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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)

INSIDE INFORMATION
ADOPTION OF REVISED DIVIDEND POLICY

This announcement is made by Xiaocaiyuan International Holding Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company is pleased to announce that it has approved and adopted a revised dividend policy (the "**Revised Dividend Policy**") to set the rate of dividends that the Company intends to distribute to the shareholders of the Company (the "**Shareholders**") at 50% to 60% of the profit attributable to equity shareholders of the Company for a financial year, subject to the conditions and factors set below in the Revised Dividend Policy. The Revised Dividend Policy will take effect from August 15, 2025.

The Company is a holding company incorporated in the Cayman Islands and operate businesses of the Company through its operating subsidiaries in the PRC. Therefore, the availability of funds to pay dividends to the Shareholders depends upon dividends received from these subsidiaries. The PRC laws and regulations require that dividends be paid only out of the net profit calculated according to PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including IFRS. The PRC laws and regulations also require enterprises incorporated in the PRC to set aside 10% of after-tax profits based on the relevant accounting standards set out by the PRC regulatory authorities at the end of each year to fund certain statutory reserves until such reserve funds reach and remain at or above 50% of the relevant PRC entity's registered capital. Distributions from subsidiaries of the Company may also be restricted if they incur debt or losses, or in accordance with any restrictive covenants in bank credit facilities or other agreements that the Company or its subsidiaries may enter into in the future.

According to the Revised Dividend Policy, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its share value. The Board has the discretion to declare and distribute dividends to the Shareholders, subject to the articles of association of the Company, all applicable laws and regulations and the Revised Dividend Policy. The Board shall also consider the following factors of the Group when considering the declaration and payment of dividends:

(a) actual and expected operating results;

(b) cash flow;

(c) financial condition;

(d) general business condition and strategies;

(e) expected operating capital requirements;

(f) future expansion plan and prospects;

(g) any legal, regulatory and other contractual restrictions on payment of dividends; and

(h) any other factors that the Board may consider relevant.

Depending on the financial conditions of the Group and the conditions and factors set out above, the Board may recommend and/or declare the following dividends:

(a) final dividends;

(b) interim dividends;

(c) special dividends; and

(d) any distribution of net profits that the Board may deem appropriate.

Any final dividends for a financial year will be subject to Shareholders' approval. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate.

The Revised Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividends and/or in no way obligate the Company to declare a dividend at any time or from time to time.

The Board will review the Revised Dividend Policy as appropriate from time to time.

Shareholders and potential investors should exercise caution when dealing in the shares 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 15, 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.