THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Shenzhen Pagoda Industrial (Group) Corporation Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

(1) PROPOSED CONNECTED TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED SUBSIDIARY
(2) PROPOSED AMENDMENT TO THE 2023 SHARE AWARD SCHEME AND
(3) NOTICE OF 2026 SECOND EXTRAORDINARY GENERAL MEETING

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

Capital 9 Limited

The EGM will be held at 2:00 p.m. on Friday, October 30, 2026 at Conference Room, 10th Floor, Pagoda Technology Building, No. 2005 Shenyan Road, Pengwan Community, Haishan Street, Yantian District, Shenzhen, Guangdong Province, China. The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pagoda.com.cn).

Any shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy needs not be a shareholder of the Company. If you intend to appoint a proxy to attend the EGM and attend and vote on your behalf, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, No. 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 24 hours before the time scheduled for the holding of the EGM (i.e. not later than 2:00 p.m. on Thursday, October 29, 2026) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

October 15, 2026

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In this circular, unless the context otherwise requires, the following terms shall have the meanings set out below:

"2023 Share Award Scheme"	the share award scheme of the Company approved by the Shareholders at the 2023 first extraordinary general meeting of the Company held on September 28, 2023
"Articles of Association"	the articles of association of the Company, as amended, modified or supplemented from time to time
"associates"	has the same meaning as ascribed thereto under the Listing Rules
"Board" or "Board of Directors"	the board of Directors
"China" or "PRC"	the People's Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Company"	Shenzhen Pagoda Industrial (Group) Corporation Limited, 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 ascribed thereto under the Listing Rules
"connected subsidiary(ies)"	has the same meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the 2026 second extraordinary general meeting of the Company to be held at 2:00 p.m. on Friday, October 30, 2026 at Conference Room, 10th Floor, Pagoda Technology Building, No. 2005 Shenyan Road, Pengwan Community, Haishan Street, Yantian District, Shenzhen, Guangdong Province, China
"Group"	the Company and its subsidiaries

"H Share(s)"	overseas listed foreign share(s) issued by the Company and listed in Hong Kong, ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each issued in Hong Kong and listed on the Main Board of the Stock Exchange
"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
"Hengyili Investment"	Shenzhen Hengyili Investment Development Center Limited Partnership* (深圳市恒義利投資發展中心(有限合夥)), a limited partnership established in the PRC on December 1, 2015, an employee shareholding platform and a Controlling Shareholder
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hongyuan Shanguo"	Shenzhen Hongyuan Shanguo Investment Development Limited Partnership* (深圳市宏願善果投資發展企業(有限合夥)), a limited partnership established in the PRC on April 13, 2015 and is an employee shareholding platform and a Controlling Shareholder
"Huihe Zhixiang"	Nanjing Huihe Zhixiang Enterprise Management Partnership (Limited Partnership)* (南京慧合智享企業管理合夥企業(有限合夥)) (formerly known as Beijing Huizhi Zhongxiang Enterprise Management Center Limited Partnership* (北京匯智眾享企業管理中心(有限合夥))), a limited partnership established in the PRC on November 18, 2016, an employee shareholding platform and a Controlling Shareholder

"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 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 thereto under the Listing Rules, and in relation to the Company means the Shareholders other than associate(s) of Mr. Tian
"Latest Practicable Date"	October 9, 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"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, as amended by the Supplemental Agreement I
"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

"Loan Agreements"	collectively, the Loan Agreement I (as amended by the Supplemental Agreement I), the Loan Agreement II and the Loan Agreement III
"Mr. Lai"	Mr. Lai Hin Yeung (賴顯陽), a deputy general manager and finance director of the Company, a legal representative and general manager of Pagoda Commercial Management
"Mr. Tian"	Mr. Tian Xiqiu (田錫秋), an executive Director and the vice-chairman of the Board, and a connected person of the Company, and a director of Pagoda Commercial Management
"Mr. Yu"	Mr. Yu Huiyong (余惠勇), an executive Director and the chairman of the Board
"ordinary resolution(s)"	resolution(s) shall be approved by more than half of the voting rights held by the Shareholders (including their proxies) attending the EGM
"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 as of the date of this circular, 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
"Proposed Amendment"	the proposed amendment to the pricing rule for determining the grant price of the award shares under the 2023 Share Award Scheme, details of which are set out in the section headed "Letter from the Board – III. Matters to be Decided at the EGM – 2. To consider and approve the Proposed Amendment to the 2023 Share Award Scheme" in this circular

"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of the Company with a nominal value of RMB1.00 each, all of which are H Shares
"Shareholder(s)"	holder(s) of Shares
"Shenzhen Huilin"	Shenzhen Huilin Industrial Development Co., Ltd.* (深圳惠林實業發展有限責任公司), a limited liability company established in the PRC on September 5, 2019 and a Controlling Shareholder
"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
"%"	per cent

Certain amounts and percentage figures in this circular have been subject to rounding adjustments. Accordingly, figures shown as currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

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)

Executive Directors:
Mr. YU Huiyong *(Chairman)*
Ms. XU Yanlin
Mr. TIAN Xiqiu
Mr. ZHU Qidong

Non-executive Director:
Mr. JIAO Yue

Independent non-executive Directors:
Dr. JIANG Yanbo
Mr. MA Ruiguang
Dr. WU Zhanchi
Mr. CHEUNG Yee Tak Jonathan
Ms. ZHU Fang

Registered Office in the PRC:
Pagoda Technology Building
No. 2005, Shenyan Road
Pengwan Community
Haishan Street, Yantian District
Shenzhen
China

Principal Place of Business in Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED CONNECTED TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED SUBSIDIARY (2) PROPOSED AMENDMENT TO THE 2023 SHARE AWARD SCHEME AND (3) NOTICE OF 2026 SECOND EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

Reference is made to the announcement of the Company dated August 28, 2026 in relation to the proposed connected transaction in relation to the provision of financial assistance to a connected subsidiary.

This circular is intended to provide you with the notice of the EGM and all information reasonably necessary, including the recommendation from the Independent Board Committee to the Independent Shareholders and the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, to enable you to make an informed decision on the resolutions to be presented at the EGM.

II. BACKGROUND

References are made to the announcements 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 under the Loan Agreement I (as amended by the Supplemental Agreement I) and the Loan Agreement II (together, the "**Previous Loans**"), in aggregate, 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.

References are made to the announcement of the Company dated September 8, 2023 and the circular of the Company dated September 12, 2023 in relation to its adoption of the 2023 Share Award Scheme, which was approved by the Shareholders at the 2023 first extraordinary general meeting of the Company held on September 28, 2023.

III. MATTERS TO BE DECIDED AT THE EGM

At the EGM, (i) the proposed connected transaction in relation to the provision of financial assistance to Pagoda Commercial Management (for itself and on behalf of its subsidiaries), a connected subsidiary, and (ii) the proposed amendment to the 2023 Share Award Scheme, will be presented for consideration and approval by ordinary resolutions.

1. To consider and approve the proposed connected transaction in relation to the provision of financial assistance to a connected subsidiary

The Proposed Provision of Financial Assistance

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 Loan Agreement III

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) Availability and drawdown

The availability period shall commence from the effective date of the Loan Agreement III and shall end on the maturity date (i.e., October 31, 2029), subject to an aggregate limit of RMB110 million. Each drawdown shall be used solely for the business operations in the ordinary course and supplementary working capital needs of Pagoda Commercial Management and its subsidiaries.

The Company retains a discretion to decline further drawdowns if the financial or operating conditions of Pagoda Commercial Management deteriorates, in the Company's view, materially and adversely to its interests as a creditor.

(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) 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 and Pagoda Commercial Management shall pay the relevant principal amount with corresponding interest accrued up to the early repayment date.

(10) 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.

(11) Covenant to provide a guarantor or security

During the term of the Loan Agreement III, if the financial or operating conditions of Pagoda Commercial Management change in a manner, in the Company's view, adverse to its interests as creditor, including deteriorating financial conditions or a material decline in its repayment capability, the Company shall have the right to require Pagoda Commercial Management to provide a guarantor, or to provide a mortgage, a pledge, or such other form of security as may be acceptable to the Company. In the event that Pagoda Commercial Management fails to provide such security, the Company shall have the right to terminate the Loan Agreement III and declare all outstanding loans together with accrued interest immediately due and payable.

(12) 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 circular, none of the conditions have been fulfilled.

(13) 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 Previous Loans, please refer to the Previous Publications.

Reasons for and the Benefits of the 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 and its subsidiaries from October 2025 to January 2026. Such loans shall bear interest 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 and its subsidiaries 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 and its subsidiaries. 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, to be 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 Loan Agreement I (as amended by 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 Loans, the prevailing market terms for transactions of a similar nature, the financial position of the Group, the increasing funding needs of Pagoda Commercial Management and its subsidiaries as well as the common market practice.

