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Shenzhen Pagoda Industrial (Group) Corporation Limited

深圳百果园实业(集团)股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2411)

CONNECTED TRANSACTIONS

(1) DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

AND

(2) PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED SUBSIDIARY FOLLOWING THE DEEMED DISPOSAL

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



Capital 9 Limited

DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

On February 2, 2026, the Company entered into the Capital Increase Agreement pursuant to which Mr. Tian and Mr. Lai agreed to make a capital contribution of RMB660,000 and RMB300,000, respectively, in cash into the registered share capital of Pagoda Commercial Management, each, at a consideration of RMB1.0 per share. Upon completion of the Capital Injection, Mr. Tian and Mr. Lai will hold approximately 33.67% and 15.31% of the equity interest in Pagoda Commercial Management, respectively. The Company's shareholding in Pagoda Commercial Management will be diluted from 100% to 51.02%, and Pagoda Commercial Management will continue to be a subsidiary of the Company and its financial results will continue to be consolidated into the Company's financial statements.

PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED SUBSIDIARY FOLLOWING THE COMPLETION OF THE DEEMED DISPOSAL

The Board also announced that, on February 2, 2026, the Company (as the lender) and Pagoda Commercial Management (for itself and on behalf of its subsidiaries, as the borrower) entered into (i) the Supplemental Agreement I, pursuant to which the Company and Pagoda Commercial Management mutually agreed that the loans in the principal amount of RMB180 million in aggregate under the Loan Agreement I shall become interest-bearing loans with a term from effective date of the Supplemental Agreement I to March 31, 2029 at an annual interest rate equivalent to the one-year Loan Prime Rate (the “LPR”) of 3.0% published by the PBOC on January 20, 2026 plus 20 basis points to be accrued from the effective date of the Supplemental Agreement I, and (ii) the Loan Agreement II, pursuant to which the Company has conditionally agreed to provide loans in the principal amount of up to RMB70 million to Pagoda Commercial Management for a term from the effective date of the Loan Agreement II to March 31, 2029 at an annual interest rate equivalent to the one-year LPR of 3.0% published by the PBOC on January 20, 2026 plus 20 basis points to be accrued from the relevant withdrawal date of each loan.

LISTING RULES IMPLICATION

Deemed Disposal of Equity Interest in A Subsidiary

The dilution of the Company’s equity interest in Pagoda Commercial Management from 100% to 51.02% constitutes a deemed disposal of interest in Pagoda Commercial Management under Rule 14.29 of the Listing Rules.

As at the date of this announcement, Mr. Tian is an executive Director and therefore a connected person of the Company. Accordingly, the transaction contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios with respect to the transaction contemplated under the Capital Increase Agreement are below 0.1%, the transaction contemplated thereunder is fully exempted from the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Provision of Financial Assistance to A Connected Subsidiary Following the Deemed Disposal

Upon the completion of the deemed disposal above, Pagoda Commercial Management will become a non-wholly owned subsidiary of the Company and will be directly owned as to 33.67% by Mr. Tian, an executive Director. Therefore, Pagoda Commercial Management constitutes a connected subsidiary of the Company pursuant to Rule 14A.16 of the Listing Rules. Accordingly, the transactions contemplated under the Supplemental Agreement I and the Loan Agreement II, each, on a standalone basis, will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, the Company’s provision of loans in the principal amount of RMB180 million in aggregate to Pagoda Commercial Management under the Loan Agreement I (as amended by the Supplemental Agreement I) (the “**Previous Loans**”) shall be aggregated with the transactions contemplated under the Loan Agreement II as they were one transaction on the ground that the Previous Loans were made within a 12-month period with the same party (i.e. Pagoda Commercial Management) of similar nature. As the highest applicable percentage ratio with respect to the transactions contemplated under the Loan Agreement I (as amended by the Supplemental Agreement I) and the Loan Agreement II exceeds 5%, the transactions contemplated thereunder together constitute a connected transaction of the Company and hence is subject to the reporting, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Company will seek approval for the terms of the Supplemental Agreement I and the Loan Agreement II and the transactions contemplated thereunder from the Independent Shareholders at the EGM. In accordance with the Listing Rules, Hengwang, being an associate of Mr. Tian who is an executive Director and a shareholder and a director of Pagoda Commercial Management and therefore has a material interest in the transactions, will abstain from voting on the resolution to approve the Supplemental Agreement I and the Loan Agreement II at the EGM. Save for Hengwang, as at the date of this announcement, to the best knowledge, information and belief of the Directors, no other Shareholder would be required to abstain from voting thereat as no other Shareholder has any interest in the Supplemental Agreement I and the Loan Agreement II which are different from the other Shareholders.

