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XIAOCAIYUAN INTERNATIONAL HOLDING LTD.
小菜園國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0999)

DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

The Board announces that, during the period from February 25, 2025 to June 23, 2025 (the "**Relevant Period**"), the Group has subscribed for certain wealth management products offered by Agricultural Bank and Huishang Bank, respectively, the principal terms of which are set out below.

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS FROM AGRICULTURAL BANK

During the Relevant Period, Xiaocaiyuan Catering, a wholly-owned subsidiary of the Company, has subscribed for certain wealth management products offered by Agricultural Bank, the principal terms of which are set out below:

No.	Subscription date	Product name	Subscription amount *(RMB million)*	Estimated annualized rate of return	Term of product/ Maturity date	Product type	Outstanding principal amount as of the date of this announcement *(RMB million)*
1	April 2, 2025	ABC Wealth Management "Nong Yin An Xin • Ling Dong (農銀安心•靈動)" 14-day negotiable certificate of deposits and deposits enhanced RMB wealth management product (corporate Yue Xiang)	50	2.20%-2.50%	Minimum 14 days, 14-day open for redemption	Non-principal guaranteed with floating return	50
2	April 8, 2025	ABC Wealth Management "Nong Yin An Xin • Ling Dong (農銀安心•靈動)" 14-day negotiable certificate of deposits and deposits enhanced RMB wealth management product (corporate Yue Xiang)	50	2.20%-2.50%	Minimum 14 days, 14-day open for redemption	Non-principal guaranteed with floating return	50
3	May 7, 2025	ABC Wealth Management "Nong Yin An Xin • Ling Dong (農銀安心•靈動)" 14-day negotiable certificate of deposits and deposits enhanced RMB wealth management product (corporate Yue Xiang)	100	2.20%-2.50%	Minimum 14 days, 14-day open for redemption	Non-principal guaranteed with floating return	100
	Total		**200**				**200**

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS FROM HUISHANG BANK

During the Relevant Period, Xiaocaiyuan Catering, a wholly-owned subsidiary of the Company, has subscribed for certain wealth management products offered by Huishang Bank, the principal terms of which are set out below:

No.	Subscription date	Product name	Subscription amount *(RMB million)*	Estimated annualized rate of return	Term of product/ Maturity date	Product type	Outstanding principal amount as of the date of this announcement *(RMB million)*
1	February 25, 2025	HSBank Wealth Management "Anying (安盈)" exclusive fixed income wealth management products 250059	100	2.75%	March 4, 2026	Non-principal guaranteed with floating return	100
2	April 22, 2025	HSBank Wealth Management "Anying (安盈)" Wenlizhouzhoukai No. 2 wealth management products	20	RMB 7-day notice deposit rate of financial institutions published by the People's Bank of China	No fixed term, redeemable early	Non-principal guaranteed with floating return	20
3	June 23, 2025	HSBank Wealth Management "Anying (安盈)" exclusive fixed income wealth management products 250268	50	2.50%	January 13, 2026	Non-principal guaranteed with floating return	50
	Total		**170**				**170**

BASIS FOR DETERMINING THE CONSIDERATIONS

The Board confirmed that the consideration of each of the Subscriptions was determined on the basis of normal commercial terms negotiated at arm's length between the Group and each of Agricultural Bank and Huishang Bank, respectively, having considered (i) the Group's investment strategy of fully utilizing idle funds and improving capital utilization efficiency by operating and managing its own funds through bank wealth management products and other wealth management tools, while ensuring high safety and good liquidity to achieve capital preservation and appreciation under the premise of controlling investment risks; (ii) the then available surplus cash of the Group for treasury management purposes at the time of subscription; (iii) the expected investment returns, terms, and investment scope of each of the Subscriptions, the wealth management products subscribed by the Group from Agricultural Bank and Huishang Bank are all fixed-income products, i.e. products that are invested with at least 80% of their assets in deposits and debt-related assets such as bonds, in accordance with the Guiding Opinions on Regulating Asset Management Business of Financial Institutions* (《關於規範金融機構資產管理業務的指導意見》) jointly issued by the People's Bank of China, former China Banking and Insurance Regulatory Commission (currently known as National Financial Regulatory Administration), China Securities Regulatory Commission and State Administration of Foreign Exchange; and (iv) the prevailing market interest rates and practices.