The interest rate of 3.2% was determined with reference to the prevailing one-year LPR of 3.0% as the benchmark rate plus 20 basis points after taking into account: (i) the unsecured and unguaranteed nature of the loans, the early-stage business development and limited independent financing capability of Pagoda Commercial Management, and the term of the loan, over three years, exceeding the one-year benchmark period, each of which warrants a risk premium above the benchmark rate, (ii) the interest rate of 3.2% exceeding the Company's overall cost of funds, thereby preserving a positive interest to the Company, and (iii) the contractual protections available to the Company under the Loan Agreement III, including the inspection right, the right to demand early repayment and the covenant to provide a guarantor or security upon deterioration of the financial or operating conditions of Pagoda Commercial Management, which mitigate the credit risks associated with the unsecured loan and the lump-sum repayment structure. The Directors (excluding Mr. Tian Xiqiu) consider that a premium of 20 basis points above the prevailing one-year LPR is appropriate as such premium compensates the Company for the incremental risks undertaken under the Loan Agreement III, and that the interest rate of 3.2% is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In addition, the Directors (excluding Mr. Tian Xiqiu) consider that a fixed interest rate for the Loan Agreement III is appropriate after taking into account that (i) such fix interest rate approach was also adopted in the Previous Loans, (ii) fixed-rate pricing is the prevailing market practice for RMB-denominated shareholder loans of similar term in the PRC, (iii) the prevailing interest rate environment, noting that the one-year LPR has

declined from 3.45% to 3.0% since 2024, and that fixed interest rate of 3.2% ensures the Company receives a stable and predictable return over the loan term, and (iv) Pagoda Commercial Management is entitled to make early repayment at any time, which provides flexibility for both parties to adjust to changes in the interest rate environment. The Directors (excluding Mr. Tian Xiqiu) consider that the interest rate and fixed-rate arrangement under the Loan Agreement III are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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 enhancing 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 collaborated with seven regional retail brands located in Inner Mongolia, Shaanxi, Henan, Jiangsu, Hunan, Jiangxi and Guizhou (the "**Seven Star Alliance**") in the first half of 2026 to explore new business formats and store models, including 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, which is positioned to meet the high-frequency and immediate fresh food purchasing needs of community residents across their "five meals a day" consumption occasions. 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. In specific, such additional financial assistance required by Pagoda Commercial Management is to cater for the funding needs due to (i) collaboration with one more new regional brand since 1 July 2026 in addition to the six regional brands under the Original Business Plan (as defined below), thus requiring additional fundings for setting up warehousing and distribution infrastructure; (ii) management needs involving staff recruitment and training, marketing and brand promotion needs, which are needs considered to be newly required upon assessment of the operating performance and conditions of the new business regarding the sale of snacks, fruit and other food products through collaboration with regional retail brands (the "**New Business Segment**") for more than six months in 2026; (iii) store innovation and renovation of not less than two self-operated stores under each of the seven regional brands as sample store model for franchised stores; and (iv) liquidity needs to support the daily operations of the New Business Segment and to adapt to market changes.

In light of the foregoing, the Board has assessed the additional capital needs of Pagoda Commercial Management and its subsidiaries and determined the principal amount under the Loan Agreement III based on its assessment on Pagoda Commercial Management's current anticipated expenditures over the next few years: (i) the establishment of warehousing and distribution infrastructure for the seventh regional brand of which the collaboration commenced in July 2026, with estimated costs of not less than RMB10 million; (ii) the recruitment and training of approximately 40 employees including but not limited to store operations, supply chain management and IT systems to support the expanded business scale (of which 19 personnel have been recruited as at the Latest Practicable Date), with estimated costs of not less than RMB25 million; (iii) store expansion, innovation in new store formats and development of new product categories, including investment in not less than 10 directly-operated stores, with estimated costs of not less than RMB30 million; (iv) marketing and brand promotion for the seven regional retail brands under the Seven Star Alliance, with estimated costs of not less than RMB20 million; and (v) general working capital to support the daily operations of the new businesses, with estimated costs of approximately RMB15 million. On that basis, the Board determined the principal amount under the Loan Agreement III of up to RMB110 million, slightly over the aforementioned aggregate anticipated expenditures, allowing for a reasonable level of operational flexibility.

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.

Assessment on the Repayment Capability of Pagoda Commercial Management

The Company has conducted a cash flow analysis on Pagoda Commercial Management in respect of its operation of the new business segment from 2026 to 2029 based on a number of factors, in particular, (i) capital contribution received from all the shareholders of Pagoda Commercial Management in April 2026; (ii) the cash inflow of the Previous Loans and the New Loan; (iii) the actual cash inflow and outflow in the first half of 2026; (iv) the estimated operating cash flow of the new business segment based on its operating results in the first half of 2026 and the Group's in-depth experience in operating its fruit and fruit-based retail business under similar business model; and (v) assuming short-term bank borrowing and investment from strategic investor of RMB100 million each will be obtained in 2027 and 2028 respectively. The Group believes that Pagoda Commercial Management would have sufficient cash to fully settle the loans and accrued interest of the Previous Loans and the New Loan at the respective maturity date.

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. When determining the Previous Loans, the Group's implementation plan for the new business carried out through Pagoda Commercial Management comprised (i) 2025 preparation phase for setting up new business operating entities in certain high-demand markets such as Hunan, Shaanxi, Jiangxi and Guizhou provinces, procurement systems and warehouses, and information systems; (ii) 2026 pilot phase for launching pilot operations in the aforementioned high-demand markets, developing store profit models tailored to different regions, expanding the store network across over 10 cities in no fewer than six provinces to form a standardized replicable store model, and simultaneously completing the establishment of a dedicated warehousing, distribution, and supply chain system for the new business; and (iii) 2027-2028 scale-up phase for strategic regional layout and efficient expansion, rapidly enhancing market penetration and brand influence, further strengthening the Group's leading position in community-based retail and achieving large-scale profit potential (the "**Original Business Plan**"). The allocation details of the Previous Loans 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. As at the Latest Practicable Date, approximately RMB63 million (approximately 90%) of the proceeds had been utilised or allocated in accordance with the above plan, with the remaining unutilised balance of approximately RMB7 million under the marketing and branding initiatives category expected to be fully utilised by end of 2026, which is insufficient to meet the funding needs under the Loan Agreement III.

As at the Latest Practicable Date, of the aggregate amount of RMB250 million under the Previous Loans, (i) approximately RMB243 million had been drawn down and actually utilised or committed but unpaid in accordance with the original proposed utilisation of proceeds, and (ii) approximately RMB7 million under the Loan Agreement II in respect of marketing and branding initiatives to be drawn down and utilised by end of 2026. There is no material deviation from the original allocation of the funds under the Previous Loans.

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

(i) approximately 30% for store expansion, store innovation, and store renovation;

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

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

(iv) approximately 15% for general working capital and liquidity needs to support the daily operations of the new businesses and adapt to market changes; and

(v) approximately 10% for the construction of warehousing and distribution infrastructure, including the upgrading of regional warehousing centers and investment in equipment.

Based on the cash flow analysis and assuming the inflow cash will be as expected in accordance with current development plan and expected funding sources, the Board does not expect further financial assistance from the Group will be required to fund the development and expansion of Pagoda Commercial Management for the next three years. However, acknowledging the rapid change of the retail industry market landscape in China and short-term cash needs for the New Business Segment, the Board will consider, if requested, to provide further financial assistance to Pagoda Commercial Management, in which case, the Board will have a thorough assessment on, among others, the development and expansion prospects of the New Business Segment under then circumstance, then cash position of Pagoda Commercial Management, to determine whether further financial assistance is adequate and in the interest of the Company and its shareholders as a whole.

Listing Rules Implications

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 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 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 under the Loan Agreement I (as amended by the Supplemental Agreement I) and the Loan Agreement II and the transactions contemplated under the Loan Agreement III exceeds 5%, the transactions 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 of the Company 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 circular, 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.

Directors' Confirmation

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 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.

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.

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 circular, 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. The Company fully paid up its capital contribution on April 8, 2026, and Mr. Tian and Mr. Lai fully paid up their respective capital contribution on April 10, 2026. 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 *(Unaudited)*	*RMB* *(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.

Shareholder Contributions and Funding Arrangement

Save for the loans provided and to be provided by the Company under the Loan Agreements as disclosed in this circular and the Previous Publications, no shareholder of Pagoda Commercial Management has provided any financial assistance to Pagoda Commercial Management since its establishment.

In addition to their capital contribution, Mr. Tian and Mr. Lai have not been required to provide loans or other financial assistance to Pagoda Commercial Management in proportion to their respective equity interests. The roles of Mr. Tian and Mr. Lai are primarily to contribute operational expertise, supplier network resources and/or management experience to the New Business Segment, instead of financial assistance and even pro rata financial assistance required from them will impose financial burden on them and may discourage them from continuously contributing to the development and expansion of the New Business Segment. As such, the Company agreed to provide additional funding to the New Business Segment through the Loan Agreements on normal commercial terms with adequate protection to the Company's rights as creditor.

The Board is of the view that this arrangement is fair and reasonable and in the interests of the Company and its Shareholders as a whole, having considered that (i) while Mr. Tian and Mr. Lai do not provide financial assistance, they contribute operational expertise, supplier networks and/or management resources that are essential to the development of the New Business Segment and difficult to acquire through cash expenditure alone, (ii) as Pagoda Commercial Management is a consolidated subsidiary of the Company, the revenue and profit generated by the New Business Segment are consolidated into and directly enhance the Group's financial results, and accordingly the Company's provision of loans to fund the New Business Segment is beneficial to the Company and its shareholders, and (iii) the New Business Segment is expected to serve as the Group's second growth curve, contributing to its long-term business diversification and financial performance.

