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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024**

FINANCIAL HIGHLIGHTS:

	For the year ended December 31,		
	2024	2023	Change
	RMB'000	RMB'000	
Revenue	5,209,874	4,549,415	14.5%
Profit before taxation	771,254	744,119	3.6%
Income tax	(190,632)	(212,060)	-10.1%
Profit for the year	580,622	532,059	9.1%
Attributable to:			
Equity shareholders of the Company	580,622	532,059	9.1%
Total comprehensive income for the year	585,417	530,876	10.3%
Basic earnings per share (RMB)	0.56	0.53	5.7%
Diluted earnings per share (RMB)	0.56	0.53	5.7%

The Board has resolved to recommend the distribution of final dividends of RMB0.3187 per share for the year ended December 31, 2024.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Xiaocaiyuan International Holding Ltd. (the “**Company**”) hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**” or “**us**”) for the year ended December 31, 2024 (the “**Reporting Period**”) and the comparative figures for the same period in 2023. The aforementioned annual results have been prepared in accordance with the International Financial Reporting Standards (“**IFRS**”) Accounting Standards and reviewed by the audit committee of the Company (the “**Audit Committee**”).

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2024

(Expressed in Renminbi)

	Note	2024 RMB'000	2023 RMB'000
Revenue	2	5,209,874	4,549,415
Other revenue	3	42,509	43,811
Raw materials and consumables used		(1,661,021)	(1,433,379)
Staff costs	4(b)	(1,421,596)	(1,334,181)
Depreciation of right-of-use assets		(256,474)	(196,270)
Other rentals and related expenses		(93,053)	(58,525)
Depreciation and amortization of other assets		(175,536)	(133,947)
Utility expenses		(171,774)	(139,602)
Advertising and promotion expenses		(63,407)	(48,270)
Delivery service expenses		(354,814)	(257,886)
Other expenses	4(c)	(273,467)	(210,575)
Other net income/(losses)	4(d)	31,135	(4,918)
Finance costs	4(a)	(41,122)	(31,554)
Profit before taxation		771,254	744,119
Income tax	5(a)	(190,632)	(212,060)
Profit for the year		580,622	532,059
Attributable to:			
Equity shareholders of the Company		580,622	532,059
Earnings per share	6		
Basic		0.56	0.53
Diluted		0.56	0.53

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

(Expressed in Renminbi)

	2024 RMB'000	2023 RMB'000
Profit for the year	580,622	532,059
Other comprehensive income for the year (after tax and reclassification adjustments)		
Item that will not be reclassified to profit or loss:		
Exchange differences on translation of financial statements of the Company	6,005	613
Item that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of financial statements of overseas subsidiaries	(1,210)	(1,796)
Other comprehensive income for the year	4,795	(1,183)
Total comprehensive income for the year	585,417	530,876
Attributable to:		
Equity shareholders of the Company	585,417	530,876
Total comprehensive income for the year	585,417	530,876

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

	Note	31 December 2024 RMB'000	31 December 2023 RMB'000
Non-current assets			
Property, plant and equipment		699,251	583,120
Right-of-use assets		788,591	694,092
Intangible assets		2,512	2,912
Deferred tax assets		16,401	—
Rental deposits		41,419	39,765
		<u>1,548,174</u>	<u>1,319,889</u>
Current assets			
Inventories	7	109,566	104,898
Trade and other receivables	8	301,863	270,137
Financial assets at fair value through profit or loss ("FVPL")		788,280	—
Restricted bank deposits		—	25,000
Time deposits		223,356	—
Cash and cash equivalents		616,661	620,153
		<u>2,039,726</u>	<u>1,020,188</u>
Current liabilities			
Bank loans and other borrowings		—	50,000
Trade and other payables	9	228,500	280,477
Contract liabilities		77,334	67,860
Lease liabilities		223,830	192,171
Current taxation		77,024	70,526
		<u>606,688</u>	<u>661,034</u>
Net current assets		<u>1,433,038</u>	<u>359,154</u>
Total assets less current liabilities		<u>2,981,212</u>	<u>1,679,043</u>

	<i>Note</i>	31 December 2024 RMB'000	31 December 2023 <i>RMB'000</i>
Non-current liabilities			
Lease liabilities		586,641	518,960
Provisions		29,156	24,962
Deferred tax liabilities		–	10,137
Redemption liability		–	413,242
Derivative financial instruments		–	88,650
		615,797	1,055,951
Net assets		2,365,415	623,092
Capital and reserves			
Share capital	10	77	64
Reserves		2,365,338	623,028
Total equity		2,365,415	623,092

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1 General information

Xiaocaiyuan International Holding Ltd. (the “**Company**”) was incorporated in the Cayman Islands on 19 October 2021 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in restaurant operations, catering delivery services and supply chain management in the People’s Republic of China.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Listing**”) on 20 December 2024.

2 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board (“**IASB**”) and International Accounting Standards (“**IASs**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries.

Items included in these consolidated financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (“**functional currency**”). The functional currency of the Company is Renminbi (“**RMB**”). The consolidated financial statements are presented in RMB, rounded to nearest thousands, which is the presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- Other investments in securities; and
- Financial instruments issued to an investor

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) **Changes in accounting policies**

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* (“**2020 amendments**”) and amendments to IAS 1, *Presentation of financial statements – Non-current liabilities with covenants* (“**2022 amendments**”)
- Amendments to IFRS 16, *Leases – Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these amendments have had a material impact on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 Revenue and segment reporting

(a) **Revenue**

The principal activities of the Group are restaurant operations and delivery business in the PRC.

