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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 FURTHER SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT**

#### **FURTHER SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT**

Reference is made to the announcement of the Company dated May 15, 2024 in relation to, among others, the subscriptions of CITIC Wealth Management Products, being the transactions contemplated under the First Subscription, the Second Subscription, the Fourth Subscription, the Fifth Subscription and the Sixth Subscription (Announcement). As of May 30, 2024, apart from the expiry of the transaction contemplated under the Fourth Subscription, the transactions contemplated under the First Subscription, the Second Subscription, the Fifth Subscription and the Sixth Subscription (collectively, Existing CITIC Subscriptions) have not yet expired.

On May 30, 2024, the Company further subscribed for a CITIC Wealth Management Product with an amount of RMB125 million (Eighth Subscription).

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

The transaction contemplated under the Eighth Subscription, on a standalone basis, does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules as all of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Eighth Subscription are below 5%.

However, pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the Existing CITIC Subscriptions and the transaction contemplated under the Eighth Subscription shall be aggregated as they were made within 12 months with the same counterparty (i.e. CITIC) for currently existing wealth management products of a similar nature. As one or more of the applicable percentage ratios in respect of the aggregated transactions are more than 5% but all of the applicable percentage ratios are less than 25%, the Existing CITIC Subscriptions and the Eighth Subscription together constitute a discloseable transaction of the Company and hence are subject to the notification and announcement requirements set out under the Listing Rules.

## FURTHER SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

### The Eighth Subscription

- (1) Date of subscription: May 30, 2024
- (2) Name of product: Win-Win Huixin Exchange Rate Linked RMB Structured Deposit Issue 03393 (共贏慧信匯率掛鈎人民幣結構性存款 03393 期)
- (3) Linked indicator: Spot exchange rate of EUR/GBP
- (4) Type of product: Principal-preservation with floating income
- (5) Issuer: CITIC
- (6) Subscriber: The Company
- (7) Subscription amount: RMB125 million
- (8) Term of product: 33 days from May 31, 2024 (inclusive) to July 3, 2024 (exclusive, the maturity date)
- (9) Expected return rate: Annualized rate of return of 1.05% or 2.61%  
  
The expected maximum annualized rate of return will be 2.61% if the fixed price of the linked indicator on July 1, 2024 is higher than or equal to 99.60% of the fixed price on June 3, 2024; and the expected minimum annualized rate of return will be 1.05% if the fixed price of the linked indicator on July 1, 2024 is lower than 99.60% of the fixed price on June 3, 2024.
- (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 CITIC 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. CITIC has the right to unilaterally early terminate this product.
- (13) Payment of principal and return: All principal and return accrued during the term of the product shall be paid on the maturity date (or within two business days after early termination), which shall be postponed to the next business day if such date falls on a public holiday in China.

For the details of the Existing CITIC Subscriptions, please refer to the Announcement.

## **IMPLICATIONS UNDER THE LISTING RULES**

The transaction contemplated under the Eighth Subscription, on a standalone basis, does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules as all of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Eighth Subscription are below 5%.

However, pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the Existing CITIC Subscriptions and the transaction contemplated under the Eighth Subscription shall be aggregated as they were made within 12 months with the same counterparty (i.e. CITIC) for currently existing wealth management products of a similar nature. As one or more of the applicable percentage ratios in respect of the aggregated transactions are more than 5% but all of the applicable percentage ratios are less than 25%, the Existing CITIC Subscriptions and the Eighth Subscription together constitute a discloseable transaction of the Company and hence are subject to the notification and announcement requirements set out under the Listing Rules.

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

The funds for the Eighth Subscription is the Group's internal funds (without using proceeds from the H-share global offering of the Company) that are not required immediately for operation or capital expenditure purposes. The Eighth Subscription is 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 and capital expenditure for daily operations when purchasing the CITIC Wealth Management Product underlined the Eighth Subscription. The Eighth Subscription will not affect the daily fund requirements of the Company.

In addition, the CITIC Wealth Management Product underlined the Eighth Subscription is short-term principal-protected wealth management product that has relatively low associated risks issued by reputable commercial banks. Therefore, the subscription of the CITIC Wealth Management Product is 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 CITIC Wealth Management Product underlined the Eighth Subscription, the Directors (including independent non-executive Directors) are of the view that (i) the CITIC Wealth Management Product underlined the Eighth Subscription poses little risk to the Group, and (ii) the terms of the Eighth Subscription 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 People's Republic of China 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 CITIC

CITIC is a licensed bank incorporated under the laws of the People's Republic of China and engaged in, among other things, corporate finance, retail finance, financial markets and other businesses. CITIC is listed on the Stock Exchange (stock code: 00998) and the Shanghai Stock Exchange (stock code: 601998).

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, CITIC 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:

“Announcement”	the announcement of the Company dated May 15, 2024
“Board”	the board of Directors
“CITIC”	China CITIC Bank Corporation Limited, a licensed bank incorporated in the People's Republic of China, the shares of which are listed on the Stock Exchange (stock code: 00998) and the Shanghai Stock Exchange (stock code: 601998)
“CITIC Wealth Management Product(s)”	the structured deposit products subscribed by the Group from CITIC under the Eighth Subscription and the Existing CITIC Subscriptions
“Company”	Shenzhen Pagoda Industrial (Group) Corporation Limited, a joint stock company incorporated in the People's Republic of China 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 same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eighth Subscription”	on May 30, 2024, a CITIC Wealth Management Product was subscribed with an amount of RMB125 million
“EUR”	Euro, the lawful currency of the member states of the European Union
“Fifth Subscription”	on April 24, 2024, a CITIC Wealth Management Product was subscribed with an amount of RMB25 million
“First Subscription”	on May 11, 2024, a CITIC Wealth Management Product was subscribed with an amount of RMB100 million

“Fourth Subscription”	on April 24, 2024, a CITIC Wealth Management Product was subscribed with an amount of RMB125 million
“Existing CITIC Subscriptions”	transactions contemplated under the First Subscription, the Second Subscription, the Fifth Subscription and the Sixth Subscription as disclosed in the Announcement
“GBP”	British pound sterling, the lawful currency of the United Kingdom
“Group”	the Company and its subsidiaries
“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 People’s Republic of China
“Second Subscription”	on May 11, 2024, a CITIC Wealth Management Product was subscribed with an amount of RMB100 million
“Shareholder(s)”	the shareholder(s) of the Company
“Sixth Subscription”	on April 30, 2024, a CITIC Wealth Management Product was subscribed with an amount of RMB50 million
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

By order of the Board  
**Shenzhen Pagoda Industrial (Group) Corporation Limited**  
**YU Huiyong**  
*Chairman and Executive Director*

Shenzhen, the People’s Republic of China  
May 31, 2024

*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 and Dr. JIANG Yanbo, Mr. MA Ruiguang, Dr. WU Zhanchi, Mr. CHEUNG Yee Tak Jonathan and Ms. ZHU Fang as independent non-executive Directors.*