Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

CONNECTED TRANSACTION
ESTABLISHMENT OF A JOINT VENTURE

ESTABLISHMENT OF A JOINT VENTURE

The Board is pleased to announce that on January 13, 2026 (after trading hours), Xiaocaiyuan Catering (a wholly-owned subsidiary of the Company), Mr. Deng and Mr. Tian entered into a Cooperation Agreement in relation to, among other matters, the Parties' agreement to jointly contribute capital to establish a Joint Venture to carry out businesses including, but not limited to, an online mall and "community ready-to-eat shops" (社區即食小店). Upon completion of the Transaction, the Joint Venture shall become a non-wholly owned subsidiary of the Company.

Pursuant to the Cooperation Agreement, the Initial Registered Capital of the Joint Venture shall be RMB20 million, with Xiaocaiyuan Catering contributing RMB14 million in cash, representing 70% of the Joint Venture's registered capital; Mr. Deng contributing RMB5 million in cash, representing 25% of the Joint Venture's registered capital; and Mr. Tian contributing RMB1 million in cash, representing 5% of the Joint Venture's registered capital.

Upon exhaustion of the Initial Registered Capital, if the shareholders' meeting of the Joint Venture resolves to continue capital contributions based on operational requirements and funding needs, each Party shall make further capital injections. The cumulative contribution of Xiaocaiyuan Catering (including the Initial Registered Capital) shall not exceed RMB85 million, while the cumulative contribution of Mr. Deng (including the Initial Registered Capital) shall be RMB10 million and the cumulative contribution of Mr. Tian (including the Initial Registered Capital) shall be RMB5 million.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Tian and parties acting in concert with him collectively hold approximately 36.52% of the issued Shares of the Company, and Mr. Tian is one of Controlling Shareholders of the Company. Furthermore, since Mr. Tian serves as an executive Director of the Company, he is a connected person of the Company. Therefore, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the Transaction exceeds 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempted from the independent Shareholders' approval requirement.

COOPERATION AGREEMENT

On January 13, 2026 (after trading hours), Xiaocaiyuan Catering, Mr. Deng and Mr. Tian entered into a Cooperation Agreement in relation to, among other matters, the Parties' agreement to jointly contribute capital to establish a Joint Venture to carry out businesses including, but not limited to, an online mall and "community ready-to-eat shops" (社區即食小店). Upon completion of the Transaction, the Joint Venture shall become a non-wholly owned subsidiary of the Company.

The principal terms of the Cooperation Agreement are set out below:

1. Date

January 13, 2026

2. Parties

(1) Xiaocaiyuan Catering

(2) Mr. Deng

(3) Mr. Tian

3. Nature of the Joint Venture

Limited Liability Company

4. Registered Capital

The registered capital of the Joint Venture upon establishment shall be RMB20 million (the "**Initial Registered Capital**"), which shall be utilised as investment funds for the operation of the Joint Venture.

5. Capital Contribution Arrangements

The amounts of subscribed registered capital and subscription ratios of each Party are set out below:

Name of Shareholders	**The Amounts of Subscribed Registered Capital** *(RMB ten thousand)*	**Subscription Ratio**
Xiaocaiyuan Catering	1,400	70%
Mr. Deng	500	25%
Mr. Tian	100	5%
Total	**2,000**	**100%**

Each Party shall contribute to the Joint Venture in monetary form using its own funds.

The paid-in arrangements for each Party to complete the Initial Registered Capital to the Joint Venture are set out below:

(1) Within 10 working days after the Joint Venture is incorporated and a bank account is opened, each Party shall pay 50% of its subscribed registered capital into the Joint Venture's bank account;

(2) Within 10 working days after the expiry of three months from the date of establishment of the Joint Venture, each Party shall pay 50% of its subscribed registered capital into the Joint Venture's bank account.