(i) **Disaggregation of revenue**

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2024 RMB’000	2023 RMB’000
Revenue from contracts with customers within the scope of IFRS 15		
– Restaurant operations	3,191,554	3,051,094
– Delivery business	2,004,766	1,491,354
– Others	13,554	6,967
	<u>5,209,874</u>	<u>4,549,415</u>

Disaggregated by timing of revenue recognition

– Point in time	<u>5,209,874</u>	<u>4,549,415</u>
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No revenue from individual customer contributed over 10% of total revenue of the Group for the year ended 31 December 2024 and 2023.

- (ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its contracts for rendering service such that information about revenue expected to be recognized in the future is not disclosed in respect of revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for rendering service that had an expected duration of one year or less.

(b) Segment reporting

The directors of the Company have been identified as the Group's most senior executive management. The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group has one operating segment, which is restaurant operations and delivery business. The Group's most senior executive management reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. Accordingly, no reportable segment information is presented.

As substantially all of the Group's operations and assets are in the PRC, no geographic information is presented.

3 Other revenue

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Other revenue		
Interest income on:		
– bank deposits	22,514	7,286
– rental deposits	2,109	1,736
	<u>24,623</u>	<u>9,022</u>
Investment income on wealth management products	4,191	2,556
Government grants (Note (i))	13,695	32,233
	<u>42,509</u>	<u>43,811</u>

- (i) Government grants mainly represent additional deduction and exemption on value-added tax and various forms of incentives and subsidies granted to the Group by the local government authorities in the PRC.

4 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank loans	470	2,299
Interest on lease liabilities	39,204	28,218
Interest on provisions	1,448	1,037
	<u>41,122</u>	<u>31,554</u>

(b) Staff costs

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Salaries, wages and other benefits	1,387,954	1,303,795
Contributions to defined contribution retirement plan (i)	33,642	30,386
	<u>1,421,596</u>	<u>1,334,181</u>

Note:

- (i) The employees of the subsidiaries of the Group established in the PRC participate in a defined contribution scheme managed by the local municipal governments, whereby these companies are required to contribute to the scheme at certain rates of the employees' salaries as agreed by the local municipal governments. Employees of these companies are entitled to benefits, calculated based on a percentage of the average salaries level in the PRC, from the above mentioned retirement scheme at their normal retirement age.

The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

(c) Other expenses

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Property management expenses	132,316	104,768
Transportation and related expenses	31,308	25,563
Administrative expenses	12,450	15,613
Professional service expenses	6,908	8,390
Listing expenses	36,911	8,493
Cleaning fees	14,409	14,870
Taxes and surcharges	12,338	9,184
Business development expenses	6,878	4,450
Impairment losses of property, plant and equipment and right-of-use assets	3,378	658
Others	16,571	18,586
	<u>273,467</u>	<u>210,575</u>

(d) Other net (income)/losses

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net losses on disposal of property, plant and equipment and right-of-use assets	6,043	4,465
Changes in carrying amount of the redemption liability	80,889	1,699
Changes in fair value of the convertible bonds and derivative financial instruments	(112,233)	3,733
Changes in fair value of the wealth management products	(428)	—
Exchange gains	(322)	(1,988)
Other income	(5,084)	(2,991)
	<u>(31,135)</u>	<u>4,918</u>

5 Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

	2024 RMB'000	2023 RMB'000
Current tax		
Provision for the year	196,337	210,008
	196,337	210,008
Deferred tax		
Origination and reversal of temporary differences	(5,705)	2,052
	190,632	212,060

Notes:

- (i) Pursuant to the tax rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) The applicable profits tax rate of the Group's subsidiaries incorporated in Hong Kong was 16.5% for the year ended 2024 and 2023. A two-tiered profits tax rates regime was introduced in 2018 whereby the first HKD2 million in assessable profits earned by a company will be taxed at half of the current tax rate (8.25%) while the remaining profits will continue to be taxed at 16.5%.
- (iii) Taxable income for the subsidiaries of the Company in the PRC are subject to PRC income tax rate of 25% for the year ended 31 December 2024 and 2023, unless otherwise specified below.

For the year ended 31 December 2024, the Group's certain subsidiaries fulfilled the criteria required for preferential income tax rate granted to small and low profit-making enterprise in the PRC, and were entitled to a preferential income tax rate of 5% (2023:5%) on taxable income for the amounts within RMB3,000,000.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	2024 RMB'000	2023 RMB'000
Profit before taxation	771,254	744,119
Notional tax on profit before taxation, calculated at the applicable rates in the tax jurisdictions concerned	185,567	187,291
Tax benefit of subsidiaries subject to preferential tax rates	(945)	(383)
Tax effect of non-deductible expenses	4,643	4,855
Tax effect of unused tax losses not recognized	1,665	774
Tax effect of utilization of tax losses not recognized in previous years	(298)	(1,310)
PRC dividend withholding tax	–	20,833
Actual tax expense	190,632	212,060

6 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the year.

On 10 February 2023, 40,000 shares were repurchased at nil consideration and cancelled by the Company, and each share in the Company's issued and unissued share capital was subdivided into 100,000 shares in December 2024. Accordingly, the weighted average number of ordinary shares throughout the periods presented has been adjusted retrospectively for the impacts of the share repurchase and the share subdivision.