SOURCE OF FUNDS FOR THE SUBSCRIPTION

The Subscriptions were funded by the Group's internal resources, without utilizing any proceeds from the Global Offering.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

Each of the Subscriptions was carried out by the Group for treasury management purposes in order to maximize the utilization of its surplus cash received from its business operations, with a view to achieving balanced yields whilst maintaining high liquidity and a relatively low level of risks. Taking into consideration, among others, the relatively low level of risks and the expected rates of return of the wealth management products, the Group considers that the Subscriptions will provide the Group with better returns than the returns on deposits generally offered by commercial banks (for instance, the interest rate obtained by the Company for a one-year time deposit at a bank in the PRC is 1.6%) and increase the Company's overall earnings. The Company has monitored and managed the risk of each of the Subscriptions closely and effectively and will continue to do so.

Having considered and prudently assessed that each of the Subscriptions is classified as relatively low risk, and with reference to similar products in the market and their general rates of return, the Board is of the view that the terms of each of the Subscriptions are fair and reasonable and in the best interests of the Company and its shareholders as a whole. The Group has implemented adequate and appropriate internal control procedures to ensure that each of the Subscriptions will not affect the working capital or operations of the Group, and that such investments will be conducted on the principle of protecting the overall interests of the Company and its shareholders.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio for each subscribing for wealth management products during the Relevant Period, on a standalone basis, was less than 5%, and therefore does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

However, in accordance with Rule 14.22 of the Listing Rules, as each subscribing for the wealth management products during the Relevant Period was conducted with the same counterparty, was of a similar nature, and was completed within 12 months, these transactions should be aggregated. As the highest applicable percentage ratio in respect of subscribing for the wealth management products, on an aggregate basis, during the Relevant Period exceeded 5% but was less than 25%, subscribing for such wealth management products constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules, but is exempt from the shareholders' approval requirement. The Company should have complied with the reporting and announcement requirements on May 7, 2025 and June 23, 2025 for the Subscriptions conducted on the respective dates. Regrettably, the Company acknowledges that such compliance with the Listing Rules has been delayed due to oversight in monitoring the aggregate balance of wealth management products with one single counterparty. To prevent the re-occurrence of similar incidents in the future, the Company has implemented remedial measures, details of which are set out under "Remedial Measures" in this announcement.

INFORMATION ON THE PARTIES

Information of the Company

The Company is a holding company principally engaged in the operation of self-owned chain restaurants. The Company is principally engaged in restaurant operations, catering delivery services and supply chain management. The Company is also engaged in other businesses such as the sale of food ingredients and new retail business. The Company operates "Xiaocaiyuan restaurants" and other branded stores in China, offering a wide range of dishes including cold dishes, stews, braised dishes, dry-pot dishes, stir-fried dishes, clay-pot dishes, steam dishes, soups and desserts.

Information of Agricultural Bank

According to public information, Agricultural Bank is a joint stock company incorporated under the laws of the PRC, listed on the Stock Exchange (stock code: 01288) and the Shanghai Stock Exchange (stock code: 601288), primarily engaged in corporate banking, retail banking, treasury operations, and other businesses.

To the knowledge and belief of the Directors having made all reasonable enquiries, Agricultural Bank is a third party independent of the Company and its connected persons.

Information of Huishang Bank

According to public information, Huishang Bank is a joint stock company incorporated under the laws of the PRC, listed on the Stock Exchange (stock code: 03698), and principally engaged in corporate banking, retail banking, treasury, and other businesses.