2. To consider and approve the Proposed Amendment to the 2023 Share Award Scheme

Background

In order to further enhance and improve the share award and restraint mechanism of the Company, and having taken into account the business development strategy of the Company at the current stage, the competitive landscape for talent in the industry and the practical needs in the administration of the 2023 Share Award Scheme, the Board proposes to amend the pricing rule for determining the grant price of the award shares under the 2023 Share Award Scheme, with a view to optimising the pricing mechanism for the grant price and fully balancing the interests of the Company, the Shareholders and the grantees.

Proposed Amendment

Details of the Proposed Amendment are set out below:

The Original Rule	**The Proposed Amendment**
The Board shall determine the grant price with reference to the market trading price of the Company's H Shares. The Grant Price shall not be more than 10.0% of the average closing price of the H Shares in the 120 Hong Kong Trading Days immediately prior to the Grant Date.	The Board shall determine the grant price with reference to the market trading price of the Company's H Shares. The Grant Price shall not be higher than ~~10.0% of the average~~ closing price of the H Shares on ~~in the 120 Hong Kong Trading Days immediately prior to~~ the Grant Date.

Existing Rules Remaining Unchanged

The Proposed Amendment will only apply to grants made under the 2023 Share Award Scheme after the Proposed Amendment becomes effective upon the approval at the EGM, and will not be applicable to any award shares granted before the Proposed Amendment becomes effective. Save as the aforementioned, all other terms and conditions (including the vesting conditions and other applicable rules) of the 2023 Share Award Scheme remain unchanged.

Reasons for and Benefits of the Proposed Amendment

The Board considers that the Proposed Amendment will provide the Company with a more flexible pricing mechanism for the implementation of the 2023 Share Award Scheme, enabling the Company, subject to compliance with the terms of the 2023 Share Award Scheme (as amended) and the applicable regulatory requirements, to determine an appropriate grant price having regard to the market price of the H Shares at the time of grant, the business development needs of the Group, the circumstances of the eligible participants and the incentive purposes of the 2023 Share Award Scheme.

Directors' View

The Directors (including independent non-executive Directors) has considered the Proposed Amendment and are of the view that (i) the Proposed Amendment is in line with the purposes of the 2023 Share Award Scheme; (ii) the Proposed Amendment facilitates the sustainable development of the Company; and (iii) the Proposed Amendment is therefore in the interest of the Company and the Shareholders as a whole.

Listing Rules Implication

The 2023 Share Award Scheme is funded solely by existing H Shares purchased on the market by the relevant trustee(s), and no new Shares have or will be issued under the 2023 Share Award Scheme. Accordingly, the 2023 Share Award Scheme does not constitute a share scheme involving the issue of new shares under Chapter 17 of the Listing Rules. Pursuant to the rules of the 2023 Share Award Scheme, the Proposed Amendment is subject to the approval of the Shareholders by way of an ordinary resolution at the EGM. The Proposed Amendment will take effect upon such approval.

IV. INDEPENDENT BOARD COMMITTEE

Pursuant to the Listing Rules, the Independent Board Committee (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) has been formed to advise the Independent Shareholders on the proposed transaction(s) under the Loan Agreement III.

V. INDEPENDENT FINANCIAL ADVISER

Capital 9 Limited has been appointed with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committees and the Independent Shareholders in relation to the Loan Agreement III.

VI. EGM

The EGM of the Company will be held at 2:00 p.m. on Friday, October 30, 2026 at Conference Room, 10th Floor, Pagoda Technology Building, No. 2005 Shenyan Road, Pengwan Community, Haishan Street, Yantian District, Shenzhen, Guangdong Province, China to consider and approve, as appropriate, the resolutions set out in the notice of the EGM. The notice of the EGM is set out in page EGM-1 to page EGM-2 of this circular and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pagoda.com.cn).

If you wish to appoint a proxy to attend and vote for you at the EGM, please complete the form of proxy in accordance with the instructions printed thereon, and return the completed form to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, the Company's H share registrar, as soon as possible and in any event no later than 24 hours before scheduled time of the EGM (that is, no later than 2:00 p.m. on Thursday, October 29, 2026) or any of its adjourned meetings (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

VII. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the EGM must be taken by poll, except for the resolutions relating solely to procedural or administrative matters on which the chairman of the EGM decides in good faith to permit voting by a show of hands.

As at the Latest Practicable Date, 79,418,500 H Shares, which had been purchased on the market, were held by Zhonghang Trust Co., Ltd.* (中航信託股份有限公司) (as to 40,690,500 H Shares) and Zhongcheng Trust Co., Ltd.* (中誠信託有限責任公司) (as to 38,728,000 H Shares) as the trustees under the 2023 Share Award Scheme. As at the Latest Practicable Date, 181,883,750 H Shares were held by Futu Trustee Limited as the trustee under the Restricted Share Unit Scheme (H Share) which was adopted by the Company at the 2025 second extraordinary general meeting of the Company held on October 30, 2025 (the "**2025 RSU Scheme**"). In accordance with Rule 17.05A of the Listing Rules, the voting rights attached to such H Shares are required not to be exercised, and will not be exercised, on any resolution at the EGM which requires Shareholders' approval under the Listing Rules.

In addition, as at the Latest Practicable Date, 42,502,000 H Shares were held by the Company as treasury shares. The voting rights attached to treasury shares are required not to be exercised, and will not be exercised, on any resolution at the EGM which requires Shareholders' approval under the Listing Rules.

Pursuant to Rule 14A.36 of the Listing Rules, any shareholder who has a material interest in the transaction(s) must abstain from voting on the relevant resolution(s). As at the Latest Practicable Date, Hengwang, an associate of Mr. Tian (an executive Director), is interested in 2,913,398 Shares, representing approximately 0.15% of the total registered share capital of the Company. Accordingly, Hengwang shall abstain from voting on the proposed resolution approving the Loan Agreement III as well as the transactions contemplated thereunder at the EGM.

Save for the above, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the other Shareholders is required to abstain from voting on the resolutions and the transactions contemplated thereunder to be proposed at the EGM.

At the Board meeting held to approve the Loan Agreement III, Mr. Tian (the limited partner of Hengwang) is considered to be interested in the transactions contemplated thereunder and has abstained from voting at the Board meeting in respect of the resolution proposed to approve the Loan Agreement III.

Save as disclosed above, none of the Directors has a material interest in the Loan Agreement III and the Proposed Amendment or is required to abstain from voting on the Board resolutions for considering and approving the Loan Agreement III and the Proposed Amendment pursuant to the Listing Rules and/or the Articles of Association.

The poll results of the EGM will be published at the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pagoda.com.cn) according to the Listing Rules.

VIII. CLOSURE OF REGISTER OF MEMBERS

To determine the eligibility of Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, October 27, 2026 to Friday, October 30, 2026 (both days inclusive), during which period no transfer of Shares can be registered. Shareholders whose names appear on the register of members of the Company on Friday, October 30, 2026 will be entitled to attend and vote at the EGM. To be eligible to attend and vote at the EGM, all the transfer documents accompanied with the relevant share certificates and other appropriate documents must be lodged for registration with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, October 26, 2026.

IX. RECOMMENDATION

In light of the above, the Board (excluding Mr. Tian in relation to the Loan Agreement III only) believes that the resolutions to be proposed at the EGM is in the interests of the Company and the Shareholders as a whole. Therefore, the Board recommends the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

The Independent Board Committee, having taken into account the advice of Capital 9 Limited, considers that the Loan Agreement III, though not in the ordinary and usual course of business of the Group, is on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and its Shareholders as a whole. Accordingly, the Independent Board Committee recommends that Independent Shareholders vote in favour of the resolution to be proposed at the EGM to approve the Loan Agreement III and the transactions contemplated thereunder. The text of the letter from the Independent Board Committee is set out on pages 24 and 25 of this circular.

X. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on pages 24 and 25 of this circular, and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed provision of financial assistance under the Loan Agreement III as set out on pages 26 to 43 of this circular.

Yours faithfully,
By Order of the Board
Shenzhen Pagoda Industrial (Group) Corporation Limited
YU Huiyong
Chairman and Executive Director

Shenzhen, the People's Republic of China
October 15, 2026

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in this circular, from the Independent Board Committee to the Independent Shareholders in respect of approving the Loan Agreement III as well as the transactions contemplated.

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)

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED CONNECTED TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED SUBSIDIARY

We refer to the circular dated October 15, 2026 (the "**Circular**") issued by the Company to the Shareholders of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the terms of the Loan Agreement III as well as the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders as a whole and how the Independent Shareholders should vote at the EGM, after taking into account the recommendation of the Independent Financial Adviser.

We wish to draw your attention to the letter from the Independent Financial Adviser as set out on pages 26 to 43 of this circular.

Having considered the terms of the Loan Agreement III, and the principal factors and reasons considered by and the opinion of the Independent Financial Adviser as set out in its letter of advice, we consider that the Loan Agreement III as well as the transactions contemplated thereunder, though not in the ordinary and usual course of business of the Group, are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to approve the Loan Agreement III as well as the transactions contemplated thereunder at the EGM.

Yours faithfully
For and on behalf of
the Independent Board Committee

Dr. JIANG Yanbo	**Mr. MA Ruiguang**	**Dr. WU Zhanchi**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

Mr. CHEUNG Yee Tak Jonathan	**Ms. ZHU Fang**
Independent non-executive Director	*Independent non-executive Director*

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of approving the Loan Agreement III as well as the transactions contemplated thereunder for the purpose of incorporation into this circular.