(i) Profit attributable to ordinary equity shareholders of the company

	2024 RMB'000	2023 RMB'000
Profit attributable to equity shareholders of the company	580,622	532,059
Effect of discretionary dividend distributed to the preferred share holder	(13,152)	—
Profit attributable to ordinary equity shareholders of the Company	<u>567,470</u>	<u>532,059</u>

(ii) Weighted average number of ordinary shares

	2024 '000	2023 '000
Issued ordinary shares at 1 January	10	50
Effect of the share repurchase	—	(40)
Effect of the share subdivision	999,990	999,990
Effect of shares issued upon the completion of initial public offering	3,326	—
Effect of conversion of convertible preferred shares into ordinary shares	<u>2,477</u>	<u>—</u>
Weighted average number of ordinary shares at 31 December	<u>1,005,803</u>	<u>1,000,000</u>

(b) Diluted earnings per share

For the year ended 31 December 2024, preferred shares were not included in the calculation of diluted earnings per share because their effect would have been anti-dilutive. Accordingly, diluted earnings per share were the same as basic earnings per share.

For the year ended 31 December 2023, the calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB543,594,000 and the weighted average of 1,021,919,000 ordinary shares, calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the company (diluted)

	2023 RMB'000
Profit attributable to ordinary equity shareholders of the Company	532,059
Effect of changes in carrying amount of the redemption liability	1,699
Effect of changes in fair value of the convertible bonds	<u>9,836</u>
Profit attributable to ordinary equity shareholders of the Company (diluted)	<u>543,594</u>

(ii) Weighted average number of ordinary shares (diluted)

	2023 '000
Weighted average number of ordinary shares at 31 December	1,000,000
Effect of conversion of convertible bonds and redemption liability	<u>21,919</u>
Weighted average number of ordinary shares (diluted) at 31 December	<u><u>1,021,919</u></u>

7 Inventories

	2024 RMB'000	2023 RMB'000
Food ingredients	82,738	80,567
Condiment products	13,375	10,051
Beverage	3,507	3,524
Others	<u>9,946</u>	<u>10,756</u>
	<u><u>109,566</u></u>	<u><u>104,898</u></u>

(a) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2024 RMB'000	2023 RMB'000
Carrying amount of inventories sold and consumed	<u><u>1,661,021</u></u>	<u><u>1,433,379</u></u>

All of the inventories are expected to be recovered within one year.

8 Trade receivables, other receivables

	2024 RMB'000	2023 RMB'000
Trade debtors	30,730	33,707
Other receivables and deposits	84,678	88,901
Prepayments	173,715	134,107
Value added tax recoverable	<u>12,740</u>	<u>13,422</u>
	<u><u>301,863</u></u>	<u><u>270,137</u></u>

Prepayments mainly represent prepayments for prepayments of procurement, rental and property management expenses, utilities expenses.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the revenue recognition date, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 month	28,116	31,580
1 to 3 months	1,832	1,489
3 to 6 months	367	224
Over 6 months but within 1 year	415	414
	<u>30,730</u>	<u>33,707</u>

Trade debtors are due within 1 year from the date of revenue recognition.

9 Trade and other payables

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	56,932	81,577
Staff cost payable	96,992	108,190
Other taxes payable	11,142	8,558
Other payables and accrued charges	63,434	82,152
	<u>228,500</u>	<u>280,477</u>

As of the end of the reporting period, the ageing analysis of trade creditors and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within one year	<u>56,932</u>	<u>81,577</u>

10 Share capital

The Company was incorporated in the Cayman Islands on 19 October 2021 with authorized share capital of USD50,000 divided into 50,000 ordinary shares with a par value of USD1.00 each.

	<i>Number of shares '000</i>	<i>Amount USD'000</i>	<i>Share capital RMB'000</i>
Ordinary shares			
At 1 January 2023	50	50	322
Repurchase of shares (i)	(40)	(40)	(258)
At 31 December 2023	10	10	64
Effect of the share subdivision (ii)	999,990	–	–
Shares issued upon the completion of initial public offering (iii)	101,181	1	7
Conversion of convertible preferred shares into ordinary shares (iv)	75,338	1	6
At 31 December 2024	1,176,519	12	77

Notes:

- (i) On 10 February 2023, 40,000 shares have been repurchased and cancelled by the Company.
- (ii) Pursuant to a board resolution dated 2 December 2024, each share in the Company's issued and unissued share capital with a par value of USD1 was subdivided into 100,000 shares of the corresponding class with a par value of USD0.00001 each.
- (iii) On 20 December 2024, the Company issued 101,180,000 ordinary shares at an offer price of HKD8.50 per share through the Listing. Net proceeds from the Listing amounted to RMB776,579,000 equivalent, after deducting all capitalised listing expenses. Out of the net proceeds, RMB7,000 and RMB776,572,000 were credited to the Company's share capital and share premium account, respectively.
- (iv) Upon the completion of the Listing, 753.38 preferred shares were converted into 75,338,000 ordinary shares of the Company in aggregate (after adjusting for the effect of the share subdivision), resulting in a transfer of the carrying amount of financial instruments issued to investors of RMB592,313,000 and other reserve of RMB121,626,000 (negative) to ordinary share capital of RMB6,000 and share premium of RMB470,681,000 respectively.

