百果园

Shenzhen Pagoda Industrial (Group) Corporation Limited
深圳百果園實業(集團)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 TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED SUBSIDIARY

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

Capital 9 Limited

BACKGROUND

References are made to the announcement of the Company dated February 2, 2026 and May 29, 2026, and the circular of the Company dated May 12, 2026 (the "**Previous Publications**"), 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 became interest-bearing loans with a term from effective date of the Supplemental Agreement I to March 31, 2029 at a fixed annual interest rate of 3.2%, 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 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 a fixed annual interest rate of 3.2%, 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 transactions contemplated under the Loan Agreement I (as amended by the Supplemental Agreement I) aggregated with the transactions under the Loan Agreement II (together, the "**Previous Loans**") constituted a connected transaction, which was considered and approved by the Independent Shareholders at the Company's 2026 first extraordinary general meeting held on May 29, 2026.

PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED SUBSIDIARY

The Board announced that, on August 28, 2026, the Company (as the lender) and Pagoda Commercial Management (for itself and on behalf of its subsidiaries, as the borrower) entered into the Loan Agreement III, pursuant to which the Company has conditionally agreed to provide the loans in the principal amount of up to RMB110 million to Pagoda Commercial Management for a term from the effective date of the Loan Agreement III to October 31, 2029 at a fixed annual interest rate of 3.2%, equivalent to the one-year LPR of 3.0% published by the PBOC on August 20, 2026 plus 20 basis points to be accrued from the relevant withdrawal date of each loan.

Together with the Previous Loans, the aggregate principal amount of the loans provided or to be provided by the Company to Pagoda Commercial Management under the Loan Agreements is up to RMB360 million.

LISTING RULES IMPLICATION

Pagoda Commercial Management is a non-wholly owned subsidiary of the Company and is 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 Loan Agreement III 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 Previous Loans shall be aggregated with the transactions contemplated under the Loan Agreement III 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 Agreements 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 Loan Agreement III 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 Loan Agreement III 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 Loan Agreement III 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 Loan Agreement III, 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) details of the Loan Agreement III, (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 in due course.

I. PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED SUBSIDIARY

The Board announced that, on August 28, 2026, the Company (as the lender) and Pagoda Commercial Management (for itself and on behalf of its subsidiaries, as the borrower) entered into the Loan Agreement III, pursuant to which the Company has conditionally agreed to provide the loans in the principal amount of up to RMB110 million to Pagoda Commercial Management for a term from the effective date of the Loan Agreement III to October 31, 2029 at a fixed annual interest rate of 3.2%, equivalent to the one-year LPR of 3.0% published by the PBOC on August 20, 2026 plus 20 basis points to be accrued from the relevant withdrawal date of each loan.

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

(1) Date

August 28, 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 RMB110,000,000. Pursuant to the terms of the Loan Agreement III, Pagoda Commercial Management shall be entitled to draw down the loans in multiple tranches within the principal amount.

(4) Interest rate

A fixed annual interest rate of 3.2%, equivalent to the one-year LPR of 3.0% published by the PBOC on August 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. October 31, 2029) or the early repayment date, as the case may be.

(5) Term

From the effective date of the Loan Agreement III to October 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 III on October 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 upon receipt of a written notice in accordance with the terms of the Loan Agreement III 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 the expansion of their new business formats, daily operating expenses and working capital needs.

(8) Inspection right

Pursuant to the Loan Agreement III, 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 III, 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 III, 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 and conditions precedent

The Loan Agreement III shall come into effect upon the fulfillment of (i) the Loan Agreement III 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.

(11) Enforcement

Any dispute arising from the Loan Agreement III and any orders, appendices or supplemental agreements thereunder (if any) shall first be resolved through negotiation between the parties thereto and/or mediation by the relevant authority(ies). In the event that the parties cannot reach a settlement through such negotiation or mediation, the dispute shall be then submitted to the Shenzhen Arbitration Commission (深圳仲裁委員會) for arbitration in accordance with its arbitration rules effective at the time of the arbitration application. The arbitral award shall be final and binding on both parties.

For the principal terms for the Loan Agreement I (as amended by the Supplemental Agreement I) and the Loan Agreement II, please refer to the Previous Publications.

II. REASONS FOR AND THE BENEFITS OF 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) to fund the initial working capital required for the operation of Pagoda Commercial Management from October 2025 to January 2026. Such loans shall have a term from the effective date of the Supplemental Agreement I to March 31, 2029 with an annual interest rate of 3.2%, 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 Company also provided financial assistance in the form of loans in the principal amount of up to RMB70 million under the Loan Agreement II to fund the working capital required for the operation of Pagoda Commercial Management. Such loans shall have a term from the effective date of the Loan Agreement II to March 31, 2029 with a fixed annual interest rate of 3.2%, equivalent to the one-year LPR of 3.0% published by the PBOC on January 20, 2026 plus 20 basis points accrued from the relevant withdrawal date of each loan 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 loans under the Loan Agreement I (as amended by the Supplemental Agreement I) and the Loan Agreement II, i.e. the Previous Loans, were approved by the Independent Shareholders at the Company's 2026 first extraordinary general meeting held on May 29, 2026.

