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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)**

### **DISCLOSEABLE TRANSACTION SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS**

#### **SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS**

On January 16, 2023 and February 22, 2023, the Company subscribed for two BOCOM Wealth Management Products with an aggregate amount of RMB350 million.

#### **IMPLICATIONS UNDER THE LISTING RULES**

Each of the First Subscription and the Second Subscription does not constitute a notifiable transaction as all of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of each of the Subscriptions are below 5%. However, the Subscriptions, when aggregated under Rules 14.22 and 14.23 of the Listing Rules, would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules as one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, is more than 5% but less than 25% and hence are subject to the notification and announcement requirements set out under Rule 14.34 of the Listing Rules.

#### **SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS**

On January 16, 2023 and February 22, 2023, the Company subscribed for two BOCOM Wealth Management Products with an aggregate amount of RMB350 million. The BOCOM Wealth Management Products remain outstanding as at the date of this announcement and the Company expects to receive the principals with the expected returns upon the maturity of the underlying BOCOM Wealth Management Products. The major terms of the Subscriptions with BOCOM in respect of the two BOCOM Wealth Management Products are set out as follows:

## ***First Subscription***

- (1) Date of subscription: January 16, 2023
- (2) Name of product: BOCOM Yuntong Fortune Structured Time Deposit 96 Days (Bull gold linked instrument) (交通銀行蘊通財富定期型結構性存款96天(掛鈎黃金看漲))
- (3) Linked indicator: the benchmark price AM of Shanghai Gold Benchmark Price (code: SHAU) published on the Shanghai Gold Exchange
- (4) Type of product: Principal-preservation with floating income
- (5) Issuer: BOCOM
- (6) Subscriber: the Company
- (7) Subscription amount: RMB100 million
- (8) Term of product: 96 days from January 18, 2023 (inclusive) to April 24, 2023 (exclusive, the maturity date)
- (9) Expected return rate: annualised rate of return of 1.75% or 3.00%

The expected annualized rate of return will be 3.00% if the benchmark price AM on April 19, 2023 is equal to or higher than 95.27% of the initial benchmark price AM as of January 18, 2023; and the expected annualized rate of return will be 1.75% if the benchmark price AM on April 19, 2023 is less than 95.27% of the initial benchmark price AM as of January 18, 2023.

- (10) Principle for calculation of return:  $\text{Expected return} = \text{principal} \times \text{actual return rate} \times \text{number of days as stated in the term of the product} / 365$
- (11) Risk level of product: Low risk (the risk rating is the internal rating result of BOCOM and is for reference only)
- (12) Right of early termination: The Company does not have the right to early terminate this product unless otherwise agreed. BOCOM has the right to unilaterally early terminate this product.
- (13) Payment of principal and return: The principal and the return of the product will be paid on the maturity date.

## ***Second Subscription***

- (1) Date of subscription: February 22, 2023
- (2) Name of product: BOCOM Yuntong Fortune Structured Time Deposit 138 Days (Bull gold linked instrument) (交通銀行蘊通財富定期型結構性存款138天(掛鈎黃金看漲))
- (3) Linked indicator: the benchmark price AM of Shanghai Gold Benchmark Price (code: SHAU) published on the Shanghai Gold Exchange
- (4) Type of product: Principal-preservation with floating income
- (5) Issuer: BOCOM
- (6) Subscriber: the Company
- (7) Subscription amount: RMB250 million
- (8) Term of product: 138 days from February 24, 2023 (inclusive) to July 12, 2023 (exclusive, the maturity date)
- (9) Expected return rate: annualised rate of return of 1.75% or 3.02%
- The expected annualized rate of return will be 3.02% if the benchmark price AM on July 7, 2023 is equal to or higher than 92.03% of the initial benchmark price AM as of February 24, 2023; and the expected annualized rate of return will be 1.75% if the benchmark price AM on July 7, 2023 is less than 92.03% of the initial benchmark price AM as of February 24, 2023.
- (10) Principle for calculation of return: Expected return = principal × actual return rate × number of days as stated in the term of the product / 365
- (11) Risk level of product: Low risk (the risk rating is the internal rating result of BOCOM and is for reference only)
- (12) Right of early termination: The Company does not have the right to early terminate this product unless otherwise agreed. BOCOM has the right to unilaterally early terminate this product.
- (13) Payment of principal and return: The principal and the return of the product will be paid on the maturity date.

## **IMPLICATIONS UNDER THE LISTING RULES**

Each of the First Subscription and the Second Subscription does not constitute a notifiable transaction as all of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of each of the Subscriptions are below 5%. However, the Subscriptions, when aggregated under Rules 14.22 and 14.23 of the Listing Rules, would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules as one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is more than 5% but less than 25% and hence are subject to the notification and announcement requirements set out under Rule 14.34 of the Listing Rules.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS**

The funds for the Subscriptions are the Group's internal funds (without using proceeds the Company received from its H-share Global Offering) that are not required immediately for operation or capital expenditure purposes. The Subscriptions are considered to be part of the Group's treasury management to maximize the return on the unutilized funds of the Company after taking into account, among others, the level of risk, return on investment and the term to maturity, and to bring higher return on capital. In addition, the Company has fully considered fund needs for daily operations and capital expenditure when purchasing the BOCOM Wealth Management Products. The Subscriptions will not affect the daily fund requirements of the Company.

In addition, the BOCOM Wealth Management Products are short-term principal-protected wealth management products that have relatively low associated risks issued by a reputable commercial bank. Therefore, the subscriptions of the BOCOM Wealth Management Products were considered to have relatively low risk and are also in line with the internal risk management, cash management and investment policies of the Group.

In view of an upside of earning a more attractive return than current saving or fixed deposit rate under the relatively low interest rate, as well as the low risk nature and relatively short term of maturity of the BOCOM Wealth Management Products, the Directors (including independent non-executive Directors) are of the view that (i) the BOCOM Wealth Management Products pose little risk to the Group, and (ii) the respective terms of the Subscriptions are on normal commercial terms which are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

## GENERAL INFORMATION OF THE PARTIES

### 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 primarily engaged in the sale of fruits and fruit-based products such as dried fruits and juice through both offline store network and online channels.

### Information on BOCOM

BOCOM is a licensed commercial bank incorporated with limited liability under the laws of the PRC and its group covers various commercial banking, financial leasing, funds, wealth management, trust, insurance, overseas securities, debt-to-equity swaps and offshore finance businesses.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, BOCOM and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## DEFINITIONS

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

“Board”	the board of Directors
“BOCOM”	Bank of Communications Co., Ltd.* (交通銀行股份有限公司), a licensed commercial bank incorporated in the PRC with limited liability under the laws of the PRC, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601328) and the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 3328), and an independent third party
“BOCOM Wealth Management Product(s)”	the RMB-denominated wealth management product(s) subscribed by the Company with BOCOM under the Subscription(s)
“Company”	Shenzhen Pagoda Industrial (Group) Corporation Limited, 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 (stock code: 2411)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Subscription”	the subscription of BOCOM Wealth Management Product in the amount of RMB100 million on January 16, 2023
“Group”	the Company and its subsidiaries
“H-share Global Offering”	the global offering of H shares of the Company on January 16, 2023, including the additional H shares issued by the Company on February 13, 2023 pursuant thereto

“independent third party(ies)”	an individual(s) or a company(ies) who or which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is(are) not a connected person of our Company within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second Subscription”	the subscription of BOCOM Wealth Management Product in the amount of RMB250 million on February 22, 2023
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	collectively the First Subscription and the Second Subscription
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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 PRC, February 22, 2023

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