11 Dividends

- (i) Dividend payable to equity shareholders of the Company attribute to the year:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Final dividend proposed after the end of the reporting period of RMB0.3187 per share (2023: RMB17,435 per share) (<i>Note</i>)	<u>375,000</u>	<u>187,500</u>

The final dividend proposed after the end of the reporting period has not been recognized as a liability at the end of the reporting period.

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial years, declared and approved during the year:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB17,435 per share (2023: RMB2,705 per share) (<i>Note</i>)	<u>187,500</u>	<u>135,276</u>

Note:

During the year ended 31 March 2024, the Company declared a final dividend of RMB187,500,000 in respect of the year ended 31 December 2023, among which, RMB13,152,000 was declared to the preferred share holder, and the amount was settled in May 2024.

The Company has carried out a share subdivision with a ratio of 1 to 100,000 on 2 December 2024. The dividend per share disclosed for the year ended 31 December 2023 were not adjusted for subdivision.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

China's economic and social landscapes are experiencing complex and significant transformations. Firstly, the per capita disposable income of urban households remains stable growth but at a slower rate, fueling a growing demand for mass Chinese cuisine. Secondly, the mass Chinese cuisine market is further propelled by urbanization in China. Thirdly, substantial changes in the demographic structure also transform the development of the catering industry in China, in particular stimulating the growth of the sub-segment with average spending per consumer below RMB100. As a result, the dynamic and evolving mass Chinese cuisine market accommodates the persistent and increasing demand of the vast consumer base for affordable dining experiences, demonstrating its immense size and growth potential. Given the long-term established leadership of our *Xiaocaiyuan* brand in the mass Chinese cuisine market with average spending per consumer between RMB50 and RMB100, coupled with our expansion into the sub-segment with average spending per consumer below RMB50, we believe that the present market dynamics and future growth prospects present favorable external conditions and opportunities for our continued development.

Business Review

We are one of the renowned self-operated chain restaurants in China's mass Chinese cuisine market. Capitalizing on our deep comprehension of China's evolving catering industry, the anticipated modernization and industrialization in the industry, and the inherent consumer demand, we strategically ventured into the growing mass Chinese cuisine sector. Since our establishment in 2013, we have been striving to offer consumers home-style flavor dishes and attentive services at affordable prices. We aspire to establish our *Xiaocaiyuan* restaurants as the "home kitchen" widely acknowledged by Chinese consumers.

Revenue

We mainly generated revenue from restaurant operations and delivery business. The following table sets out a breakdown of our revenue by business line for the periods indicated:

	For the year ended December 31,			
	2024		2023	
	RMB'000	%	RMB'000	%
Restaurant operations	3,191,554	61.3	3,051,094	67.1
Delivery business	2,004,766	38.5	1,491,354	32.8
Others	13,554	0.2	6,967	0.1
Total	5,209,874	100.0	4,549,415	100.0

The Group's revenue increased by 14.5% from RMB4,549.4 million in 2023 to RMB5,209.9 million in 2024, primarily reflecting an increase of RMB140.5 million in our restaurant operations and an increase of RMB513.4 million in our delivery business.

Restaurant Operations

Revenue from our restaurant operations increased by 4.6% from RMB3,051.1 million in 2023 to RMB3,191.6 million in 2024, primarily due to an increase in the number of restaurants in operation, we had 667 *Xiaocaiyuan* restaurants in operation as of December 31, 2024 as compared to 536 *Xiaocaiyuan* restaurants as of December 31, 2023.

Delivery Business

Revenue from our delivery business increased by 34.4% from RMB1,491.4 million in 2023 to RMB2,004.8 million in 2024, primarily due to an increase in the number of our delivery orders of our *Xiaocaiyuan* restaurants from 18.9 million in 2023 to 29.0 million in 2024, attributable to (i) an increase in the number of restaurants which offered delivery service aligned with the expansion of our restaurant network, and (ii) our increased appeal in online food delivery platforms.

Key Performance Indicators

The following table sets forth the distribution of the number and revenue of our *Xiaocaiyuan* restaurants across different tiers of cities in China as of the dates and for the periods indicated:

	For the year ended December 31,					
	2024 ⁽¹⁾			2023		
	<i>Number of restaurants</i>	<i>Total revenue (RMB in thousands)</i>	<i>%</i>	<i>Number of restaurants</i>	<i>Total revenue (RMB in thousands)</i>	<i>%</i>
First-tier cities	106	929,899	18.0	84	756,580	16.8
New first-tier cities	189	1,525,477	29.6	149	1,296,081	28.8
Second-tier cities	81	630,825	12.2	61	532,861	11.8
Third-tier cities and below (including county-level cities and counties)	291	2,071,966	40.2	242	1,922,446	42.6
Total	667	5,158,167	100.0	536	4,507,968	100.0

Note:

- (1) There were transformations of *Xiaocaiyuan* restaurants from *Fuxinglou* restaurants in June 2024 (initially opened in December 2020).