The proposed provision of financial assistance as contemplated under the Loan Agreement III is also in the form of loans in the principal amount of up to RMB110 million which shall have a term from the effective date of the Loan Agreement III to October 31, 2029 with a fixed annual interest rate of 3.2%, equivalent to the one-year LPR of 3.0% published by the PBOC on August 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 loans under the Loan Agreement III will be funded using the Company's internal resources.

Same as the Supplemental Agreement I and the Loan Agreement II, the principal amount and other terms of the Loan Agreement III are determined by the Company and Pagoda Commercial Management through arm's length negotiations with reference to the terms of the previous transactions, 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), the Loan Agreement II and the Loan Agreement III, and interest thereunder (where applicable), is of the view that the transactions contemplated under the Loan Agreement III 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.

Leveraging the Group's more than 2 decades of advantages in the fruit supply chain, as well as its experience in store fresh product operation and management, Pagoda Commercial Management joined hands with seven regional retail brands located in Inner Mongolia, Shaanxi, Henan, Jiangsu, Hunan, Jiangxi and Guizhou (the "**Seven Star Alliance**") during the first half of 2026 to explore new business formats and store models, including such as fruit + snacks, full-category standard product discount supermarkets and community fresh retail stores. Under the Seven Star Alliance model, each regional brand retains flexibility in localized product selection and operations. It is positioned to meet the high-frequency, instant fresh food purchasing needs of community residents for "five meals a day." On the one hand, Pagoda Commercial Management empowers more terminal outlets with mature supply chain infrastructure and quality control systems to expand business scale and coverage; on the other hand, it aligns with consumers' demand upgrades for "cost-effectiveness" and "good quality life at the doorstep" by expanding service scenarios from a single fruit specialty store to community-integrated fresh retail, thereby cultivating the Group's second growth curve. As at June 30, 2026, the total number of brand partner stores under the collaboration with the Seven Star Alliance had reached 1,951, contributing an aggregate of approximately RMB721.3 million to the Group's revenue in the first half of 2026.

Since the approval of the Previous Loans at the Company's 2026 first extraordinary general meeting held on May 29, 2026, the number of regional retail brands cooperating with Pagoda Commercial Management has increased, the pace of new store openings has been faster than previously expected, and the corresponding expansion in business scale requires a commensurate increase in management personnel. Currently, domestic community fresh retail and discount supermarket sectors are in a period of rapid expansion, with industry participants competing to accelerate their network layout to secure prime community locations, enhance economies of scale and strengthen their bargaining power in the supply chain. Facing increasingly fierce market competition and opportunities arising from industry consolidation, Pagoda Commercial Management needs to further increase its capital investment in the expansion of store networks for new business formats such as the Seven Star Alliance, the upgrading of supply chain infrastructure and the development of digital capabilities, with a view to cementing its market position and supporting the sustainable development of new businesses.

These transactions are beneficial to the normal operation and development of Pagoda Commercial Management which is a non-wholly owned subsidiary of the Company. More specifically, the Group anticipates that (i) the new business will become another revenue driver and further support the Group’s overall growth, and (ii) its channel brand influence will be further strengthened due to increasing category diversification and the expanded community-based retail network with a broader coverage of target customers’ needs. Further, strategically the Group intends to diversify its franchise business by extending new product categories leveraging on its established community-based customer network and extensive experience in the fruit retail operations; and the Group will continue to uphold its brand positioning of “healthy, high quality and best-value for money” for its new business to maintain a high degree of alignment with its existing core fruit franchise business, generating cross-category synergistic effects and enhancing its overall competitiveness in the fruit and snack retail market.

Although the loans provided or contemplated under the Loan Agreements have no security or guarantee, the Company is of the view that the risk of lending is within its control, having considered that (i) the new business has great potential in generating profits in light of the positive outlook of “leisure food” market in China, (ii) the new business will further diversify the Group’s revenue stream, (iii) no better options for Pagoda Commercial Management to fund its business at its early-development stage, (iv) Pagoda Commercial Management may seek bank financing to repay the loans if available, (v) the contractual covenant of Pagoda Commercial Management to provide guarantor or security in case of deteriorating operating conditions and the Company’s contractual right to inspect and supervise the use of funds and demand early repayment in case of breach of agreement, and (vi) the Company’s latest cash position. The Company therefore believes that the loans 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.