Upon exhaustion of the Initial Registered Capital, if the shareholders' meeting of the Joint Venture resolves to continue capital contributions based on operational requirements and funding needs, each Party shall make further capital injections. The cumulative contribution of Xiaocaiyuan Catering (including the Initial Registered Capital) shall not exceed RMB85 million, while the cumulative contribution of Mr. Deng (including the Initial Registered Capital) shall be RMB10 million and the cumulative contribution of Mr. Tian (including the Initial Registered Capital) shall be RMB5 million. Before the registered capital of the Joint Venture reaching RMB40 million (inclusive), each Party shall contribute capital according to the aforementioned subscription ratios, with each Party's shareholding ratio remaining unchanged. Following the registered capital of the Joint Venture reaching RMB40 million (exclusive), the equity ratio held by any Party failing to make continuous contributions shall be diluted in proportion to the continuous contributions made by the other Parties.

Upon expiry on December 31, 2027, the Joint Venture shall possess the conditions and ability to conduct business operations using profits from operating income and/or external financing to raise working capital. In such circumstances, unless otherwise mutually agreed by the Parties, no further capital contributions shall be made to the Joint Venture.

The registered capital under the Cooperation Agreement and the capital contribution amounts of each Party shall be determined through arm's length negotiation, with reference to factors including the nature of the Joint Venture's business, its operational status, capital requirements, future development plans, and the respective interests of each Party in the Joint Venture.

The Joint Venture shall formulate a stock incentive plan in conjunction with the progress of joint operations and financing arrangements and implement the stock incentive plan based on the operational assessment of the Joint Venture's management team. Specific details shall be stipulated within the stock incentive plan. The Company shall develop and implement the stock incentive plan in compliance with the provisions of Chapter 17 of the Listing Rules, where applicable.

6. Business Scope

The Joint Venture's businesses primarily consist of four segments: (1) omnichannel e-commerce + local lifestyle services; (2) supply chain operations; (3) quality lifestyle hubs (small retails); and (4) the fourth party distributor services. During operations, the Joint Venture shall actively explore new business formats, models, and products.

7. Corporate Governance

(1) Shareholders' Meeting

The shareholders' meeting of the Joint Venture shall be composed of all shareholders of the Joint Venture and shall constitute the decision-making body of the Joint Venture. When voting takes place, shareholders shall exercise their voting rights according to their subscription ratio. Resolutions of the shareholders' meeting shall be passed by shareholders representing a majority of the voting rights. Resolutions concerning the increase or decrease of registered capital, merger, division, dissolution, liquidation, alteration of the form of a company, amendment of the articles of association, or approval of equity/asset restructuring plans shall be passed by shareholders representing not less than two-thirds of the voting rights.

(2) Directors and Board of Directors

The Joint Venture shall establish a board of directors comprising three members, with Xiaocaiyuan Catering entitled to appoint two directors and Mr. Deng entitled to appoint one director. Directors shall serve a term of three years and may be reappointed by their original appointing party. Each shareholder may at any time appoint a new director to replace any director they have appointed. The chairman of the board of directors of the Joint Venture shall be the director appointed by Xiaocaiyuan Catering.

The board of directors shall convene meetings biannually, summoned and chaired by the chairman. Extraordinary meetings may be convened upon proposal by the chairman or at least one-third of the directors. Voting at board meetings shall be conducted on a one director, one vote basis. Resolutions made by the board of directors shall be passed with the approval of a majority of directors. Resolutions made by the board of directors concerning the annual business strategy and major investment/financing plans, annual financial budget and final accounts, annual business operation plans, and the formulation of company equity/asset restructuring schemes shall require unanimous consent from all directors.

(3) Supervisors

The Joint Venture shall not appoint a supervisor for the time being. The appointment of a supervisor shall be considered based on the future development and financing situation of the Joint Venture as well as the requirements of relevant laws and regulations.

(4) Senior Management

The management of the Joint Venture shall formulate and implement phased business objectives and financial budgets, etc., as follows:

Mr. Deng shall serve as the first Chief Executive Officer (CEO) of the Joint Venture. Mr. Deng shall be the head of business operations of the Joint Venture, responsible for establishing and leading the management team.

Xiaocaiyuan Catering shall designate personnel to serve as the financial officer of the Joint Venture.

Mr. Tian shall designate personnel to serve as deputy general manager, responsible for product development and supply chain management.