GENERAL

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the terms of the Supplemental Agreement I and the Loan Agreement II, and the transactions contemplated thereunder. Capital 9 Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

A circular containing, among others, (i) further information on the Loan Agreement I (as amended by the Supplemental Agreement I) and the Loan Agreement II, (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendations, and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and a notice of the EGM, is expected to be disseminated to the Shareholders on or before February 26, 2026.

I. DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

On February 2, 2026, the Company (as existing shareholder), Mr. Tian (as subscriber), Mr. Lai (as subscriber) and Pagoda Commercial Management (as the target company) entered into the Capital Increase Agreement pursuant to which Mr. Tian and Mr. Lai agreed to make a capital contribution of RMB660,000 and RMB300,000, respectively, in cash into the registered share capital of Pagoda Commercial Management, each, at a consideration of RMB1.0 per share. To the best knowledge, information and belief of the Company, having made due enquiry, the Capital Injection will be financed by the personal funds of Mr. Tian and Mr. Lai.

The consideration of the Capital Injection was determined based on arm's length negotiation among the parties to the Capital Increase Agreement with reference to the net assets of Pagoda Commercial Management, taking into account the current business and development conditions of Pagoda Commercial Management.

Upon completion of the Capital Injection, the registered share capital of Pagoda Commercial Management shall increase by RMB960,000 from RMB1,000,000 to RMB1,960,000. Mr. Tian and Mr. Lai will hold approximately 33.67% and 15.31% of the equity interest in Pagoda Commercial Management, respectively. The Company's shareholding in Pagoda Commercial Management will be diluted from 100% to 51.02%.

The shareholding structure of Pagoda Commercial Management and the proportion of capital contribution and shareholding of each shareholder of Pagoda Commercial Management immediately before and upon completion of the Capital Injection are set out as below:

| Name of Shareholder | Capital contribution immediately before the Capital Injection (RMB) | Shareholding immediately before the Capital Injection (%) | Capital to be contributed to the registered share capital of Pagoda Commercial Management under the Capital Injection (RMB) | Capital contribution immediately upon the completion of the Capital Injection (RMB) | Capital to be contributed to the registered share capital of Pagoda Commercial Management under the Capital Injection (RMB) | Approximate shareholding immediately upon the completion of the Capital Injection (%) |
|---------------------|--|--|--|--|--|--|
| | | | | | Capital contribution immediately upon the completion of the Capital Injection (RMB) | |
| The Company | 1,000,000 | 100.00 | – | 1,000,000 | 51.02 | |
| Mr. Tian | – | – | 660,000 | 660,000 | 33.67 | |
| Mr. Lai | – | – | 300,000 | 300,000 | 15.31 | |
| TOTAL | 1,000,000 | 100.00 | 960,000 | 1,960,000 | 100.00 | |

Upon completion of the Capital Injection, the shareholding of the Company in Pagoda Commercial Management will reduce from 100% to approximately 51.02%, which will constitute a deemed disposal of equity interest in Pagoda Commercial Management by the Company. Pagoda Commercial Management will continue to be a subsidiary of the Company and its financial results will continue to be consolidated into the financial results of the Company.