We use a number of financial and operating indicators to evaluate the performance of our *Xiaocaiyuan* restaurants. The following table sets forth certain key performance indicators of our *Xiaocaiyuan* restaurants during the periods indicated:

	For the year ended December 31,	
	2024 ⁽¹⁾	2023
Average spending per dine-in customer⁽²⁾ (RMB)		
First-tier cities	61.1	66.3
New first-tier cities	59.1	67.2
Second-tier cities	59.9	66.6
Third-tier cities and below (including county-level cities and counties)	58.4	63.4
Total	59.2	65.2
Table turnover rate⁽³⁾		
First-tier cities	3.1	3.4
New first-tier cities	3.0	3.4
Second-tier cities	3.2	3.4
Third-tier cities and below (including county-level cities and counties)	2.8	3.0
Overall	3.0	3.2

Notes:

- (1) There were transformations of *Xiaocaiyuan* restaurants from *Fuxinglou* restaurants in June 2024 (initially opened in December 2020).
- (2) Average spending per dine-in customer is calculated by dividing the revenue generated from restaurant operations by total number of dine-in customers served for the period in the same tier cities.
- (3) Table turnover rate is calculated by dividing the aggregate number of orders placed by dine-in customers by the product of total restaurant operation days and average table count of *Xiaocaiyuan* restaurants for the period in the same tier cities.

The following table sets forth certain same store performance indicators for our *Xiaocaiyuan* restaurants during the periods indicated:

	For the year ended December 31,	
	2024 ⁽¹⁾	2023
Number of same stores⁽²⁾		
First-tier cities	57	
New first-tier cities	98	
Second-tier cities	42	
Third-tier cities and below (including county-level cities and counties)	193	
Total	390	
Same store sales⁽³⁾ (RMB in thousands)		
First-tier cities	565,031.4	652,450.1
New first-tier cities	922,827.9	1,098,721.0
Second-tier cities	406,470.8	457,307.3
Third-tier cities and below (including county-level cities and counties)	1,556,875.2	1,718,405.9
Total	3,451,205.3	3,926,884.3
Average same store sales per day⁽⁴⁾ (RMB in thousands)		
First-tier cities	27.2	31.5
New first-tier cities	26.1	30.9
Second-tier cities	26.8	30.1
Third-tier cities and below (including county-level cities and counties)	22.1	24.6
Overall	24.4	27.8
Same store table turnover rate⁽⁵⁾ (times/day)		
First-tier cities	3.0	3.3
New first-tier cities	3.0	3.4
Second-tier cities	3.3	3.6
Third-tier cities and below (including county-level cities and counties)	2.9	3.1
Overall	3.0	3.3

Notes:

- (1) There were transformations of *Xiaocaiyuan* restaurants from *Fuxinglou* restaurants in June 2024 (initially opened in December 2020).
- (2) For purposes of calculating same store performance, between two periods, we define same stores as those *Xiaocaiyuan* restaurants that were open for at least 300 days in both 2023 and 2024.
- (3) Same store sales refer to the aggregate restaurant revenue from our same stores, including revenue generated from restaurant operations and delivery business.
- (4) Average same store sales per day are calculated by dividing the aggregate restaurant revenue of our same stores, including revenue generated from restaurant operations and delivery business, by the total restaurant operation days of our same stores for the period in the same tier cities.
- (5) Same store table turnover rate is calculated by dividing the aggregate number of orders placed by dine-in customers at our same stores by the product of total restaurant operation days and average table count of our same stores for the period in the same tier cities.

Our same store sales decreased by 12.1% from RMB3,926.9 million in 2023 to RMB3,451.2 million in 2024, primarily due to (i) the base effect as a result of the rapid surge in spendings of consumers in China's catering market during the first several months in 2023 following the gradual phasing-out of the COVID-19 pandemic, which was in line with the spending patterns in other consumer sectors according to Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., and (ii) our adjustments to the menu item prices to accommodate the preferences of consumers, demonstrating our long-term commitment to bringing cost-effective experience to our customers.

Other Revenue

Our other revenue decreased by 3.0% from RMB43.8 million in 2023 to RMB42.5 million in 2024, primarily due to the large amount of government grants received in the early stages of recovery from the COVID-19 epidemic in 2023.

Raw Materials and Consumables Used

Our raw materials and consumables used increased by 15.9% from RMB1,433.4 million in 2023 to RMB1,661.0 million in 2024, aligned with our revenue growth in the same period. Our raw materials and consumables used as a percentage of our revenue increased from 31.5% in 2023 to 31.9% in 2024, primarily due to the increase in our raw materials and consumables used was larger than the increase in revenue as we proactively adjusted the menu item prices to accommodate the preferences of consumers, demonstrating our long-term commitment to bringing cost-effective experience to our customers.

Staff Costs

Our staff costs increased by 6.6% from RMB1,334.2 million in 2023 to RMB1,421.6 million in 2024, primarily due to an increase in the number of our employees due to the expansion of our restaurant network. Our staff costs as a percentage of our revenue continued to optimize, reaching 29.3% in 2023 and 27.3% in 2024.

Depreciation of Right-of-use Assets

Our depreciation of right-of-use assets increased by 30.7% from RMB196.3 million in 2023 to RMB256.5 million in 2024, primarily due to an increase in the number of our restaurants in operation. Our depreciation of right-of-use assets as a percentage of our revenue remained relatively stable at 4.3% in 2023 and 4.9% in 2024.

Depreciation and Amortization of Other Assets

Our depreciation and amortization of other assets increased by 31.0% from RMB133.9 million in 2023 to RMB175.5 million in 2024, primarily due to an increase in the number of our restaurants in operation. Our depreciation and amortization of other assets as a percentage of our revenue remained relatively stable at 2.9% in 2023 and 3.4% in 2024.