Capital 9 Limited

Unit 1219, 12/F,
Bank of America Tower,
12 Harcourt Road,
Central,
Hong Kong

15 October 2026

To the Independent Board Committee and the Independent Shareholders of Shenzhen Pagoda Industrial (Group) Corporation Limited

Dear Sir/Madam,

PROPOSED CONNECTED TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE TO A CONNECTED SUBSIDIARY

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the entering into of 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 (the "**Financial Assistance**" or "**New Loan**"), particulars of which are set out in the section headed "Letter from the Board" ("**Letter from the Board"**) contained in the circular of the Company dated 15 October 2026 ("**Circular"**), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

The Board announced that, on 28 August 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 New Loan to Pagoda Commercial Management for a term from the effective date of the Loan Agreement III to 31 October 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 20 August 2026 plus 20 basis points to be accrued from the relevant withdrawal date of each loan.

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 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 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.

In accordance with the Listing Rules, Hengwang, being an associate of Mr. Tian who is an executive Director and a shareholder of the Company 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, 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.

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders on the Loan Agreement III and the transactions contemplated thereunder, and how to vote on the relevant resolutions at the EGM. As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give independent opinion to the Independent Board Committee for it to advise the Independent Shareholders in this regard.

BASIS OF OUR OPINION

In formulating our view and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on (i) the information, facts and representations provided, and the opinions and views expressed to us by the Company, the Directors and/or the management of the Group, and (ii) the information, facts, representations, opinions and views of the Company, the Directors and/or the management of the Group contained or referred to in the Circular, including but not limited to the Letter from the Board contained therein, all of which have been assumed to be true, accurate and complete at the time they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, view and intention made by the Company, the Directors and/or the management of the Group in the Circular, including but not limited to the Letter from the Board

contained therein, were reasonably made after due and careful enquiry and the expectations and intentions made by the Company, the Directors and/or the management of the Group will be met or carried out as the case may be. We consider that we have received and reviewed sufficient information to reach an informed view and have no reason to believe that any material information has been omitted or withheld, or to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, the Directors and/or the management of the Group. We have been confirmed by the Company that no material facts have been withheld or omitted from the information provided to us, the opinion expressed to us, and/or information or opinion contained or referred to in the Circular.

We have not, however, carried out any independent verification of the information provided by the Company, the Directors and/or the management of the Group, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group, or any of its respective subsidiaries, controlled entities, jointly controlled entities or associates. We consider that we have performed our duties with impartiality and independence from the Company.

The Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular misleading.

As at the Latest Practicable Date, to the best of our knowledge, we were not aware of any relationships between us and, nor any interests held by us in, the Company, the Directors and/or existing Shareholders that could reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser. In the past two years preceding the Latest Practicable Date, Capital 9 Limited acted as the independent financial adviser to the independent board committee and the independent shareholders of the Company in respect of the connected transaction as detailed in the circular of the Company dated 12 May 2026. Capital 9 Limited received normal professional fees from the Company under such engagement. Save for the aforesaid engagement, there was no engagement between the Company and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Company. Accordingly, we are independent from the Company pursuant to Rule 13.84 of the Listing Rules and are licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance and therefore are qualified to give independent advice in respect of the provision of Financial Assistance.

PRINCIPAL REASONS AND FACTORS CONSIDERED

In arriving at our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the provision of the Financial Assistance, we have taken into consideration the following principal reasons and factors:

1. Background and reasons for the provision of the Financial Assistance

Utilisation of the Previous Loans

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. As stated in the Letter from the Board and further advised by the Company, it established Pagoda Commercial Management in September 2025 for the purpose of implementing the Group's new segment initiatives to promote, develop and expand a new franchise business segment through collaboration with local brand partner stores where retail stores located in communities or busy streets under various new brands will be set up to sell snacks, fruit and other food products (the "**New Business Segment**"). To fund the initial development of the New Business Segment, the Company has provided the Previous Loans under the Loan Agreement I (as supplemented by the Supplemental Agreement I) and the Loan Agreement II. As advised by the Company, as at the Latest Practicable Date, RMB243 million out of the Previous Loans of RMB250 million in aggregate have been drawn by Pagoda Commercial Management, and utilised or earmarked for procurement, establishment and development of warehousing and distribution systems and daily operating expenses as planned, and the remaining RMB7 million will also be drawn in or around the last quarter in 2026.

The table set out the status of utilisation of the Previous Loans as at the Latest Practicable Date:

	Uses	**Amount allocated** *RMB' million*	**(a) Utilised** *RMB' million*	**(b) Contractually committed but unpaid** *RMB' million*	**(c) Unutilised** *RMB' million*
(1)	Daily operating expenses, including remuneration	18	18	–	–
(2)	Establishment and development of warehousing and distribution systems and related expenses	54	26	28	–
(3)	Working capital, including procurement expenses	108	108	–	–

	Uses	Amount allocated *RMB' million*	(a) Utilised *RMB' million*	(b) Contractually committed but unpaid *RMB' million*	(c) Unutilised *RMB' million*
(4)	Digital system upgrades and procurement expenses	42	42	–	–
(5)	Marketing and branding initiatives	28	21	–	7
	Total	250	215	28	7

We have reviewed the management accounts of Pagoda Commercial Management for the eight months ended 31 August 2026, and noted the utilisation of the amount of RMB215 million in total as set out in column "(a)" in the table above.

Regarding the amount of RMB28 million to be utilised in establishment and development of warehousing and distribution systems and related expenses which has been contractually committed but unpaid as set out in column "(b)" in the table above, we have reviewed (i) a tenancy agreement signed by a subsidiary of Pagoda Commercial Management for leasing a factory in Jiangsu province for the period from April 2026 to August 2029 at a total rental and property management fee of approximately RMB14 million, and such fee shall be settled quarterly; and (ii) a tenancy agreement to be entered into by another subsidiary of Pagoda Commercial Management for leasing a property in Hunan province for approximately three years from November 2026 at a total rental and property management fee of approximately RMB7 million, and such fee shall be settled monthly. Further, as shown in the management account of Pagoda Commercial Management, transportation expenses of more than RMB12 million was incurred in the first eight months in 2026. As advised by the Company, such expenses were mainly attributable to transportation of snack and fruit products required in daily operation. We have reviewed several cargo transportation agreements entered into by subsidiaries of Pagoda Commercial Management for such services and noted that such service fee shall be settled monthly generally.

Regarding the amount of RMB7 million for marketing and branding initiatives as set out in column "(c)" in the table above which has not been drawn as at the Latest Practicable Date, as advised by the Company, such amount will be used to finance marketing events to be held by Pagoda Commercial Management for brand promotion in or around the last quarter in 2026. We have reviewed a preliminary budget of the events provided by the Group and noted that the estimated total cost is more than RMB7 million.

Based on the works performed above, no material deviation from the original allocation plan has been identified.

Business development of the New Business Segment is faster than that previously expected

According to the original development plan of the Group, the New Business Segment mainly comprises the sale of snack and fruit products in retail stores in various parts of the PRC under no less than five new brands (the "**Original Business Plan**").

As stated in the Letter from the Board, as of the date of the Loan Agreement III, Pagoda Commercial Management collaborated with seven regional retail brands across Inner Mongolia, Shaanxi, Henan, Jiangsu, Hunan, Jiangxi and Guizhou respectively. The collaboration with brand partner stores in Inner Mongolia was not in the Original Business Plan and only commenced in July 2026. As stated in the interim results announcement for the six months ended 30 June 2026 of the Company, as at 30 June 2026, the total number of brand partner stores of Pagoda Commercial Management reached 1,951, contributing an aggregate of approximately RMB721.3 million to and 14.5% increase in the Group's revenue compared to that for the same period in 2025. As advised by the Company, such achievement is better and faster than previously expected by the Group as demonstrated by the number of stores set up in the first half of 2026.

Additional funding needs of the New Business Segment

In light of the pace of development of the New Business Segment as mentioned above, the Company has entered into the Loan Agreement III, pursuant to which the Company will provide the New Loan to Pagoda Commercial Management for a term from the effective date of the Loan Agreement III to 31 October 2029.

In order to assess the reasonableness of the additional financial assistance of RMB110 million, we have discussed with and understood from the Company, and assessed the reasons and amount of additional fundings required by Pagoda Commercial Management which can be broadly grouped as follows:

(i) For the collaboration with brand partner stores in Inner Mongolia since July 2026

Approximately 10% (RMB11 million) will be utilised for the construction of warehousing and distribution infrastructure, including the upgrading of regional warehousing centers and investment in equipment and cargo transportation services.

Pagoda Commercial Management has commenced to collaborate with a regional brand partner store in Inner Mongolia (that is, the seventh brand) since July 2026 which is not included in the Original Business Plan. We have conducted our own desktop search and noted that such new brand is one of the chain brands specialising in bulk snack sales in Inner Mongolia. We understood from the Company that the decision of collaboration with such regional brand partner store was made by Pagoda Commercial Management only after its completion of assessing the potential of such brand and negotiation with the relevant local partner for the collaboration by June 2026 and thus such the funding required by such collaboration has not been covered by the Previous Loans. As this new

collaboration will be located in Inner Mongolia in the PRC, being a new location rather than in the locations planned under the Original Business Plan, additional fundings will be required for setting up warehousing and distribution infrastructure and cargo transportation services in Inner Mongolia.