According to the Capital Increase Agreement, Mr. Tian and Mr. Lai shall make their respective capital contribution in full to Pagoda Commercial Management on or before June 30, 2030.

II. PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED SUBSIDIARY FOLLOWING THE COMPLETION OF THE DEEMED DISPOSAL

The Board also announced that, on February 2, 2026, the Company (as the lender) and Pagoda Commercial Management (for itself and on behalf of its subsidiaries, as the borrower) entered into (i) the Supplemental Agreement I, pursuant to which the Company and Pagoda Commercial Management mutually agreed that the loans in the principal amount of RMB180 million in aggregate under the Loan Agreement I shall become interest-bearing loans with a term from the effective date of the Supplemental Agreement I to March 31, 2029 at an annual interest rate equivalent to the one-year LPR of 3.0% published by the PBOC on January 20, 2026 plus 20 basis points to be accrued from the effective date of the Supplemental Agreement I, and (ii) the Loan Agreement II, pursuant to which the Company has conditionally agreed to provide loans in the principal amount of up to RMB70 million to Pagoda Commercial Management for a term from the effective date of the Loan Agreement II to March 31, 2029 at an annual interest rate equivalent to the one-year LPR of 3.0% published by the PBOC on January 20, 2026 plus 20 basis points to be accrued from the relevant withdrawal date of each loan.

The Supplemental Agreement I

The Supplemental Agreement I amended certain terms of the Loan Agreement I, the principal terms of the Loan Agreement I (as amended by the Supplemental Agreement I) are as follows:

(1) Date

The Loan Agreement I: September 30, 2025

The Supplemental Agreement I: February 2, 2026 (after trading hours)

(2) Parties

- (a) The Company (as the lender); and
- (b) Pagoda Commercial Management (for itself and on behalf of its subsidiaries, as the borrower).

(3) Principal amount

Up to RMB180,000,000. As of the date of this announcement, Pagoda Commercial Management had withdrawn various loans in the principal amount of RMB180,000,000 in aggregate.

(4) Interest rate

No interest was accrued from the date of the Loan Agreement I (i.e. September 30, 2025) (inclusive) up to the effective date of the Supplemental Agreement I (exclusive). From the effective date of the Supplemental Agreement I (inclusive), an annual interest rate equivalent to the one-year LPR of 3.0% published by the PBOC on January 20, 2026 plus 20 basis points, will be accrued up to the maturity date (i.e. March 31, 2029) or the early repayment date, as the case may be.

(5) Term

From the effective date of the Supplemental Agreement I to March 31, 2029 (both days inclusive)

(6) Repayment

The aggregate principal amount, together with all accrued interest, shall be repaid in one lump sum upon the maturity of the loans on March 31, 2029. In the event that Pagoda Commercial Management requests an early partial or full repayment prior to the maturity date, the Company shall consent to such early repayment request and Pagoda Commercial Management shall pay the relevant principal amount with corresponding interest accrued up to the early repayment date.

(7) Use of funds

The loans to Pagoda Commercial Management and its subsidiaries shall be utilised for the purpose of supporting their set up costs, daily operating expenses and working capital needs, principally including costs on employee remuneration, procurement expenses and the rental and operating costs of warehouses.

(8) Inspection right

Pursuant to the Loan Agreement I (as amended by the Supplemental Agreement I), the Company is entitled to inspect and supervise the utilisation of the loans borrowed by Pagoda Commercial Management, in order to ensure the legality and compliance of the agreed use of the funds as set out in the Loan Agreement I (as amended by the Supplemental Agreement I), and to understand in detail the funding plans, business operations, and financial activities of Pagoda Commercial Management. Pagoda Commercial Management shall provide complete and true information in respect of the foregoing.