Other Rentals and Related Expenses

Our other rentals and related expenses increased by 59.0% from RMB58.5 million in 2023 to RMB93.1 million in 2024, primarily due to an increase in lease payments for leases with a term of 12 months or less in relation to the expansion of our restaurant network.

Utility Expenses

Our utility expenses increased by 23.0% from RMB139.6 million in 2023 to RMB171.8 million in 2024, primarily due to an increase in the number of restaurants in operation.

Advertising and Promotion Expenses

Our advertising and promotion expenses increased by 31.4% from RMB48.3 million in 2023 to RMB63.4 million in 2024, primarily due to an increase in promotional activities on online food delivery platforms in line with the growth of our delivery business.

Delivery Service Expenses

Our delivery service expenses increased by 37.6% from RMB257.9 million in 2023 to RMB354.8 million in 2024, which was in line with the increase in revenue generated from our delivery business. Our delivery service expenses as a percentage of our revenue increased from 5.7% in 2023 to 6.8% in 2024, which was in relation to the increase in the revenue generated by our delivery business as a percentage of our total revenue from 32.8% in 2023 to 38.5% in 2024.

Other Expenses

Our other expenses increased by 29.9% from RMB210.6 million in 2023 to RMB273.5 million in 2024, primarily due to (i) an increase in property management expenses and transportation and related expenses as a result of the expansion of our restaurant network, and (ii) an increase in professional service expenses and listing expenses in relation to our Global Offering.

Other Net Income/(Losses)

We recorded other net losses of RMB4.9 million in 2023 and recorded other net income of RMB31.1 million in 2024, which was primarily due to a gain in changes in fair value of the convertible bonds and derivative financial instruments in 2024, partially offset by a loss in changes in carrying amount of the redemption liability in 2024, in relation to the financial instruments issued to Harvest Delicacy Infinite Corporation in 2023 and 2024.

Finance Costs

Our finance costs increased by 30.3% from RMB31.6 million in 2023 to RMB41.1 million in 2024, primarily due to an increase in interest on lease liabilities in line with the increase in the number of our leases as a result of the expansion of our restaurant network, partially offset by a decrease in interest on bank loans from a decrease in our bank loans.

Income Tax

Our income tax decreased by 10.1% from RMB212.1 million in 2023 to RMB190.6 million in 2024, primarily due to a decrease in our China dividend withholding tax. Our effective tax rate, calculated by dividing our income tax by our profit before taxation, decreased from 28.5% in 2023 to 24.7% in 2024, primarily due to an increase in profits from our subsidiaries that enjoyed preferential income tax rates in 2024.

Profit for the Period

As a result of the cumulative effect of the above factors, our profit for the period increased by 9.1%, amounting to RMB532.1 million in 2023 and RMB580.6 million in 2024.

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS.

We believe these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

Adjusted Net Profit (non-IFRS measure)

We define adjusted net profit (non-IFRS measure) as net profit for the year adjusted by adding (i) equity-settled share-based payment expenses, (ii) changes in fair value of the convertible bonds and derivative financial instruments, (iii) changes in carrying amount of the redemption liability and (iv) listing expenses. We then add back (i) income tax, (ii) net finance costs, and (iii) depreciation and amortization of other assets to derive adjusted EBITDA (non-IFRS measure).

The following table sets out a reconciliation from net profit to adjusted net profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) for the years indicated:

	For the year ended	
	December 31,	
	2024	2023
	(RMB'000)	(RMB'000)
Reconciliation of net profit to adjusted net profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure)		
Net profit	580,622	532,059
Add:		
Changes in fair value of the convertible bonds and derivative financial instruments	(112,233)	3,733
Changes in carrying amount of the redemption liability	80,889	1,699
Listing expenses	36,911	8,493
Adjusted net profit (non-IFRS measure)	586,189	545,984
Add:		
Income tax	190,632	212,060
Net finance costs	16,499	22,532
Depreciation and amortization of other assets	175,536	133,947
Adjusted EBITDA (non-IFRS measure)	968,856	914,523

Right-of-use Assets

Our right-of-use assets consisted of the leases for our restaurants. Our right-of-use assets increased by 13.6% from RMB694.1 million as of December 31, 2023 to RMB788.6 million as of December 31, 2024, mainly attributed to an increase in the number of restaurants and land acquisition of our new central kitchen in Ma'an Shan in January 2024.

Inventories

Our inventories primarily consisted of food ingredients, condiment products, beverage and others. Our inventories increased from RMB104.9 million as of December 31, 2023 to RMB109.6 million as of December 31, 2024, primarily due to the expansion of our restaurant network.

Our inventory turnover days (being the average of opening balance and closing balance of inventory for the year divided by raw materials and consumables used for the relevant year and multiplied by 365 days) decreased from 24.1 days in 2023 to 23.6 days in 2024, primarily due to our enhanced inventory management capabilities.

Trade and Other Receivables

The majority of our trade and other receivables were primarily in connection with (i) bills settled through third-party payment platforms such as Alipay or WeChat Pay, and (ii) bills for our delivery business settled through online food delivery platforms. Our trade and other receivables increased from RMB270.1 million as of December 31, 2023 to RMB301.9 million as of December 31, 2024, primarily due to the expansion of our restaurant network and growth in delivery business.