Based on the fund allocation plan of the Previous Loans under the Original Business Plan, approximately RMB54 million was allocated for construction of warehousing and distribution infrastructure and cargo transportation services for six brands (that is, six groups of regional brand partner stores), that is, RMB9 million per brand (group) in average. Meanwhile, Pagoda Commercial Management expects that the scale of the operation in Inner Mongolia will be larger, and thus the corresponding funding needs for warehousing and distribution infrastructure, will be higher, than the existing six groups of regional brand partner stores (six brands) as the brand of the brand partner stores to be cooperated is one of the well-known retail brands of snacks in Inner Mongolia. Given the above, it is considered that the allocation of RMB11 million for the new brand, which is close to the average amount of RMB9 million per brand above with a buffer of RMB2 million as the scale of operation is expected to be bigger is justifiable.

(ii) For enhancing brand penetration of the seven regional brands

Approximately 20% (RMB22 million) for marketing and brand promotion activities to enhance the brand awareness and market penetration of the seven regional brands.

Taking into account the satisfactory performance of the six groups of brand partner stores achieved in last six months as well as the collaboration with brand partner stores (that is, the seventh brand) in Inner Mongolia which commenced in July 2026, Pagoda Commercial Management considers that it is time to conduct market activities to promote the new brand in Inner Mongolia and the seven regional brands as a whole under the name "Seven Star Alliance". This funding need is not covered by the Previous Loans and thus the New Loan is crucial.

(iii) For enhancing the management of the operation of the franchised stores

Approximately 25% (RMB27.5 million) for personnel recruitment and training, with plans to recruit approximately 40 staffs covering store operations, supply chain management and information technology systems.

We understood from the Company that, according to the Original Business Plan, Pagoda Commercial Management will be responsible for setting up the warehousing and distribution infrastructure for operation, and the regional brand partner stores (franchised stores) will be responsible for the daily operation. After reviewing the operating performance of those stores in last few months without the participation of Pagoda Commercial Management, the Group (including Pagoda Commercial Management)

considered that it is crucial for Pagoda Commercial Management, as the headquarter, to set up a team comprising around 40 staffs to manage, oversee and/or guide the operation of those stores to improve their working efficiency.

We have reviewed the list of 40 staffs setting out their title and annual employee benefit expenses (including annual salary and social security and housing provident fund contributions). Those staffs are generally of manager grade or above who will be specialised in various areas including but not limited to store operation, supply chain management and information technology systems, legal and finance. Total staff cost is estimated to be approximately RMB14 million annually. As of the Latest Practicable Date, 19 staffs in the list have been employed by Pagoda Commercial Management. We understood from the Company that the funding of RMB27.5 million will be used to finance the aforesaid staff cost for around two years. Given the above, we considered that this new funding need is justifiable.

(iv) For setting up self-operated stores to operate the new business and developing new product categories

Approximately 30% (RMB33 million) for store expansion, store innovation, and store renovation and development of new product categories.

Given the satisfactory operating results of the New Business Segment after operating for more than six months, Pagoda Commercial Management has planned to set up not less than two self-operated stores operated for each of the seven regional brands. The renovation of the self-operated stores will be different from that of the regional brand partner stores and is expected to be more attractive to shoppers and can attract more spending. They can be regarded as a sample store model for the regional brand partner stores to follow. This funding of this new plan is not covered by the Previous Loans and thus the New Loan is crucial.

We have reviewed a cost breakdown of setting up a self-operated store by the Group for selling fruit products, which mainly included cost of renovation, procurement of information and other systems and equipments, and noted that the total cost amounted to around RMB2.0 million. Further, the procurement cost of inventory (being snack and fruit products) amounted to over RMB900 million in the first eight months in 2026. Given the above, the aforesaid budget of RMB33 million for setting up at least 14 self-operated stores as well as developing new categories of snack products for sale is considered justifiable.

(v) For increasing liquidity of the stores

Approximately 15% (RMB16.5 million) for general working capital and liquidity needs to support the daily operations of the new businesses and adapt to market changes.

As shown in the management account of Pagoda Commercial Management for the eight months ended 31 August 2026, after operating the new business for more than six months, the portion in the Previous Loans allocated as working capital to finance procurement of inventory and other expenses have been fully utilised. Hence, Pagoda Commercial Management considered that it is crucial to allocate additional working capital to finance the operation needs of the stores, in particular, for inventory procuring and stockpiling of various kinds of snack and fruit products in order to adapt to market changes.

As advised by the Company and analysis above, the pace and number of regional brand partner stores (franchised stores) set up and number of brands cooperated with were faster and more than that previously planned under the Original Business Plan particularly due to the collaboration with the seventh brand partner stores. Also, this new funding needs are formulated only after reviewing the operating performance of the regional brand partner stores for more than six months, and thus are not covered by the Previous Loans. Taking into account the above, the New Loan is crucial for the continuing development of the New Business Segment.

We understood from the Company that the Group is confident that the New Business Segment could achieve a satisfactory performance in the future in light of the Group's years of experience in selling fruit and fruit-based products under similar business model and the positive outlook of the fruit and snack industry in China, as well as the operating performance achieved by the New Business Segment for the first half year in 2026 which contributed over RMB721 million to the Group's revenue.

We have reviewed a cash flow estimation of Pagoda Commercial Management in operating the New Business Segment from 2026 to 2029 provided by the Company, which is derived based on a number of factors, in particular, (i) capital contribution received by all the shareholders of Pagoda Commercial Management in April 2026; (ii) the cash inflow of the Previous Loans and the New Loan; (iii) the actual cash inflow and outflow for the first half year of 2026; (iv) the estimated operating cash flow of the New Business Segment with reference made to the operation in the first half of 2026 and the Group's in-depth experience in operating its fruit and fruit-based selling business under similar business model; and (v) assuming short term bank borrowing of RMB100 million will be obtained in 2027 and investment from strategic investor of RMB100 million will be obtained in 2028 respectively. As shown in the estimation, the Group believed that Pagoda Commercial Management would have sufficient cash to fully settle the principal amount and accrued interest of the Previous Loans and the New Loan at the respective maturity date. As a sensitivity analysis, it is noted that, should (a) Pagoda Commercial Management be unable to obtain the short term bank borrowing and investment from strategic investor of RMB100 million each in 2027 and 2028 respectively mentioned above, or (b) in addition to (a), the estimated revenue of Pagoda Commercial Management from 2026 to 2028 decrease by 10%, the Group would still be able to generate sufficient cash to fully settle the principal amount and accrued interest under the Previous Loans and the New Loan at their respective maturity date.

In the cash flow estimation above, the cash position of the group of Pagoda Commercial Management is estimated based on the expected number of stores, estimated profitability of the business and estimated cashflow from 2026 to 2029. It is assumed that 2,000 regional brand partner stores in total will be set up in 2026 and the number of stores will be increased by around 800 stores in average each year from 2027 to 2029. Given (a) 1,951 regional brand partner stores have already been set up in the first six months in 2026; (b) the regional brand partner stores are and will be distributed in more than seven different provinces in the PRC and thus competition among different brands can be mitigated; (c) similar franchised business is also currently operated by the Group and over 4,700 franchised stores were supervised by the Group as at 30 June 2026, the number of franchised stores and the growth above assumed by Pagoda Commercial Management is considered justifiable. Profitability of the business are estimated based on the historical performance achieved by Pagoda Commercial Management in the first eight months in 2026 with an immaterial annual growth. Based on the management account of Pagoda Commercial Management, we noted that its profit margin has been increasing. Also, a further improvement in profit margin is considered justifiable as measures will be taken by Pagoda Commercial Management to enhance working efficiency, such as a specific team will be set up to supervise and guide the operation of the stores as mentioned above, and marketing event to enhance brand awareness will be conducted. Regarding cashflow, it is estimated taking into account the performance above, the Previous Loans and New Loan and their repayment schedule, the obtaining of short term bank borrowing and investment from strategic investor of RMB100 million each mentioned above in 2027 and 2028 respectively. As advised by the Company, it considered that Pagoda Commercial Management will be able to obtain bank borrowings and attract investment and in 2027 and 2028 respectively based on the financial performance and position of the New Business Segment at relevant time after operating for around two years. Having considered the above, we consider that the key inputs and assumptions made in the cash flow estimation are fair and reasonable.

Positive outlook of the snack food industry in China

Apart from fruits and fruit products, the major products to be sold in the New Business Segment are snack products. We have tried to identify market information regarding the outlook of the China's snack food industry which may indicate whether the provision of the New Loan by the Group to support the development of the New Business Segment is justifiable. According to the summary extract of the report titled "2026–2027 China Snack Food Industry Development and Consumer Behavior Insights Report" released by iiMedia Research on 21 July 2026, the snack food industry encompasses ready-to-eat packaged foods consumed outside of regular meals, including core categories such as nuts and roasted snacks, puffed snacks, candy and chocolate, braised foods, baked goods, and dried and candied fruits. By 2025, the scale of China's snack food industry will reach RMB1,180.4 billion, and it is projected to reach RMB1,333.0 billion by 2030. The industry has entered a phase of competition for market share. In 2025, the market size of China's snack retail chains was RMB123.9 billion, and it is projected to reach RMB197.4 billion by 2030.

