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GUOQUAN FOOD (SHANGHAI) CO., LTD.

鍋圈食品(上海)股份有限公司

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

(Stock Code: 2517)

PROPOSED ADOPTION OF THE 2026 H SHARE EQUITY INCENTIVE SCHEME

AND

PROPOSED AUTHORISATION TO THE BOARD AND/OR THE SCHEME MANAGEMENT COMMITTEE TO HANDLE MATTERS RELATING TO THE 2026 H SHARE EQUITY INCENTIVE SCHEME

PROPOSED ADOPTION OF THE 2026 H SHARE EQUITY INCENTIVE SCHEME

The board (the “**Board**”) of directors (the “**Directors**”) of Guoquan Food (Shanghai) Co., Ltd. (the “**Company**”) is pleased to announce that, on July 13, 2026, the Board has resolved to propose the adoption of the 2026 H Share Equity Incentive Scheme (the “**2026 H Share Equity Incentive Scheme**”).

The purposes of the 2026 H Share Equity Incentive Scheme are to: (a) attract and retain eligible participants who have made significant contributions to the long-term growth and success of the Group (the “**Eligible Participants**”), and recognize and reward the Eligible Participants for their past contributions to the Group; (b) encourage the Eligible Participants to make further contributions to the Company and strive to enhance the value of the Company and its Shares for the benefit of the Company and its shareholders (the “**Shareholders**”) as a whole; (c) strengthen the Company’s long-term remuneration incentive strategy; and (d) align the interests of the Eligible Participants with those of the Company and the Shareholders, so as to drive the long-term performance of the Company in financial, business and operational aspects.

The sources of the Shares under the 2026 H Share Equity Incentive Scheme will be: (i) treasury shares to be transferred by the Company; and/or (ii) existing H Shares acquired by the trustee, whether on-market or off-market.

The vesting of the Incentive Shares shall be primarily subject to the assessment of the Group's core operating profit. The Board and/or the scheme management committee may independently stipulate the provisions for satisfying the assessment targets, including but not limited to the condition that the vesting shall be subject to the satisfaction of either of the following: (i) the cumulative performance from the year of grant to the year preceding the vesting meets the target, or (ii) the single-year performance for the year preceding the vesting meets the target, and may adjust the assessment requirements, subject to compliance with the rules of the 2026 H Share Equity Incentive Scheme, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and any applicable laws and regulations. The specific assessment requirements shall be subject to the terms set out in the grant letter. The indicative target values for core operating profit for the assessment years are as follows: core operating profit for 2026 of not less than RMB600 million; core operating profit for 2027 of not less than RMB700 million; core operating profit for 2028 of not less than RMB800 million; core operating profit for 2029 of not less than RMB1,000 million; and core operating profit for 2030 of not less than RMB1,200 million. The targets for each of the years from 2031 to 2035 shall be determined by the Board and/or the scheme management committee from time to time at their sole discretion based on the Group's annual results and performance. The core operating profit refers to the net profit adjusted for the items affecting comparability, having considered both quantitative and qualitative factors when assessing whether to adjust for the impact of items that may be material or may affect the understanding of our ongoing financial and business performance or trends. Items that are affected by external factors and factors that are different from or unrelated to our core operations, such that they are considered to significantly affect the results for the current or comparable periods, are generally considered to be "items affecting comparability". The core operating profit is presented in the interim report and annual report of the Company.

The purchase price under the 2026 H Share Equity Incentive Scheme is determined with reference to the nominal value of the H Shares of the Company, and will be divided into four categories according to the job grades of the Selected Participants: Category 1 (vice president level): RMB1.0 per Share; Category 2 (department director level): RMB0.8 per Share; Category 3 (manager level): RMB0.6 per Share; and Category 4 (supervisor level and specialist level): RMB0.4 per Share.

The 2026 H Share Equity Incentive Scheme will constitute a share scheme involving the issue of new shares by the Company under Chapter 17 of the Listing Rules. The terms of the 2026 H Share Equity Incentive Scheme will comply with Chapter 17 of the Listing Rules.

The 2026 H Share Equity Incentive Scheme shall be conditional upon the Shareholders passing an ordinary resolution at the general meeting of the Company (the "**General Meeting**") to approve and adopt the 2026 H Share Equity Incentive Scheme, and authorise the Board to grant Incentive Shares to selected participants and to deal with the Shares, including treasury shares, in connection with the share incentives granted by the Company under the 2026 H Share Equity Incentive Scheme.

PROPOSED AUTHORISATION TO THE BOARD AND/OR THE SCHEME MANAGEMENT COMMITTEE TO HANDLE MATTERS RELATING TO THE 2026 H SHARE EQUITY INCENTIVE SCHEME

In order to ensure the implementation of the 2026 H Share Equity Incentive Scheme, the Board proposes that, subject to the approval of the 2026 H Share Equity Incentive Scheme by the Shareholders at the General Meeting, the Shareholders also authorise the Board and/or the scheme management committee to handle matters relating to the 2026 H Share Equity Incentive Scheme at their full discretion.

GENERAL INFORMATION

A circular containing, among other things, (i) further details of the 2026 H Share Equity Incentive Scheme; (ii) further details of the proposed authorisation to the Board and/or the scheme management committee to handle matters relating to the 2026 H Share Equity Incentive Scheme; and (iii) a notice convening the General Meeting, together with the proxy form, will be despatched to the Shareholders, if required, as soon as practicable, and published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.zzgqsh.com).

Shareholders and potential investors should note that, as at the date of this announcement, the 2026 H Share Equity Incentive Scheme is subject to approval by the Shareholders. Accordingly, Shareholders and potential investors should exercise caution when dealing in the Shares.

By order of the Board
Guoquan Food (Shanghai) Co., Ltd.
鍋圈食品(上海)股份有限公司

Mr. Yang Mingchao

Chairperson of the Board, Executive Director and Chief Executive Officer

Hong Kong, July 13, 2026

As at the date of this announcement, the Board of the Company comprises Mr. Yang Mingchao, Mr. Meng Xianjin, Mr. An Haolei, Ms. Luo Na and Ms. Yang Tongyu as executive Directors; Mr. Liu Zhengzheng as a non-executive Director; Mr. Zeng Xiaosong, Ms. Yu Fang Jing, Mr. Li Jianfeng and Mr. Shi Kangping as independent non-executive Directors; and Ms. Zheng Min as an employee Director.