Our trade receivables turnover days (being the average of opening balance and closing balance of trade receivables for the year divided by revenue and multiplied by 365 days) remained relatively stable at 2.4 days in 2023 and 2.3 days in 2024, respectively.

Trade and Other Payables

The majority of our trade and other payables were in connection with payables to our suppliers for raw materials and consumables and payables of utility expenses.

Our trade and other payables decreased from RMB280.5 million as of December 31, 2023 to RMB228.5 million as of December 31, 2024, primarily because we accelerated the settlement process with our suppliers.

Our trade payables turnover days (being the average of opening balance and closing balance of trade payables for the year divided by raw materials and consumables used for the relevant year and multiplied by 365 days) decreased from 18.7 days in 2023 to 15.2 days in 2024, primarily due to an increase in the procurement of food ingredients through centralized procurement as a percentage of our total procurement during the Reporting Period, which facilitated our settlement process.

Liquidity and Capital Resources

For the year ended December 31, 2024, we had funded our cash requirements principally from equity and debt financing and cash generated from operations. We had cash and cash equivalents of RMB616.7 million for the year ended December 31, 2024 as compared to RMB620.2 million for the year ended December 31, 2023. We had net cash generated from operating activities of RMB902.9 million for the year ended December 31, 2024 as compared to RMB866.3 million for the year ended December 31, 2023.

We monitor our cash flows and cash balance on a regular basis and strive to maintain an optimum liquidity that can meet our working capital needs while supporting continuing business expansion.

Bank Loans and Other Borrowings

As at December 31, 2024, we did not have any outstanding bank loans and other borrowings. Our bank loans were guaranteed by Xiaocaiyuan Catering. All borrowings were denominated in RMB and born interest at fixed rates. The Group did not implement any interest rate hedging policy.

Pledged Assets

As at December 31, 2024, the Group did not pledge any of its assets.

Contingent Liabilities

As at December 31, 2024, the Group did not have any contingent liabilities.

Gearing Ratio

Our gearing ratio (calculated as bank loans and other borrowings divided by total equity and multiplied by 100%) was nil as at December 31, 2024 as compared to 8.0% as at December 31, 2023, primarily due to a decrease in bank loans and other borrowings to nil.

Foreign Exchange Risk and Hedging

The Group operates primarily in Mainland China with most of the transactions denominated and settled in RMB. The Group is exposed to currency risk which is primarily attributable to financial liabilities that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The Group does not hedge foreign exchange risk, but will closely monitor the situation and take measures when necessary, to ensure that foreign exchange risk is within control.

Employee and Remuneration Policy

As at December 31, 2024, the Group had a total of 12,034 employees (December 31, 2023: 12,295), most of whom were located in Tongling, Anhui Province, China. For the year ended December 31, 2024, the Group's total staff costs (including salaries, wages, allowances and benefits) amounted to RMB1,421.6 million.

We recruit our employees from the open market, as well as through internal referrals. The restaurant manager and our human resources department are responsible for recruiting restaurant frontline staff of that particular restaurant. Our recruitment process usually includes interviews and an evaluation of a candidate's qualifications and experiences. We are committed to providing fair and equal opportunities in all of our employment practices and have adopted policies and procedures to ensure a fair hiring, selection and promotion process. As required by regulations of the PRC, we participate in various employee social security plans that are organized by municipal and provincial governments, including pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds. For example, for regional managers, their compensation package includes base salary depending on the number of restaurants they manage and a discretionary bonus depending on the performance of such restaurants. In terms of our key restaurant employees, their compensation packages include base salary and a certain percentage of the profits from their respective restaurants as a discretionary bonus. In particular, for the key restaurant employees who are engaged to run new restaurants, they are entitled to the discretionary bonus from both the new restaurants and their original restaurants for a certain period. In terms of restaurant frontline staff, their compensation package includes base salary, overtime pay and incentive bonus based on individual performance. We have developed and implemented a compensation mechanism that considers every task in the restaurant for bonus review, such as the number of signature dishes sold and positive customer reviews received.

We hold monthly training programs for newly promoted restaurant managers and head chefs and other outstanding employees, where they share their working experiences and our management reiterates our values, motivating our employees to embrace our values, improve operational skills and develop management competencies for their career advancement.

Material Investments, Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the period from December 20, 2024 (the "**Listing Date**") up to December 31, 2024, the Company did not have any material investments, acquisitions or disposals of subsidiaries, associates and joint ventures.

Future Plans for Material Investments and Capital Asset Investments

As at December 31, 2024, save as disclosed in this results announcement and the prospectus of the Company (the “**Prospectus**”), the Group did not have any material investments and capital asset plans.

Future Outlook

Looking ahead, we will continue to consolidate our leading position in China’s rapidly growing mass Chinese cuisine sector. We remain committed to our cultural philosophy of “Gratitude, Responsibility, Growth and Win-Win”, providing our customers with an exceptional dining experience and offering green, healthy and nutritious dishes at affordable prices. Leveraging our modern management system and market acumen, we will continue to harness the growth potential in the market, establishing a substantial competitive advantage and a formidable business stronghold against our rivals in the industry. In our future development plan, we will continue to enhance the dining experience of the operational restaurants, by optimizing service capabilities and introducing more value-added services to create greater value for our customers. We will continue to enhance our business intelligence system based on data insight, continue to strengthen and upgrade our supply chain management system, strategically expand our restaurant network, achieving a broader coverage and deeper market penetration, and continue our expansion and exploration in the Chinese cuisine community catering market, striving to build ourselves into a world-class chain restaurant group with a modern scientific management system.

