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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)

**SUPPLEMENTAL ANNOUNCEMENT
REGARDING DISCLOSEABLE TRANSACTIONS
DISPOSAL OF EQUITY INTEREST IN HAIKE HONGXIN
AND
TERMINATION OF CAPITAL INCREASE IN HAIKE HONGXIN
AND
PROPOSED CHANGE IN USE OF UNUTILIZED NET PROCEEDS**

Reference is made to (i) the announcements of Jiangsu Horizon Chain Supermarket Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 11 November 2025, 17 November 2025, 1 December 2025 and 2 December 2025 in relation to the Placing and the Capital Increase (collectively, the “**Previous Announcements**”); and (ii) the announcement of the Company dated 17 July 2026 in relation to the Disposal, the Termination and the proposed change in use of the Unutilized Net Proceeds (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement and the Previous Announcements.

The Company would like to provide the following supplemental information regarding the Disposal and the Termination:

BUSINESS PERFORMANCE OF HAIKE HONGXIN SINCE THE PREVIOUS TRANSACTION

After learning about Haiké Hongxin’s then business plan to develop and commercialise artificial intelligence and intelligent robotics solutions for retail and catering applications, including unmanned coffee machines, the Company made the Previous Transaction in May 2025, at the time of Haiké Hongxin’s establishment, by contributing RMB25 million and acquiring approximately 18.0012% of the equity interest in Haiké Hongxin. Haiké Hongxin was established on 28 April 2025.

Haike Hongxin launched the unmanned coffee machines around October 2025 and the Company made use of certain unmanned coffee machines in its unmanned smart stores. In particular, 3 machines were deployed on a trial basis at 3 of the Group's convenience stores during the period from October 2025 to November 2025. During the initial trial period, no material cleaning, maintenance or space constraints had yet become apparent. The initial market reception for the unmanned coffee machines was positive and prompted the Company to decide on the Capital Increase.

Following a longer operating period, from approximately March 2026, the Company deemed their performance unsatisfactory due to the need for frequent manual cleaning and the fact that their large size hindered widespread deployment in convenience stores. These issues increased operating requirements, reduced the expected labour-saving benefits and limited the scalability of the machines across the Group's convenience-store network.

In addition, from approximately March 2026, Haike Hongxin increased a material part of its development resources toward unmanned food-service machines and changed its product development focus, which reduced the expected strategic fit with the Group's supermarket and convenience-store operations.

FACTORS AND CONSIDERATIONS TAKEN INTO ACCOUNT BY THE BOARD

In reaching its decision on the Disposal and the Termination, the Board considered the following factors:

- (i) the operational constraints identified during the extended use of the unmanned coffee machines, which reduced their expected suitability for broad deployment across the Group's convenience-store network;
- (ii) the slower-than-expected research, development and commercialisation progress of Haike Hongxin's other artificial intelligence and intelligent robotics products and the change in Haike Hongxin's product-development focus, which reduced the expected strategic and operational synergies;
- (iii) the uncertainty as to the additional time, management resources and funding that would be required for Haike Hongxin to resolve the above issues and achieve sustainable commercialisation. Completion of the Capital Increase would have increased the Company's interest only to approximately 40.7148%, and any pursuit of the previously stated longer-term objective of obtaining control would have required further negotiation and potentially further funding;

- (iv) the Group's own working-capital requirements and the opportunity cost of committing the Unutilized Net Proceeds to an investment whose expected commercial benefits had become materially less certain;
- (v) the change from a net profit after taxation of approximately RMB1.330 million for the period from 28 April 2025 to 31 December 2025 to a net loss after taxation of approximately RMB1.972 million for the six months ended 30 June 2026;
- (vi) the opportunity to dispose of the Company's entire interest for RMB25 million, being an amount equal to the Company's original investment cost and close to the carrying amount of the investment, and to terminate the Capital Increase Agreement without any termination fee, compensation or penalty; and
- (vii) the alternatives of continuing with the Capital Increase, reducing or phasing the proposed investment, allowing Haike Hongxin additional time to address the operational issues, or retaining the existing minority interest. Having considered the increased execution risk and uncertain return of those alternatives, the Board concluded that the Disposal and the Termination would better preserve the Group's financial resources and protect the interests of the Company and the Shareholders as a whole.

Accordingly, the change from further investment to disposal was primarily based on operational information that became available after the Capital Increase was approved, rather than a change in the Group's overall objective of improving the intelligence and automation of its retail operations.

FUTURE BUSINESS PLANS AND STRATEGIES FOR UNMANNED RETAIL OPERATIONS AND INTELLIGENT AUTOMATION

Unmanned coffee machines represent just one aspect of the Company's initiatives in relation to unmanned retail operations and intelligent automation. The Disposal and the Termination do not represent an abandonment of these objectives. The Group intends to pursue such objectives through incremental in-store trials, enhancement of its own digital systems and procurement of mature solutions from suitable third-party technology providers. The Group's current plans and strategies are as follows:

1. The Group is conducting a preliminary technical and commercial assessment of third-party solutions for robotic picking, stocking, and shelf organisation, and is currently seeking project partners. The Group is in discussions with potential solution providers and, subject to technical feasibility and commercial terms, intends to conduct a pilot at the Group's supermarket stores. The pilot would assess accuracy, reliability, compatibility with the Group's inventory systems, labour savings, cost and expected payback period.

2. The Group currently operates two unmanned smart stores located at Yangzhou City, Jiangsu Province, which commenced operation in October 2025 and December 2025 respectively and use self-service checkout, smart access control, digital inventory management and other relevant functions. The Group is evaluating potential locations and preparing to open two additional stores by June 2027, subject to the operating results of the existing stores, site availability, lease negotiations and budget approval.
3. The Group has deployed three unmanned logistics vehicles since November 2025 for warehouse-to-store/last-mile delivery routes and locations. Based on the results of the existing deployment, including delivery time, number of deliveries, utilisation rate and/or labour-cost savings, the Group intends to deploy additional vehicles, subject to operating performance, regulatory requirements and budget approval.

The above initiatives are at different stages of evaluation and implementation and remain subject to technical feasibility, commercial viability, budget approval and, where applicable, negotiation of definitive agreements. The initiatives will be funded from the Group's internal resources and/or other financing arrangements. The Company will comply with the applicable announcement, reporting and/or Shareholders' approval requirements under the Listing Rules if any future transaction constitutes a notifiable or connected transaction.

DETAILED BREAKDOWN OF THE PROCEEDS TO BE APPLIED TOWARDS GENERAL WORKING CAPITAL

The proceeds from the Disposal will be applied towards the repayment of trade payables of approximately RMB15 million and the store renovation of existing retail stores of approximately RMB10 million.

Subject to the approval of the Shareholders at the general meeting, the Company proposes to reallocate the entire Unutilized Net Proceeds from the Placing of approximately HKD58.55 million towards the general working capital of the Group to: approximately 25% for staff costs, approximately 5% for audit fees, approximately 10% for professional fees, and approximately 60% for other operating expenses.

Save as disclosed in this announcement, all other information in the Announcement remains unchanged.

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

Jiangsu, the PRC, 4 August 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.