(9) Right to demand early repayment

In the event that Pagoda Commercial Management breaches any term of the Loan Agreement I (as amended by the Supplemental Agreement I), the Company shall have the right to demand early repayment of all or any outstanding loans and the corresponding accrued interest up to the early repayment date.

The Company considers that its inspection right and the right to demand early repayment above will facilitate the Company's assessment and supervision of the financial and credit position of Pagoda Commercial Management, enabling effective credit risk management, and safeguard the interests of the Company.

(10) Taking into effect

The Loan Agreement I shall come into effect on the date on which both parties affix their seals. The Supplemental Agreement I shall come into effect upon the fulfillment of (i) the Supplemental Agreement I being approved by the Independent Shareholders pursuant to the requirements of Chapter 14A of the Listing Rules and (ii) the completion of completing the internal approval procedures of the parties thereto. As at the date of this announcement, none of the conditions have been fulfilled.

The Loan Agreement II

The principal terms of the Loan Agreement II are as follows:

(1) Date

February 2, 2026 (after trading hours)

(2) Parties

- (a) The Company (as the lender); and
- (b) Pagoda Commercial Management (for itself and on behalf of its subsidiaries, as the borrower).

(3) Principal amount

Up to RMB70,000,000. Pursuant to the terms of the Loan Agreement II, Pagoda Commercial Management shall be entitled to draw down the loans in multiple tranches within the principal amount.

(4) Interest rate

An annual interest rate equivalent to the one-year LPR of 3.0% published by the PBOC on January 20, 2026 plus 20 basis points shall be accrued from the relevant withdrawal date of each loan and up to the maturity date (i.e. March 31, 2029) or the early repayment date, as the case may be.

(5) Term

From the effective date of the Loan Agreement II to March 31, 2029 (both days inclusive).

(6) Repayment

The aggregate principal amount, together with all accrued interest, shall be repaid in one lump sum upon the maturity of the loans contemplated under the Loan Agreement II on March 31, 2029. In the event that Pagoda Commercial Management requests an early partial or full repayment prior to the maturity date, the Company shall consent to such early repayment request and Pagoda Commercial Management shall pay the relevant principal amount with corresponding interest accrued up to the early repayment date.

(7) Use of funds

The loans to Pagoda Commercial Management and its subsidiaries shall be utilised for the purpose of supporting their set up cost, daily operating expenses and working capital needs, principally including costs on employee remuneration, procurement expenses and the rental and operating costs of warehouses.

(8) Inspection right

Pursuant to the Loan Agreement II, the Company is entitled to inspect and supervise the utilisation of the loans borrowed by Pagoda Commercial Management, in order to ensure the legality and compliance of the agreed use of the funds as set out in the Loan Agreement II, and to understand in detail the funding plans, business operations, and financial activities of Pagoda Commercial Management. Pagoda Commercial Management shall provide complete and true information in respect of the foregoing.

(9) Right to demand early repayment

In the event that Pagoda Commercial Management breaches any term of the Loan Agreement II, the Company shall have the right to demand early repayment of the loans and the corresponding accrued interest up to the early repayment date.

The Company considers that its inspection right and the right to demand early repayment above will facilitate the Company's assessment and supervision of the financial and credit position of Pagoda Commercial Management, enabling effective credit risk management, and safeguard the interests of the Company.

(10) Taking into effect

The Loan Agreement II shall come into effect upon the fulfillment of (i) the Loan Agreement II being approved by the Independent Shareholders pursuant to the requirements of Chapter 14A of the Listing Rules and (ii) the completion of internal approval procedures of the parties thereto. As at the date of this announcement, none of the conditions have been fulfilled.