OTHER EVENTS

PURCHASE, SALE AND REDEMPTION OF THE COMPANY’S LISTED SECURITIES

For the period from the Listing Date to December 31, 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities (including the sale of treasury shares).

As of December 31, 2024, the Company did not hold any treasury shares.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save for the matters disclosed in this results announcement, no material events have occurred in the Group since December 31, 2024 up to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our shareholders. The principle of the Company’s corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all shareholders. Our Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group to achieve effective accountability. The Company’s corporate governance practices are based on the principles and code provisions prescribed in the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”).

The Company has complied with all applicable code provisions set out in the Corporate Governance Code for the period from the Listing Date to December 31, 2024, except for the deviation from code provision C.2.1 of the Corporate Governance Code.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and general manager should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and general manager should be clearly established and set out in writing. The Company does not separate the roles of chairman and general manager, and Mr. Wang Shugao currently holds both positions concurrently. In view of Mr. Wang's substantial contribution to the Group since our establishment and his extensive experience, the Company considers that having Mr. Wang acting as both our chairman and general manager will provide strong and consistent leadership to the Group and facilitate the efficient execution of the Company's business strategies. The Board believes that this arrangement will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises four independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Mr. Wang and other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether the separation of the roles of chairman and general manager is necessary.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") in Appendix C3 to the Listing Rules as the code of conduct governing Directors' trading in the securities of the Company. As the Company's shares were listed on the Hong Kong Stock Exchange on December 20, 2024, the Model Code became applicable to the Company from the Listing Date. Upon specific enquiries made by the Board, all Directors confirmed that they have complied with the provisions of the Model Code during the period from the Listing Date to December 31, 2024.

THE USE OF PROCEEDS FROM THE GLOBAL OFFERING

On December 20, 2024, the Company was listed on the Main Board of the Hong Kong Stock Exchange. The number of shares under the Global Offering was 101,180,800 shares, comprising the offer of 10,118,400 shares under the Hong Kong Public Offering and the offer of 91,062,400 shares under the International Offering at a nominal value of US\$0.00001 per share. Based on the final Offer Price of HK\$8.50 per Offer Share, the net proceeds received by the Company from the Global Offering after deducting the underwriting commission and other estimated expenses in connection with the Global Offering amounted to approximately HK\$794.8 million, which will be used in accordance with the use of proceeds as disclosed in the Prospectus as follows:

Purpose	% of use of proceeds	Net proceeds (HK\$ in millions)	Utilized proceeds during the Reporting Period (HK\$ in millions)	Unutilized proceeds as at the end of the Reporting Period (HK\$ in millions)	Expected timetable for the fully utilizing of unutilized proceeds
Expansion of our restaurant network to broaden our geographical coverage and deepen our market penetration	40.0%	317.9	–	317.9	December 31, 2026
Strengthen our supply chain capabilities	37.0%	294.1	–	294.1	December 31, 2026
Promote our information technology capabilities through upgrading our smart devices and digital systems	13.0%	103.3	–	103.3	December 31, 2026
Working capital and general corporate purposes	10.0%	79.5	–	79.5	December 31, 2026
Total	100%	794.8	–	794.8	

There has been no change in the intended use of net proceeds as detailed in the Prospectus and disclosed above since the Listing Date and up to the date of this announcement. We have deposited the unutilized net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions.

FINAL DIVIDENDS AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to recommend a final dividend of RMB0.3187 per share, amounting to RMB375 million in total, for the year ended December 31, 2024, which is subject to the approval of the shareholders at the forthcoming annual general meeting. The final dividends are expected to be paid on May 16, 2025. The Group is not aware of any arrangement under which a shareholder has waived or agreed to waive any dividends.

The proposed final dividends are subject to the approval of the shareholders at the forthcoming annual general meeting. The record date for entitlement to the proposed final dividends is May 6, 2025. For determining the shareholder entitlement to the proposed final dividends, the register of members of the Company will be closed on May 6, 2025, on which day no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividends, all transfer documents of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on May 2, 2025.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting is scheduled to be held on April 28, 2025. To determine the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from April 23, 2025 to April 28, 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the annual general meeting, all transfer documents of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on April 22, 2025. Shareholders whose names appear on the register of members of the Company on April 28, 2025 are eligible to attend and vote at the annual general meeting.

SCOPE OF WORK OF THE AUDITOR

The financial figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended December 31, 2024 as set out in this announcement have been agreed by the Company's auditor, KPMG, Certified Public Accountants (the "**Auditor**"), to the amounts set out in the Group's consolidated financial statements for the year ended December 31, 2024. The work performed by the Auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Auditor on this announcement.

AUDIT COMMITTEE

The Audit Committee comprises Mr. Zhu Nanjun (chairman), Mr. Qian Mingxing and Ms. Fang Xuan, all of whom are independent non-executive Directors. The Audit Committee has reviewed the annual results of the Group for the year ended December 31, 2024.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement has been published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.xiaocaiyuan.com). The Company will publish the 2024 annual report of the Company in due course on the above websites of the Hong Kong Stock Exchange and the Company.

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

Hong Kong, March 26, 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.