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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)

SUPPLEMENTAL ANNOUNCEMENT PROPOSED CHANGE IN USE OF PROCEEDS

Reference is made to the announcement of Guoquan Food (Shanghai) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 26 August 2026 in relation to the proposed change in use of proceeds from the Global Offering (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this supplemental announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to provide Shareholders and potential investors with further information on the reasons for and benefits of the proposed change in use of the unutilised net proceeds from the Global Offering.

The Board has continued to review the utilisation of the net proceeds from the Global Offering with reference to the Group’s business development priorities, the actual progress of the relevant projects and the funding requirements of each use of proceeds. Having considered the Group’s operational experience since the Global Offering and the actual utilisation of the net proceeds as at 30 June 2026, the Board considers that the proposed reallocation will allow the Group to deploy the remaining net proceeds to projects with more immediate and increased funding requirements.

Opening and operating self-operated stores

The Prospectus contemplated that part of the net proceeds would be used to open and operate self-operated stores, specifically premium stores outside Mainland China. However, based on the Group’s actual development since the Global Offering, the near-term funding needs for this use have been lower than originally expected because the Group’s store network in Mainland China has expanded predominantly through franchised stores, while the outside Mainland China self-operated store network remains at the pilot and refinement stage.

In Mainland China, the Group’s store network has continued to expand primarily through the franchise model, rather than through self-operated stores. As disclosed in the 2026 Interim Results Announcement, the Group’s store network had increased from 10,307 stores as at the end of 2023 to 12,198 stores as at 30 June 2026. As at 30 June 2026, the Group had 12,190 franchised stores and eight self-operated stores, and franchised stores accounted for 99.9% of the Group’s total store network. The number of stores in township markets reached 3,377, representing more than 27% of the store network.

Outside Mainland China, while the Group remains committed to developing self-operated stores, the Group has opened its first self-operated pilot store in the Hong Kong Special Administrative Region in mid-2026 and expects to spend at least one year refining the store's operating model and product mix and optimising a regional supply chain serving the Greater Bay Area and the Hong Kong Special Administrative Region before further expansion.

As a result, the pace of utilisation of the net proceeds originally allocated to opening and operating self-operated stores has been slower than originally expected, and the Board considers it appropriate to retain approximately HK\$40.0 million for this purpose and reallocate approximately HK\$139.5 million to building, investing in or acquiring factories, where the Group has more immediate and increased funding requirements.

Building product R&D centres as well as upgrading and purchasing related equipment

The Prospectus contemplated that part of the net proceeds would be used to build product R&D centres and to upgrade and purchase related equipment. However, based on the Group's actual development since the Global Offering, the funding needs for this use have been lower than originally expected.

After the Global Offering, the Group has continuously adopted a joint R&D model with suppliers. Under this model, part of the product development work can be carried out by leveraging suppliers' existing product development capabilities and resources, instead of requiring the Group to make the same level of upfront investment in its own R&D centres and related equipment as originally contemplated. Through continuous collaboration with suppliers, the Group has continued to launch new products each year after the Global Offering.

In addition, during 2025, the Group began to develop store formats and products targeting Chinese dining occasions such as Guoquan stir-fry store format and used approximately HK\$0.6 million of the net proceeds for the construction of product R&D centres. Compared with the Group's existing hotpot and barbecue products, products for Chinese dining occasions accounted for a lower proportion of the Group's sales and required fewer R&D resources.

As a result, the Group's near-term funding needs for building product R&D centres and purchasing related equipment are lower than the amount originally reserved for this purpose, and the Board considers it appropriate to retain approximately HK\$10.0 million for this purpose and reallocate approximately HK\$34.3 million to building, investing in or acquiring factories, where the Group has more immediate and increased funding requirements.

Building, investing in or acquiring factories

The Prospectus contemplated that part of the net proceeds would be used to build, invest in or acquire factories. Since the Global Offering, the Group has continued to implement this plan and invest in factory and supply chain projects: during the year ended 31 December 2024, the Group used approximately HK\$59.6 million of the net proceeds for its investment in Beihai Daixiaji Food Co., Ltd. (北海逮蝦記食品有限公司), a supplier of the Company. In July 2025, the Group used approximately HK\$50.3 million of the net proceeds to construct its production base in Danzhou, Hainan Province, the PRC. As at 30 June 2026, only approximately HK\$2.2 million of the net proceeds allocated to this use remained unutilised.

As the Group continues to deepen its proprietary supply chain layout, its funding requirements for related facilities and projects, including factories, core raw material bases and warehousing and logistics systems, have increased. Further investment in these facilities and projects will enable the Group to strengthen its control over key stages of the supply chain, including the sourcing of core raw materials, production scheduling, quality control, inventory management and logistics coordination.

Such investment is expected to enhance supply chain stability by improving the Group's access to key products and raw materials, strengthening coordination over production and logistics arrangements and underpinning reliable product quality and continuous supply. It is also expected to enhance supply chain flexibility by allowing the Group to adjust production plans and inventory allocation more efficiently in response to changes in store network demand, product mix and regional market requirements.

On this basis, the Board considers it appropriate to reallocate approximately HK\$173.8 million of unutilised net proceeds from uses with reduced near-term funding requirements to building, investing in or acquiring factories, where the Group has more immediate and increased funding requirements.

To the best of the Company's knowledge, save for the matters disclosed in the Announcement and this supplemental announcement in relation to the proposed change in use of proceeds, there has been no material change in the business and operations of the Group. The proposed change represents a more targeted deployment of the unutilised net proceeds having regard to the actual utilisation progress of the relevant uses, the implementation progress of the relevant projects and the Group's current funding requirements.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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, 9 September 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.