Justifiability of not requiring corresponding financial assistance from the other shareholders of Pagoda Commercial Management

As stated in the circular of the Company dated 12 May 2026 regarding the Previous Loans, during the process of implementing new business initiatives and developing new business segments, the Company realised that additional resources would be required for Pagoda Commercial Management to carry out its business activities, in particular, quality suppliers, franchisees, professional management personnel. Hence, Mr. Tian and Mr. Lai, who have extensive resources, rich experience and management experience, have been introduced as substantial shareholders of Pagoda Commercial Management in February 2026 for the new business development. Having considered that (i) the Group's purpose of introducing Mr. Tian and Mr. Lai into Pagoda Commercial Management as substantial shareholders and their acceptance is based on the mutual understanding that Mr. Tian and Mr. Lai have to contribute their expertise, experience and network resources into the New Business Segment while the Group will mainly be responsible to solve the funding requirement for developing the new business, and (ii) pro rata financial assistance required from Mr. Tian and Mr. Lai will impose financial burden on them and thus may discourage their continued contribution, we concur with the Directors' view that provision of the New Loan by the Group without corresponding financial contributions from Mr. Tian and Mr. Lai is justifiable.

Other funding alternatives

We have discussed with the Company if any other fund raising alternatives such as debt and equity financing is appropriate, taking into consideration of the financial position of Pagoda Commercial Management. Given Pagoda Commercial Management is still in the preliminary stage of development which commenced in early 2026 and currently does not have material assets which can be used as pledge for borrowings, we concur with the Directors' view that it would be difficult for Pagoda Commercial Management to obtain bank or other financing on its own without guarantee provided by the Group as its controlling shareholder currently. The Group's liquidity position is solid and strong, as indicated by its amount of cash and cash equivalents of the Group which reached over RMB1.9 billion as at 30 June 2026 as shown in its interim results announcement for the six months ended 30 June 2026 and confirmed by the Company taking into account the recent financial requirement of the Group. Hence, we concur with the Directors' view that it would be in the interest of the Company to provide the New Loan rather than to provide guarantee for obtaining bank or other borrowings by Pagoda Commercial Management.

Regarding equity financing, as discussed above, Mr. Tian and Mr. Lai were introduced as substantial shareholders of Pagoda Commercial Management to incentivise them to align their financial interest with that of the Group and motivate their continued contribution of their expertise, experience and network resources in the long term growth of the Group. We understood from the Company that pro-rata additional capital contribution is also not intended by Mr. Tian and Mr. Lai as it will impose substantial financial burden on them given the substantial funding requirement of the new business. Additional capital contribution only by

the Group or introduction of new investor into Pagoda Commercial Management will dilute the shareholding interests of Mr. Tian and Mr. Lai and thus may discourage their continued contribution and conflict with the Group's motivation strategy aforesaid.

Given the above, we concur with the Directors' view that the provision of New Loan on the proposed terms is considered preferable among all alternatives and in the interest of the Company and the Shareholders as a whole.

Taking into account the Group's strategy to develop the New Business Segment, the expected funding needs and the positive market outlook of the China's snack food industry and thus the New Business Segment, we concur with the Directors' view that the entering into of the Loan Agreement III for providing the New Loan to Pagoda Commercial Management, though not in the ordinary and usual course of business of the Group, are in the interest of the Company and the Shareholders as a whole.

2. Terms of the Loan Agreement III

Pursuant to the Loan Agreement III, the loans in the principal amount of up to RMB110 million provided to Pagoda Commercial Management for the term from the effective date of the Loan Agreement III to 31 October 2029 is interest-bearing at a fixed annual interest rate of 3.2%, equivalent to the one-year LPR of 3.0% plus 20 basis points. Interest will be accrued on the outstanding principal amount of the loans from the relevant withdrawal date of each loan up to the early repayment date or the maturity date of the loans on 31 October 2029, as the case may be.

The aggregate principal amount, together with all accrued interest, shall be repaid in one lump sum upon the maturity of the loans under the Loan Agreement III on 31 October 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.

Apart from the Previous Loan offered by the Company in early 2026, we have tried but are not able to find a comparable transaction in which all the key terms of financial assistance, including but limited to amount of loan, tenor, interest rate, payment terms and requirement of guarantee, offered to connected subsidiary by a listed company in Hong Kong in the year before the transaction date of the New Loan are materially the same with that of the New Loan to support that the terms under the New Loan are not uncommon and thus are fair and reasonable. To assess the fairness and reasonableness of the terms of the New Loan, we have tried to compare them with the terms of comparable transaction announced in public which meets the following criteria ("**Criteria**"): (i) the financial assistance was offered by a company listed in Hong Kong to its connected subsidiary and no security or guarantee was required from the subsidiary; (ii) the use of the financial assistance by such connected subsidiary was for its operation needs; and (iii) the development of the connected subsidiary would in turn contribute to the overall business development of the group of the listed company as announced by the

relevant listed company. Based on the Criteria, five comparable transactions were identified for the year before the transaction date of the New Loan (apart from the provision of the Previous Loans by the Company in February 2026) which is exhaustive. We have further identified five comparable transactions conducted before one year of the date of the New Loan and set out in the table below for comparison.

We have tried to identify if there is any direct co-relation between certain factors of the borrowers with their relevant loan terms, so as to assess if any of those factors should be included in the Criteria. Those factors included (i) credit profile (that is, repayment capacity), (ii) financial position (such as net assets), (iii) profitability, (iv) cashflows, (v) ownership structure (that is, percentage held directly or indirectly by the listed company) of the borrowers in those comparable transactions. However, we noted that only one Comparable (Capital Environment) has disclosed a few financial figures of its connected subsidiary (as the borrower) and only two Comparables (Lai Sun Garment and Lai Sun Development) have disclosed the cash balance of its connected subsidiary (as the borrower). As information (i) to (iv) were not disclosed by the Comparables generally, no comparison can be made. For (v) ownership structure, as shown in the case of Capital Environment, Yankuang, China Resources and Jiangxi Rimag, while all their shareholding held in the borrower were the same (that is, 51%), the interest rate charged by them ranged from 1-year loan prime rate to up to 6.5% per annum, indicating that there is no direct co-relation between the ownership structure of a borrower and the terms of the financial assistance and thus factor (v) is irrelevant. In addition, it is noted that none of the Comparables stated in their relevant announcements that their terms of financial assistance were determined with reference to any of the factors (i) to (v) above. Hence, it is believed that the factors (i) to (v) above are generally considered not relevant in determining the terms of financial assistance to connected subsidiary, and thus are not appropriate to be adopted in the Criteria.

The table below summarises the comparable transactions ("**Comparables**") identified based on the Criteria:

Date of transaction	Stock code	Name of listed company	Principal *(RMB million)*	Tenor of financial assistance	Interest rate	Whether periodic interest is required	Repayment mechanics	Whether guarantee is required from borrower	Consequence of default in repayment
28/4/2022	2051	Vala Inc. (Formerly known as 51 Credit Card Inc. ("**51 Credit Card**"))	8	3 years	5.8% per annum, based on (i) 5.64% per annum for a 5-year loan from a commercial bank; and (ii) prevailing loan prime rate of 4.6% per annum for 5-year loan announced by PBOC	No	Principal and interest repayable in one lump sum at maturity	No	Not stated in announcement[#]
17/11/2023	2245	Lygend Resources & Technology Co., Ltd. ("**Lygend**")	Up to 65	1 year	PBOC benchmark 1-year lending rate in PRC	No	Principal and interest repayable in one lump sum within 3 days from maturity	No	Not stated in announcement[#]
16/7/2024	3989	Capital Environment Holdings Limited ("**Capital Environment**")	7	1 year	6.5% per annum (same interest rate when the borrower was not a connected subsidiary)	Yes (quarterly)	Principal is repayable in one lump sum at maturity	No	Not stated in announcement[#]
30/8/2024	1171	Yankuang Energy Group Company Limited ("**Yankuang**")	5,000	3 years	Average bank loan interest rate	Yes (quarterly)	Principal is repayable in one lump sum at maturity	Yes (guarantee is subsidiary's equity interest)	Default interest

Date of transaction	Stock code	Name of listed company	Principal *(RMB million)*	Tenor of financial assistance	Interest rate	Whether periodic interest is required	Repayment mechanics	Whether guarantee is required from borrower	Consequence of default in repayment
9/12/2024	6862	Haidilao International Holding Ltd. ("**Haidilao**")	Up to 500	3 years	1-year LPR plus 20 basis points	Yes (quarterly)	Principal is payable not later than 7 Business Days following maturity	No	Default interest
28/11/2025	191	Lai Sun Garment (International) Limited ("**Lai Sun Garment**")	Up to 700	3 years	HIBOR plus interest margin	Not stated in announcement*	Not stated in announcement	No	Not stated in announcement*
28/11/2025	488	Lai Sun Development Company Limited ("**Lai Sun Development**")	Up to 1,500	3 years	HIBOR plus interest margin	Not stated in announcement*	Not stated in announcement	No	Not stated in announcement*
24/12/2025	836	China Resources Power Holdings Company Limited ("**China Resources**")	Up to 2,550	3 years	1-year loan prime rate published by China Interbank Funding Center	No less favorable to the group of China Resources than those of other comparable independent third parties' transaction	No less favorable to the group of China Resources than those of other comparable independent third parties' transaction	No	Not stated in announcement*

Date of transaction	Stock code	Name of listed company	Principal *(RMB million)*	Tenor of financial assistance	Interest rate	Whether periodic interest is required	Repayment mechanics	Whether guarantee is required from borrower	Consequence of default in repayment
12/2/2026	2522	Jiangxi Rimag Group Co., Ltd. ("**Jiangxi Rimag**")	Up to 44	Around 3 years	Up to 6%	No	Principal and interest repayable in one lump sum at maturity	No	Default interest
2/6/2026	2522	Jiangxi Rimag	Up to 32	3 years	5.5%	No	Principal and interest repayable in one lump sum at maturity	No	Default interest
2/2/2026 & 28/8/2026	**2411**	**The Company – Previous Loans/New Loan**	**250 (Previous Loans)/110 (New Loan)**	**3 years**	**1-year LPR plus 20 basis points**	**No**	**Principal and interest repayable in one lump sum at maturity**	**No**	**Default interest**

* Notwithstanding relevant information is not stated in the announcement, as far as the key terms of financial assistance, in particular, loan amount, tenor, interest rate, payment terms and/or requirement of guarantee of not, have been disclosed in the announcement, it is considered not suitable to exclude this comparable from the analysis so as to maintain the completeness of the exhaustive list of comparables identified for reflecting the terms of financial assistance offered to connected subsidiary by other listed companies in Hong Kong during the one-year period before the date of the New Loan.