III. REASONS FOR AND THE BENEFITS OF THE DEEMED DISPOSAL AND PROVISION OF FINANCIAL ASSISTANCE

Deemed Disposal

The Company established Pagoda Commercial Management and its subsidiaries for the purpose of implementing the Group's new business initiatives and developing new business segments. From its establishment and up to date of this announcement, Pagoda Commercial Management has been focusing on promoting, developing and expanding a new franchise business segment where retail stores are developed to sell fruit and snack products. To fund the initial development of Pagoda Commercial Management, the Company previously provided interest-free loans in the principal amount of RMB180 million in aggregate, i.e. the Previous Loans, to Pagoda Commercial Management to support its set up costs, daily operating expense and working capital needs. The Previous Loans were funded by the Company's own internal funds.

During the process of implementing new business initiatives and developing new business segments, the Company realized that additional resources would be required for Pagoda Commercial Management to continuously carry out its business activities, including quality suppliers, franchisees, professional management personnel, and funding. Upon prudent consideration and in alignment with their personal willingness, the Company noted that (i) Mr. Tian, an executive Director, possesses extensive resources in the snack supply chain, suppliers and franchisees networks and that he has rich experience in establishing and optimizing supply chain systems to ensure the stability and cost-effectiveness of new businesses, which can provide robust support for the future development of Pagoda Commercial Management, and (ii) Mr. Lai, deputy general manager and finance director of the Company, has substantial investor resources and management experience accumulated from his previous working experience. Mr. Tian, director of Pagoda Commercial Management, expressed his willingness to oversee the development of fruit and snack business of the Group and the operation of Pagoda Commercial Management. Mr. Lai also expressed his willingness to assume the role of the responsible officer for overseeing the Group's snack business, in particularly, he will be responsible for market expansion, supply chain optimization and operational management, and in charge of the overall development of Pagoda Commercial Management. In order to advance the development of the Group's new business segments and to closely align its development with the resources of responsible management of Pagoda Commercial Management, the Company agreed that Mr. Tian and Mr. Lai to make additional capital contribution to Pagoda Commercial Management as investors and become its shareholders, thereby jointly undertaking risks and sharing returns from the Group's new business segments.

Our Directors (including the independent non-executive Directors but excluding Mr. Tian who has abstained from voting) are of the view that (i) the investment by Mr. Tian and Mr. Lai will further a close alignment of interests between the Company and them as management team of the new business segment of the Group, thereby enhancing the efficiency and effectiveness of the relevant decision-making and execution for the new business segment, strengthening team cohesion and the foundation of mutual trust, and facilitating the long-term and stable development of such new business segment, and (ii) the terms of the Capital Increase Agreement are fair and reasonable and are on normal commercial terms, and are in the interest of the Company and its shareholders as a whole.

Provision of Financial Assistance

The Company provided financial assistance in the form of loans in the principal amount of RMB180 million in aggregate under the Loan Agreement I (as amended by the Supplemental Agreement I), i.e. the Previous Loans, to fund the initial working capital required for the operation of Pagoda Commercial Management from October 2025 to January 2026. The Previous Loans shall have a term from the effective date of the Supplemental Agreement I to March 31, 2029 with an annual interest rate equivalent to the one-year LPR of 3.0% published by the PBOC on January 20, 2026 plus 20 basis points accrued from the effective date of the Supplemental Agreement I and shall be repaid by Pagoda Commercial Management in one lump sum upon maturity or the early repayment date, as the case may be.