8. Restrictions on Equity Interest Disposal

Mr. Deng shall not transfer all or part of his equity interest in the Joint Venture without the prior written consent of Xiaocaiyuan Catering. If Xiaocaiyuan Catering consents in writing to such a transfer, it shall be entitled to pre-emptive rights. No shareholder shall pledge, mortgage, or otherwise encumber all or part of the equity interests in the Joint Venture without the prior written consent of other shareholders.

REASONS AND BENEFITS OF THE TRANSACTION

The Transaction aims to achieve efficient resource allocation by integrating the technological, channel and talent advantages within the Group and among other Parties to generate synergies and enhance the Group's overall operational efficiency. At the same time, through equity cooperation, market and operational risks will be shared, thereby optimizing the Group's risk control capabilities. The Joint Venture will tap into the growth potential of premium supply chain resources, establishing an innovative food consumption platform integrating online shops, community retails and instant catering services to enhance brand value and market share as well as to advance the Group’s overall strategic objectives and further strengthen its market competitiveness.

The Directors (including independent non-executive Directors) consider that, although the Transaction is not conducted in the ordinary course of the Company's business, the terms of the Cooperation Agreement are on normal commercial terms, are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

As one of the Parties of the Cooperation Agreement, Mr. Tian has a material interest in the Transaction, hence he has abstained from voting on the resolution to consider and approve the Cooperation Agreement at the Board meeting. Save as disclosed above, no other Directors have any material interest in the Cooperation Agreement and shall be required to abstain from voting on the relevant Board resolution.

INFORMATION ABOUT THE PARTIES

(1) Xiaocaiyuan Catering

Xiaocaiyuan Catering is a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of the Company. It principally engages in the operation of chain catering outlets, possessing extensive supply chain operational experience and resources.

The Company is an exempted company incorporated in the Cayman Islands. The Group is one of the renowned self-operated chain restaurants in China's mass Chinese cuisine market, providing both dine-in and takeaway catering services to consumers within mass Chinese cuisine sector.

(2) Mr. Deng

Mr. Deng, a PRC citizen, is the founder of a new consumer fashion brand. Mr. Deng has extensive experience in consumer goods retail. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Mr. Deng is a third party independent of the Company and its connected persons.

(3) Mr. Tian

Mr. Tian, a PRC citizen, is an executive Director and a vice general manager of the Company. Mr. Tian has been serving as a director and a vice general manager of Xiaocaiyuan Catering since October 2014. Mr. Tian possesses extensive experience in food and catering chain operations and menu development. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Mr. Tian and parties acting in concert with him collectively hold approximately 36.52% of the issued Shares of the Company and Mr. Tian is one of Controlling Shareholders of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Tian and parties acting in concert with him collectively hold approximately 36.52% of the issued Shares of the Company, and Mr. Tian is one of Controlling Shareholders of the Company. Furthermore, since Mr. Tian serves as an executive Director of the Company, he is a connected person of the Company. Therefore, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the Transaction exceeds 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempted from the independent Shareholders' approval requirement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions shall have the following meanings when used herein:

"Board" or "Board of Directors"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China, but for the purpose of this announcement, not including Hong Kong, Macau Special Administrative Region of PRC and Taiwan
"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
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Cooperation Agreement"	the cooperation agreement entered into by Xiaocaiyuan Catering, Mr. Deng and Mr. Tian on January 13, 2026, pursuant to which the Parties agreed to jointly contribute capital to establish the Joint Venture
"Director(s)" or "our Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Joint Venture"	a limited liability company to be incorporated in the People's Republic of China pursuant to the Cooperation Agreement
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Mr. Deng"	Mr. Deng Gaoke (鄧高科)
"Mr. Tian"	Mr. Tian Chunyong, an executive Director and a vice general manager of the Company
"Party(ies)"	Xiaocaiyuan Catering, Mr. Deng and Mr. Tian
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) with nominal value of US$0.00001 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Transaction"	the establishment of a joint venture by Xiaocaiyuan Catering, Mr. Deng and Mr. Tian pursuant to the terms of the Cooperation Agreement
"US$"	United States dollars, the lawful currency of the United States of America
"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
"%"	percentage

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

Hong Kong, January 13, 2026

As at the date of this announcement, the Board comprises Mr. Wang Shugao, 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.