\# This transaction is shown in the table for indicating the key terms of financial assistance offered by other listed companies in Hong Kong, in particular, loan amount, tenor, interest rate, payment terms and/or requirement of guarantee, notwithstanding information regarding consequence of default in repayment has not been stated in the announcement.

As shown in the table above, tenor of all the Comparables ranged from 1 to 3 years. Similar to the terms of the New Loan, (i) interest rate of half of the Comparables were fixed based on market rate, being 1-year lending rate announced by the national or commercial bank or revenant authority or HIBOR (Hong Kong Interbank Offered Rate); (ii) guarantee from the relevant connected subsidiary were generally not required; and (iii) repayment of principal and interest in one lump sum at maturity is not uncommon, as supported by 51 Credit Card, Lygend and Jiangxi Rimag.

The connected subsidiary borrowers of all the Comparables (except Haidilao of which the borrower is believed to be in its early stage as it was newly established in the same year of receiving the financial assistance) have been established for 2 years or above as stated in their relevant announcements. We have discussed with the Company about the reason of not charging periodic interest for the New Loan. As advised by the Company, as the New Business Segment conducted by Pagoda Commercial Management is still in the preliminary stage of development, a periodic interest repayment requirement during this stage shall impose financial pressure on, thus may defer the development of, the new business, and therefore is considered not in line with the Group's strategy to build the New Business Segment. The purpose of the Group's provision of the financial assistance, comprising the Previous Loans and New Loan, is to diversify the Group's business to enhance the Shareholders' value in long term, rather than to generate periodic interest income.

Taking into account the (i) the interest rate under the Loan Agreement III is determined by the Company and Pagoda Commercial Management with reference to the lending rate recently published by PBOC and 20 basis points are added and is similar with that of the Comparables, particularly Haidilao; (ii) no periodic interest is required by the Company so as not to impose financial burden and defer development of the New Business Segment which is in its early development stage and this practice is not uncommon as supported by the Comparables including 51 Credit Card, Lygend and Jiangxi Rimag; (iii) the principal and accrued interest of the New Loan shall be repaid in full by Pagoda Commercial Management at maturity of the loans which is the same as that of 51 Credit Card, Lygend and Jiangxi Rimag; and (iv) the Comparables generally do not require security or guarantee for provision of financial assistance, we concur with the Directors' view that the provision of the New Loan is on normal commercial terms and fair and reasonable, notwithstanding the differences in certain terms among the Comparables and with that of the New Loan as discussed above.

3. Financial effects of the provision of the Financial Assistance

As the financial results of Pagoda Commercial Management will continue to be consolidated into that of the Group, no material impact on the assets, liabilities or earnings of the Group is expected as a result of the provision of the New Loan.

RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the view that the provision of the New Loan, though not in the ordinary and usual course of business of the Group, is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of relevant resolutions to be proposed at the EGM to approve the Loan Agreement III, and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Capital 9 Limited
Chan Man Yee
Director

Chan Man Yee is a licensed person and responsible officer of Capital 9 Limited registered with the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and has over 15 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and Short Positions of the Directors, Supervisors and the Chief Executive in the Shares, Underlying Shares and Debentures

Long Positions in Shares of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors, Supervisors or the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise be notified to the Company and the Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors and the chief executive of the Company) were as follows:

Name of Director/ Supervisor	Nature of interest	Number of H Shares	Approx. percentage in the relevant class of Shares[(1)]
Mr. YU Huiyong	Beneficial owner	383,957,019	19.1909%
	Interest of spouse and interest in controlled corporation[(2)]	352,293,740	17.6083%
	Others[(2)]	42,502,000	2.1243%
Ms. XU Yanlin	Interest of spouse and interest in controlled corporation[(2)]	778,752,759	38.9236%
Mr. JIAO Yue	Beneficial owner	1,500,000	0.0750%
	Interest in controlled corporation[(3)]	48,607,264	2.4295%

Name of Director/ Supervisor	Nature of interest	Number of H Shares	Approx. percentage in the relevant class of Shares[1]
Mr. TIAN Xiqiu	Interest in controlled corporation[4]	2,913,398	0.1456%
Mr. ZHU Qidong	Beneficial owner[5]	6,791,000	0.3394%
	Interest of spouse[5]	99,900	0.0050%
Mr. YANG Xiaohu	Beneficial owner[6]	49,500	0.0025%
Mr. SU Yan	Beneficial owner[7]	216,000	0.0108%

Notes:

(1) As of the Latest Practicable Date, the number of issued Shares of the Company was 2,000,721,250, comprising 2,000,721,250 H Shares.

(2) Mr. YU Huiyong is the (executive) general partner of and has full control over Hongyuan Shanguo, Hengyili Investment and Huihe Zhixiang. Mr. YU Huiyong is therefore deemed under the SFO to be interested in the Shares held by Hongyuan Shanguo, Hengyili Investment and Huihe Zhixiang. In addition, Mr. YU Huiyong owns 51% equity interests in Shenzhen Huilin. Mr. YU Huiyong is therefore deemed under the SFO to be interested in the Shares held by Shenzhen Huilin.

Ms. XU Yanlin is the spouse of Mr. YU Huiyong. Each of Mr. YU Huiyong and Ms. XU Yanlin is therefore deemed under the SFO to be interested in the Shares held by each other. In addition, Ms. XU Yanlin owns 49% equity interests in Shenzhen Huilin and contributed more than one third of the capital to Hengyili Investment. As such, Ms. XU Yanlin is therefore deemed under the SFO to be interested in the Shares held by Shenzhen Huilin and Hengyili Investment.

As of the Latest Practicable Date, the Company held 42,502,000 treasury shares. Mr. YU Huiyong controls more than one-third of the voting rights at the general meeting of the Company and is therefore deemed to have an interest in these treasury shares.

(3) Mr. JIAO Yue is the general partner of and has full control over Nanjing Yuanjing Changzhi Enterprise Management Partnership (Limited Partnership)* (南京遠暻長致企業管理合夥企業(有限合夥)) ("**Yuanjing Changzhi**") (formerly known as Beijing Heshun Liru Enterprise Management Center Limited Partnership* (北京合順利如企業管理中心(有限合夥))). In addition, Mr. JIAO Yue contributed more than one third of the capital to Huihe Zhixiang. Mr. JIAO Yue is therefore deemed under the SFO to be interested in an aggregate of 48,607,264 Shares held by Yuanjing Changzhi and Huihe Zhixiang.

(4) Mr. TIAN Xiqiu is the limited partner of and contributed more than one third of the capital of Hengwang. Mr. TIAN Xiqiu is therefore deemed under the SFO to be interested in the Shares held by Hengwang.

(5) Mr. ZHU Qidong and Ms. SHU Xiaoqin, the spouse of Mr. ZHU Qidong, were granted share awards pursuant to the 2023 Share Award Scheme. As of the Latest Practicable Date, all share awards have not been vested yet. Mr. ZHU Qidong is deemed under the SFO to be interested in the underlying Shares held by Ms. SHU Xiaoqin.

(6) Mr. YANG Xiaohu was granted share awards pursuant to the 2023 Share Award Scheme. As of the Latest Practicable Date, all share awards have not been vested yet.

(7) Mr. SU Yan was granted share awards pursuant to the 2023 Share Award Scheme. As of the Latest Practicable Date, all share awards have not been vested yet.

(8) All interests stated are long position.

Long Positions in shares of associated corporation

Name of Director/Supervisor	Nature of interest	Number of shares	Approx. percentage in the total number of issued shares of the associated corporation
Mr. TIAN Xiqiu	Beneficial owner	660,000	33.67%

Note: Mr. TIAN Xiqiu owns 33.67% equity interest in Pagoda Commercial Management.

Save as disclosed above, as of the Latest Practicable Date, none of the Directors, Supervisors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at the Latest Practicable Date, the following persons (other than Directors, Supervisors or chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder/ ultimate controller/ ultimate beneficial owner	Nature of interest	Number of H Shares	Approx. percentage in the relevant class of shares[1]
Hongyuan Shanguo	Beneficial owner	129,749,246	6.4851%
Hengyili Investment	Beneficial owner	120,663,036	6.0310%
China International Capital Corporation Limited ("**CICC**")	Interest in controlled corporation[2]	157,173,838	7.8559%
	Beneficial owner	3,707,000*	0.1853%
CICC Capital Management Co., Ltd.* (中金資本運營有限公司) ("**CICC Management**")	Interest in controlled corporation[2]	107,999,338	5.3980%
Futu Trustee Limited	Trustee[3]	181,883,750	9.0909%

* *indicates short position*

Notes:

(1) As of the Latest Practicable Date, the number of issued Shares of the Company was 2,000,721,250, comprising 2,000,721,250 H Shares.