The proposed provision of financial assistance as contemplated under the Loan Agreement II is also in the form of loans in the principal amount of up to RMB70 million which shall have a term from the effective date of the Loan Agreement II to March 31, 2029 with an annual interest rate equivalent to the one-year LPR of 3.0% published by the PBOC on January 20, 2026 plus 20 basis points accrued from the withdrawal date of each loan and shall be repaid in one lump sum upon maturity or the early repayment date, as the case may be. The principal amount and other terms of the Supplemental Agreement I and the Loan Agreement II are determined by the Company and Pagoda Commercial Management through arm's length negotiations with reference to the prevailing market terms for transactions of a similar nature, the financial position of the Group as well as the common market practice. In particular, the Company, having considered the overall business planning and development needs of the Company, as well as the Company's available cash and bank balances, and the agreed terms of the Loan Agreement I (as amended by the Supplemental Agreement I) and the Loan Agreement II, and interest thereunder (where applicable), is of the view that the transactions contemplated under the Loan Agreement I (as amended by the Supplemental Agreement I) and the Loan Agreement II are not in the ordinary and usual course of business of the Group, but the Group could make full use of Pagoda Commercial Management as its channel to explore and implement its new business initiatives and development plans and hence diversifying the Group's business and enhance its overall business expansion and financial performance. These transactions are beneficial to the normal operation and development of Pagoda Commercial Management which will remain as a subsidiary of the Company following the completion of the deemed disposal, whereas the risk of lending is within the control of the Company and therefore, it will not create any adverse impact on the Company's operations and assets and will not be detrimental to the interests of the Company and its shareholders as a whole. As a safeguard for repayment, the Company has also stipulated terms in the Loan Agreements, including but not limited to funds supervision, to secure safe and effective use of funds.

The Directors (excluding the independent non-executive Directors and Mr. Tian who has abstained from voting) are of the view that, although the Supplemental Agreement I and the Loan Agreement II and the transactions contemplated thereunder are not entered into in the ordinary and usual course of business of the Group, the terms of the Supplemental Agreement I and the Loan Agreement II have been determined after arm's length negotiations between the parties and are on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

Except for Mr. Tian, none of the other Directors has any material interest in or is required to abstain from voting on the Board resolution in relation to the aforementioned transactions with Pagoda Commercial Management. Mr. Tian is party to the Capital Increase Agreement and upon the completion of the deemed disposal thereunder, will be a substantial shareholder of Pagoda Commercial Management.

IV. INFORMATION ON THE COMPANY

The Company is a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange. The Company is the largest fruit retail operator in China. The Group is principally engaged in the sale of fruits as well as fruit-based products. The Group has been committed to developing and has been proactively exploring new business segments beyond its principal fruit retail and franchise business to pursue a sustainable organic growth.

V. INFORMATION ON PAGODA COMMERCIAL MANAGEMENT

Pagoda Commercial Management was established in September 2025 by the Company with a registered share capital of RMB1,000,000 and is principally engaged in the wholesale and retail of fruit and snack products, office supplies, toys and other products.

Pagoda Commercial Management is a PRC-established limited liability company and as of the date of this announcement, a wholly owned subsidiary of the Company. Pagoda Commercial Management was established by the Company for the development of new business initiatives, such as a new business segment focusing on fruit and snack products. Upon the completion of the transaction contemplated under the Capital Increase Agreement, Pagoda Commercial Management will become owned as to 51.02% by the Company, 33.67% by Mr. Tian (an executive Director and a connected person of the Company) and 15.31% by Mr. Lai. Accordingly, Pagoda Commercial Management will become a connected subsidiary of the Company.

The key financial data of Pagoda Commercial Management for the period ended December 31, 2025 prepared in accordance with the PRC Accounting Standards for Business Enterprises are set out below^{Note}:

| | Period ended December 31, 2025/ As at December 31, 2025 | RMB (Unaudited) |
|--------------------------|---|--------------------|
| Profit/(Loss) before tax | 0.65 | 0.65 |
| Profit/(Loss) after tax | 0.65 | 0.65 |
| Total assets | 108,010,000.65 | 108,010,000.65 |
| Net assets | 0.65 | 0.65 |

Note: As Pagoda Commercial Management was established in September 2025, only unaudited numbers for the period from the date of its establishment to December 31, 2025 are available.

VI. INFORMATION ON THE OTHER PARTIES

Mr. Tian

Mr. Tian is an executive Director and the vice-chairman of the Board, and a director of Pagoda Commercial Management. Mr. Tian is a connected person of the Company.

Mr. Lai

Mr. Lai is a deputy general manager and financial director of the Company. To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, Mr. Lai is an independent third party of the Company and its connected persons (except Pagoda Commercial Management).