Based on the above, the Directors (excluding the independent non-executive Directors and Mr. Tian who has abstained from voting) are of the view that, although the Loan Agreement III and the transactions contemplated thereunder are not entered into in the ordinary and usual course of business of the Group, the terms of the Loan Agreement III have been determined after arm’s length negotiations between the parties with reference to previous transactions 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 transactions contemplated under the Loan Agreement III.

Funding Plans of Loans

The Loans in the aggregate amount of up to RMB360 million provided or contemplated under the Loan Agreement I (as amended by the Supplemental Agreement I), the Loan Agreement II and the Loan Agreement III have been or will be used for the implementation, operation and development of the Group's new "fruit and snack" franchise business carried out through Pagoda Commercial Management, details of which are as follows:

The loans in the aggregate amount of RMB180 million provided to Pagoda Commercial Management under the Loan Agreement I (as amended by the Supplemental Agreement I) were allocated and used as follows: (i) approximately 10% for daily operating expenses, including remuneration, (ii) approximately 30% for the establishment and development of warehousing and distribution systems, and (iii) approximately 60% for working capital, including procurement expenses.

The loans in the aggregate amount of RMB70 million under the Loan Agreement II were allocated and used as follows: (i) approximately 60% for digital system upgrades and procurement expenses, and (ii) approximately 40% for marketing and branding initiatives.

The proposed loans in the aggregate amount of up to RMB110 million under the Loan Agreement III are allocated and used as follows:

(i) approximately 25% will be used for personnel recruitment and training, with plans to recruit approximately 40 personnels covering store operations, supply chain management and IT systems;

(ii) approximately 10% will be used for the construction of warehousing and distribution infrastructure, including the upgrading of regional warehousing centers and investment in equipment;

(iii) approximately 20% will be used for marketing and brand promotion activities to enhance the brand awareness and market penetration of the Seven Star Alliance;

(iv) approximately 30% will be used for store expansion, store innovation, store renovation; and

(v) approximately 15% will be used for general working capital and liquidity needs to support the daily operations of the new businesses and adapt to market changes.

III. 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.

IV. INFORMATION ON PAGODA COMMERCIAL MANAGEMENT

Pagoda Commercial Management was established in the PRC in September 2025 by the Company with a registered share capital of RMB1,960,000 and is principally engaged in the wholesale and retail of fruit and snack products, office supplies, toys and other products.

As at the date of this announcement, Pagoda Commercial Management is a non-wholly owned subsidiary of the Company and is 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. 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. Pagoda Commercial Management is a connected subsidiary of the Company.

The key financial data of Pagoda Commercial Management for the period ended June 30, 2026 prepared in accordance with the PRC Accounting Standards for Business Enterprises are set out below:

	Four months ended/ As of December 31, 2025 (1)	Six months ended/ As of June 30, 2026
	RMB	*RMB*
	(Unaudited)	(Unaudited)
Revenue	0	721,294,000
Profit/(Loss) before tax	0.65	742,178
Profit/(Loss) after tax	0.65	(143,237)
Total assets	108,010,000.65	453,432,399
Net assets	0.65	(1,816,643)

Note:

(1) 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. The total assets of Pagoda Commercial Management as of December 31, 2025 was comprised of (i) RMB108,010,000, representing the amount of loans received by Pagoda Commercial Management under the Loan Agreement I, and (ii) RMB0.65, representing the interest derived from the deposit of unused loans borrowed under the Loan Agreement I.

V. LISTING RULES IMPLICATION

Pagoda Commercial Management is a non-wholly owned subsidiary of the Company and is 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 Loan Agreement III constitutes 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) and the loans of up to RMB70 million under the Loan Agreement II, i.e. the Previous Loans, shall be aggregated with the transactions contemplated under the Loan Agreement III 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), the Loan Agreement II and the Loan Agreement III 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 Loan Agreement III 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 Loan Agreement III 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 Loan Agreement III which are different from the other Shareholders.

VI. 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 Loan Agreement III, 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) details of the Loan Agreement III, (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, will be disseminated to the Shareholders in due course.

DEFINITIONS

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

"Board"	the board of Directors
"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
"Company"	Shenzhen Pagoda Industrial (Group) Corporation Limited (深圳百果園實業(集團)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 second extraordinary general meeting of the Company, details of which will be disseminated to the Shareholders in due course
"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 Loan Agreement III
"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 (Chapter 571 of the laws of Hong Kong), being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on, among others, the proposed transactions contemplated under the Loan Agreement III
"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), the Loan Agreement II and the Loan Agreement III
"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
"Loan Agreement III"	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 August 28, 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 non-wholly owned subsidiary of the Company, which is 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
"Previous Loans"	The loans in the principal amount of RMB180 million in aggregate under the Loan Agreement I (as amended by the Supplemental Agreement I) and the loans in the principal amount of RMB70 million under the Loan Agreement II
"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
"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
August 28, 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*