To the knowledge and belief of the Directors having made all reasonable enquiries, Huishang Bank is a third party independent of the Company and its connected persons.

REMEDIAL MEASURES

The Company should have complied with the relevant notification and announcement requirements under Rule 14.34 of the Listing Rules in respect of subscribing for wealth management products as and when such obligation arose. The Company regrettably acknowledges that its compliance with the relevant requirements under the Listing Rules has been delayed due to its oversight in monitoring the total balance of wealth management products with a single counterparty. Recently, the relevant internal departments of the Company revisited the relevant transactions and identified such incidents after seeking advice from professional advisors on the implications under the Listing Rules. Accordingly, the Company hereby publishes this announcement as soon as practicable to inform the shareholders of the Company of subscribing for wealth management products. To prevent the recurrence of similar incidents in the future, the Company has implemented the following internal control measures with immediate effect:

1. The Company has issued specific guidelines regarding notifiable transactions and connected transactions in accordance with the Listing Rules. The Company will also invite its legal advisors, compliance advisor, auditors and other professional advisors to provide training on notifiable transactions and connected transactions to strengthen and reinforce the Directors, senior management and relevant staff's current understanding of notifiable transactions and connected transactions, highlighting the importance of complying with the Listing Rules, and their ability to identify potential issues at an early stage;

2. Before entering into any similar transactions, the relevant department of the Company has prepared a wealth management product control list to monitor its balance on an individual and consolidated basis, and will continue to update the list. Since its listing on the Stock Exchange, the Company has been consulting legal advisors, compliance advisor, auditors and other professional advisors on its daily compliance affairs. The Company will continue to assess the Group's existing and future wealth management transactions together with its legal advisors, compliance advisor, auditors, and other professional advisors to ensure the Company's compliance with the Listing Rules;

3. The Company will consult professional advisors as appropriate and necessary before entering into any potential notifiable transaction. If necessary, the Company will also consult the Stock Exchange on the obligations of the proposed transaction; and

4. Since its listing on the Stock Exchange, the executive Directors and senior management of the Company have continuously monitored the internal control measures of the Group. They will continue to do so and regularly report their findings and make appropriate recommendations to the Board.

DEFINITIONS

"Agricultural Bank"	Agricultural Bank of China Limited, a company listed on the Stock Exchange (stock code: 01288) and the Shanghai Stock Exchange (stock code: 601288)
"Board"	the board of directors of the Company
"Company"	Xiaocaiyuan International Holding Ltd. (小菜園國際控股有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on October 19, 2021
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Global Offering"	the Hong Kong Public Offering and the International Offering described in the prospectus of the Company dated December 12, 2024
"Group"	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Huishang Bank"	Huishang Bank Corporation Limited* (徽商銀行股份有限公司), a company listed on the Stock Exchange (stock code: 03698)
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC" or "China"	the People's Republic of China, but for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Subscription(s)"	the Company's subscription of wealth management products from Agricultural Bank and Huishang Bank, respectively, with the main terms set out in this announcement
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Xiaocaiyuan Catering"	Anhui Xiaocaiyuan Catering Management Co., Ltd. (安徽小菜園餐飲管理有限責任公司), a limited liability company incorporated under the laws of the PRC on June 9, 2013 and a wholly-owned subsidiary of the Company

By order of the Board
Xiaocaiyuan International Holding Ltd.
Mr. Wang Shugao
Chairman of the Board and Executive Director

Hong Kong, August 14, 2025

As at the date of this announcement, the Board comprises Mr. Wang Shugao, Mr. Li Daoqing, Mr. Tian Chunyong, Mr. Zhou Bin, Ms. Wang Weifang and Mr. Tao Xu'an as executive directors; Ms. Zhu Xuejing as the non-executive director; and Mr. Qian Mingxing, Mr. Zhu Nanjun, Mr. Zeng Xiaosong and Ms. Fang Xuan as independent non-executive directors.

* *For identification purposes only*