VII. LISTING RULES IMPLICATION

Deemed Disposal of Equity Interest in A Subsidiary

The dilution of the Company's equity interest in Pagoda Commercial Management from 100% to approximately 51.02% constitutes a deemed disposal of interest in Pagoda Commercial Management under Rule 14.29 of the Listing Rules.

As at the date of this announcement, Mr. Tian is an executive Director and therefore a connected person of the Company. Accordingly, the transaction contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios with respect to the transaction contemplated under the Capital Increase Agreement are below 0.1%, the transaction contemplated thereunder is fully exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Provision of Financial Assistance to A Connected Subsidiary Following the Completion of the Deemed Disposal

Upon the completion of the deemed disposal above, Pagoda Commercial Management will become a non-wholly owned subsidiary of the Company and will be directly owned as to 33.67% by Mr. Tian, an executive Director. Therefore, Pagoda Commercial Management constitutes a connected subsidiary of the Company pursuant to Rule 14A.16 of the Listing Rules. Accordingly, the transaction contemplated under the Supplemental Agreement I and the Loan Agreement II, each, on a standalone basis, will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, the Company's provision of loans in the principal amount of RMB180 million in aggregate to Pagoda Commercial Management under the Loan Agreement I (as amended by the Supplemental Agreement I), i.e. the Previous Loans, shall be aggregated with the transactions contemplated under the Loan Agreement II as they were one transaction on the ground that the Previous Loans were made within a 12-month period with the same party (i.e. Pagoda Commercial Management) of similar nature. As the highest applicable percentage ratio with respect to the transactions contemplated under the Loan Agreement I (as amended by the Supplemental Agreement I) and the Loan Agreement II exceeds 5%, the transactions contemplated thereunder together constitute a discloseable and connected transaction of the Company and hence is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will seek approval for the terms of the Supplemental Agreement I and the Loan Agreement II and the transactions contemplated thereunder from the Independent Shareholders at the EGM. In accordance with the Listing Rules, Hengwang, being an associate of Mr. Tian who is an executive Director and a shareholder and a director of Pagoda Commercial Management and therefore has a material interest in the transactions, will abstain from voting on the resolution to approve the Supplemental Agreement I and the Loan Agreement II at the EGM. Save for Hengwang, as at the date of this announcement, to the best knowledge of the Directors, no other Shareholder would be required to abstain from voting thereat as no other Shareholder has any interest in the Supplemental Agreement I and the Loan Agreement II which are different from the other Shareholders.

VIII. GENERAL

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the terms of the Supplemental Agreement I and the Loan Agreement II, and the transactions contemplated thereunder. In this respect, Capital 9 Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

A circular containing, among others, (i) further information on the Loan Agreement I (as amended by the Supplemental Agreement I) and the Loan Agreement II, (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendations, and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders and a notice of the EGM, are expected to be disseminated to the Shareholders on or before February 26, 2026.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

| | |
|--|--|
| “Board” | the board of Directors |
| “Capital Increase Agreement” | the capital increase agreement (增資協議) entered into between the Company, Mr. Tian, Mr. Lai and Pagoda Commercial Management on February 2, 2026, pursuant to which Mr. Tian and Mr. Lai agreed to make a capital contribution of RMB660,000 and RMB300,000, respectively, in cash into the registered share capital of Pagoda Commercial Management |
| “Capital Injection” | the injection of additional capital into the registered share capital of Pagoda Commercial Management by Mr. Tian and Mr. Lai pursuant to the Capital Increase Agreement |
| “China” or “PRC” or “People’s Republic of China” | the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |

