaid procedures and the formulation of such updated implementation plan, the Board considers it prudent and in the interests of the Company and the Shareholders as a whole to adopt interim measures to address the Group's current operational needs.

In relation to the central kitchen, the Group has continued to communicate with the Shaobo Town People's Government and other relevant authorities regarding the regularisation of the land use rights and property ownership certificates for the Defective Land and the properties thereon on which the existing Muyuan Central Kitchen is located. In light of the progress of the regularisation process and the pathway towards regularising the relevant titles, the Company has temporarily suspended the Central Kitchen Relocation Plan. Given that the relevant land use rights and property ownership in respect of the Defective Land and the properties thereon have not yet been obtained, the Company does not intend to carry out any expansion of the existing central kitchen at this stage. The Company will continue to monitor the progress of the regularisation process and will formulate an updated plan for the establishment of the new central kitchen as and when appropriate, having regard to the Group's business needs and the applicable regulatory requirements.

* *For identification purposes only*

In relation to the distribution centre, as the Group's existing distribution centre is situated on land with valid land use right certificates, the Company considers that expanding and upgrading the existing distribution centre as an interim measure, including by adding equipment and increasing the area of the distribution centre by leasing certain premises, would enable the Group to address its current warehousing and distribution needs in a more timely and cost-effective manner pending completion of the relevant procedures and the formulation of the updated implementation plan for the new distribution centre. Accordingly, the Board resolved to re-allocate part of the Unutilized Net Proceeds originally designated for establishing the new distribution centre to expanding and upgrading the existing distribution centre and other purposes mainly for retail and wholesale operations as set out in this announcement.

In the Reporting Period, the Group's revenue generated from sales from retail and wholesale operations increased by 15.0% to approximately RMB1,478.2 million from approximately RMB1,285.2 million for the year ended 31 December 2024. To strengthen our market position, increase our market share and capture the growth in the PRC retail industry, the Company intends to open new retail stores to expand our presence and number of retail stores.

The Board considers the opening of new retail stores and expanding the existing distribution centre is beneficial in strengthening the Group's retail and wholesale operations, and the re-allocation of the Unutilized Net Proceed would not impede or otherwise adversely affect the Group's business operation. The Board confirms that there is no material change in the business nature of the Group as set out in the Prospectus and considered that the proposed change in the use of the Unutilized Net Proceeds will not have any material adverse impact on the operations of the Group and is in the best interests of the Company and the Shareholders as a whole.

A circular containing, amongst other things, the proposed change together with a notice convening the general meeting of the Company, will be provided to the Shareholders in due course.

By order of the Board
Jiangsu Horizon Chain Supermarket Company Limited
Mr. Gao Feng
Chairman

Jiangsu, the PRC, 27 April 2026

As at the date of this announcement, the Board comprises Mr. Gao Feng, Mr. Yuan Yuan, Mr. Zhang Jiaan, Mr. Yao Jun, Ms. Shen Zhigen, Ms. Nai Jingjing and Mr. Wang Fei as executive directors, Ms. Wei Yan as non-executive director, and Ms. Jia Meng, Mr. Zheng Manjun, Mr. Zheng Yu and Ms. Zhang Yan as independent non-executive directors.