(2) As (i) CICC Qianhai (Shenzhen) Equity Investment Fund Management Co., Ltd.* ("CICC Qianhai Equity") is the general partner of and has control over Shenzhen CICC Qianhai Bole No. 1 Fund Center Limited Partnership* ("Bole No. 1") and Shenzhen CICC Qianhai Baima No. 4 Fund Center Limited Partnership* ("Baima No. 4"), (ii) CICC Qianhai Equity is wholly owned by CICC Qianhai (Shenzhen) Private Equity Fund Management Co., Ltd.* ("CICC Qianhai Private Equity"), (iii) CICC Qianhai Private Equity is owned as to 55% by CICC Capital, as the sole largest shareholder, (iv) Henan CICC Huirong Private Equity Fund Management Co., Ltd.* ("Henan CICC Huirong") is the general partner of and has control over Henan Zhanxin Industry Investment Fund Limited Partnership* ("Henan Zhanxin"), (v) Henan CICC Huirong is owned as to 50% by CICC Capital and 50% by CICC Management, (vi) CICC Qianhai Private Equity is the general partner of and has control over Xinyu Unicorn Investment Management Partnership Limited Partnership* ("Xinyu Unicorn"), and (vii) CICC Management is wholly owned by CICC which is a listed company on the Stock Exchange (Stock code: 03908). In addition, Ningbo Meishan Bonded Port District CICC Haoze Equity Investment Partnership Limited Partnership* ("CICC Haoze") is controlled by CICC Private Equity Management Co., Ltd., which is wholly owned by CICC. As such, (i) each of CICC and CICC Capital is deemed under the SFO to be interested in the Shares held by Bole No. 1, Baima No. 4, Henan Zhanxin, CICC Haoze and Xinyu Unicorn; and (ii) CICC Management is deemed under the SFO to be interested in the Shares held by Bole No. 1, Baima No. 4, Henan Zhanxin and Xinyu Unicorn.

(3) Futu Trustee Limited is the trustee of trust established pursuant to the 2025 RSU Scheme.

(4) Unless otherwise indicated, all interests stated are long position.

(c) Director's Positions in Other Companies

As at the Latest Practicable Date, as far as the Company is aware, the following Directors are employed by the following company which has interests or short positions in the shares or underlying shares of the Company which are required to be notified to the Company and the Stock Exchange pursuant to Division 2 and 3 of Part XV of the SFO:

Name of Director	Position held in the relevant company
Mr. YU Huiyong	Executive director of Shenzhen Huilin

3. COMPETING INTEREST

Hainan Shengjie Agricultural Development Co., Ltd.* (海南勝傑農業發展有限公司) ("**Hainan Shengjie**") is a PRC-based limited liability company with a focus on the growing business of melons and as of the Latest Practicable Date, was owned as to 30% by the Company indirectly, 63% by Mr. Zhang Kuijie (張葵傑) and 7% by two other individuals, who are all independent third parties. Shanghai Niuguo Agricultural Technology Co., Ltd.* (上海牛果農業科技有限公司) ("Shanghai Niuguo") is a PRC-based limited liability company focusing on the avocado ripening and sales and as of the Latest Practicable Date, was owned as to 21.69% by the Company, 50.80% by Shanghai Jiyou Agricultural Products Co., Ltd.* (上海集友農產品有限公司) (an agricultural product retailer) and 27.51% by Mission Produce Asia Limited (a high-quality supplier of avocados), who are all independent third parties. Mr. ZHU Qidong is

a director nominated by us to sit on the board of Hainan Shengjie and Shanghai Niuguo and his involvement in the management and operation of Hainan Shengjie and Shanghai Niuguo is minimal and is solely limited to advising on the overall business operation and development of Hainan Shengjie and Shanghai Niuguo. Hainan Shengjie is ultimately controlled and managed by Mr. Zhang Kuijie, the single largest shareholder and chairman of the board of Hainan Shengjie. Shanghai Niuguo is managed by Mr. John Jiang Tao Wang, chairman of the board of Shanghai Niuguo. Mr. Zhu is and will continue to be primarily involved in the day-to-day procurement, wholesale and sales-related matters of our Group.

As at the Latest Practicable Date, save as disclosed above, none of the Directors or their respective close associates had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the businesses of the Group.

4. DIRECTORS AND SUPERVISORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interest in any assets which had since December 31, 2025, being the date to which the latest published audited accounts of the Group were made up, been acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested, either directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting at the Latest Practicable Date and was significant to the business of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors had entered into a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

6. EXPERT AND CONSENT

Capital 9 Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter of advice dated October 15, 2026 and references to its name included in the form and context in which it appears.

The following is the qualification of the expert who has given an opinion or advice, which is contained in this circular:

Name	Qualification
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)

As at the Latest Practicable Date, Capital 9 Limited did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Capital 9 Limited was not interested, directly or indirectly, in any assets which had since December 31, 2025, being the date to which the latest published audited accounts of the Group were made up, been acquired or disposed of by or leased to, or proposed to be acquired or disposed of by or leased to, any member of the Group.

7. MATERIAL ADVERSE CHANGE

Save as publicly disclosed by the Company on the HKEXnews website on or before the date of this circular, as at the Latest Practicable Date, the Directors confirm that they were not aware of any material adverse change in the financial or trading positions of the Group since December 31, 2025 (being the date to which the latest published audited accounts of the Group were made up).

8. MATERIAL CONTRACTS

Save for the placing agreement dated September 19, 2025 entered into between the Company (as the issuer) and First Shanghai Securities Limited (as the placing agent) in relation to the placing of an aggregate 279,500,000 new H Shares to more than six placees at the placing price of HK$1.17 per Share (details of which are set out in the announcements of the Company dated September 21, October 6 and October 9, 2025), the Group did not enter into any contract which was or might be material other than those entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries within the two years immediately preceding and including the Latest Practicable Date.

9. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

10. GENERAL

(1) The registered office of the Company is Pagoda Technology Building, No. 2005 Shenyan Road, Pengwan Community, Haishan Street, Yantian District, Shenzhen, China.

(2) The H Share Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(3) The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

11. DOCUMENTS ON DISPLAY

A copy of the Loan Agreement III will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.pagoda.com.cn for a period of 14 days from the date of this circular.

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)

NOTICE OF 2026 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 second extraordinary general meeting (the "**EGM**") of Shenzhen Pagoda Industrial (Group) Corporation Limited (the "**Company**") will be held at 2:00 p.m. on Friday, October 30, 2026 at Conference Room, 10th Floor, Pagoda Technology Building, No. 2005 Shenyan Road, Pengwan Community, Haishan Street, Yantian District, Shenzhen, Guangdong Province, China, for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the proposed connected transaction in relation to the Company's provision of financial assistance to a connected subsidiary as contemplated under the loan agreement entered into by the Company (as the lender) and Shenzhen Pagoda Commercial Management Co., Ltd. (for itself and on behalf of its subsidiaries, as the borrower) on August 28, 2026; and

2. To consider and approve the proposed amendment to the share award scheme of the Company adopted on September 28, 2023.

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

Shenzhen, the People's Republic of China
October 15, 2026

Notes:

1. For more information on the above resolutions, please refer to the circular of the EGM of the Company dated October 15, 2026.

2. Resolutions at the EGM will be taken by poll (except where the chairman of the EGM decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"). The poll results of the EGM will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pagoda.com.cn) in accordance with the Listing Rules.

3. For determining the entitlement of the shareholders of the Company (the "**Shareholders**") to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, October 27, 2026 to Friday, October 30, 2026, both days inclusive, during which period no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on Friday, October 30, 2026, shall be entitled to attend and vote at the EGM. In order for the Shareholders to be qualified to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates and other appropriate documents must be lodged for registration with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, No. 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, October 26, 2026.

4. Any shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company. Shareholders who intend to appoint a proxy to attend the EGM and attend and vote on their behalf are required to complete the proxy form in accordance with the instructions printed thereon, and return the same to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, No. 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the EGM (i.e. not later than 2:00 p.m. on Thursday, October 29, 2026), or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof should they so wish.

5. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall alone be entitled to vote in respect thereof.

6. Shareholders or their proxies shall present their identity documents and/or the proxy form signed by the appointer or the legal representative of the appointer when attending the EGM (or any adjournment thereof). The proxy form shall specify the date of its issuance. The legal representative of corporate Shareholders or any other persons duly authorised by corporate Shareholders shall produce their identity documents and a notarially certified copy of the appointment as a legal representative or valid authorisation documents (as the case may be) when attending the EGM (or any adjournment thereof).

7. The EGM is expected to last for no more than half a business day. Shareholders and proxies attending the meeting shall be responsible for their own travel and accommodation expenses.

8. Shareholders may contact the Company with telephone number +86-0755-84656341 or email address pagodazq@pagoda.com.cn during business hours (9:00 a.m. to 6:00 p.m., Monday to Friday, excluding public holidays in the PRC) for any enquiries in relation to the EGM.

As at the date of this notice, 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.