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|---------------------------------|---|
| “Company” | Shenzhen Pagoda Industrial (Group) Corporation Limited (深圳百果园实业(集团)股份有限公司), a joint stock company incorporated in the PRC with limited liability on April 10, 2020 and whose H Shares are listed on the Stock Exchange (stock code: 2411) |
| “connected person(s)” | has the same meaning as ascribed thereto under the Listing Rules |
| “connected subsidiary(ies)” | has the same meaning as ascribed thereto under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “EGM” | the 2026 first extraordinary general meeting of the Company, details of which will be disseminated to the Shareholders on or before February 26, 2026 |
| “Group” | the Company and its subsidiaries |
| “Hengwang” | Zhangshu City Hengwang Investment Management Center Limited Partnership* (樟樹市恒旺投資管理中心(有限合夥)), a limited partnership established in the PRC on November 24, 2015, and one of our Shareholders and an associate of Mr. Tian |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | the independent board committee of the Company, comprising all the independent non-executive Directors, namely, Dr. JIANG Yanbo, Mr. MA Ruiguang, Dr. WU Zhanchi, Mr. CHEUNG Yee Tak Jonathan and Ms. ZHU Fang, to advise the Independent Shareholders on, among others, the proposed transactions contemplated under the Supplemental Agreement I and the Loan Agreement II |
| “Independent Financial Adviser” | Capital 9 Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on, among others, the proposed transactions contemplated under the Supplemental Agreement I and the Loan Agreement II |
| “Independent Shareholders” | has the meaning ascribed to it under the Listing Rules, and in relation to the Company means the Shareholders other than associate(s) of Mr. Tian |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Loan Agreements” | the Loan Agreement I (as amended by the Supplemental Agreement I) and the Loan Agreement II |

| | |
|--------------------------------|---|
| “Loan Agreement I” | the loan agreement (借款協議) entered into between the Company (as the lender) and Pagoda Commercial Management (for itself and on behalf of its subsidiaries, as the borrower) on September 30, 2025 |
| “Loan Agreement II” | the loan agreement (借款協議) entered into between the Company (as the lender) and Pagoda Commercial Management (for itself and on behalf of its subsidiaries, as the borrower) on February 2, 2026 |
| “Mr. Lai” | Mr. Lai Hin Yeung (賴顯陽), a deputy general manager and finance director of the Company |
| “Mr. Tian” | Mr. Tian Xiqiu (田錫秋), an executive Director and the vice-chairman of the Board and a director of Pagoda Commercial Management and a connected person of the Company |
| “Pagoda Commercial Management” | Shenzhen Pagoda Commercial Management Co., Ltd.*(深圳百果園商業管理有限公司), a limited liability company established under the laws of the PRC and as of the date of this announcement, a wholly owned subsidiary of the Company. Immediately upon the completion of the transaction contemplated under the Capital Increase Agreement, it will become a non-wholly owned subsidiary of the Company and will be owned as to 51.02% by the Company, 33.67% by Mr. Tian and 15.31% by Mr. Lai |
| “PBOC” | the People’s Bank of China |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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| “subsidiary(ies)” | has the meaning ascribed thereto in the Listing Rules |
| “Supplemental Agreement I” | the supplemental agreement to the Loan Agreement I entered into between the Company (as the lender) and Pagoda Commercial Management (for itself and on behalf of its subsidiaries, as the borrower) on February 2, 2026 |
| “%” | percent |

By order of the Board
Shenzhen Pagoda Industrial (Group) Corporation Limited
 深圳百果園實業(集團)股份有限公司
YU Huiyong
Chairman and Executive Director

Shenzhen, the People's Republic of China
 February 2, 2026

As at the date of this announcement, the Board of Directors of the Company comprises Mr. YU Huiyong, Ms. XU Yanlin, Mr. TIAN Xiqiu and Mr. ZHU Qidong as executive Directors, Mr. JIAO Yue as non-executive Director, and Dr. JIANG Yanbo, Mr. MA Ruiguang, Dr. WU Zhanchi, Mr. CHEUNG Yee Tak Jonathan and Ms. ZHU Fang as independent non-executive Directors.

* For identification purpose only