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Shenzhen Pagoda Industrial (Group) Corporation Limited

深圳百果园实业(集团)股份有限公司

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

(Stock Code: 2411)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by Shenzhen Pagoda Industrial (Group) Corporation Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) on a voluntary basis. The purpose of this announcement is to update the shareholders (the “**Shareholders**”) and potential investors of the Company on the latest business plans and strategies of the Group.

The Group is the largest fruit retail operator in China. Through internal development and external empowerments, the Group is able to exert influence and management across the entire industry chain from fruit farming to retail end. In order to further focus on the three major development opportunities in the fruit industry, concentrate on the development of retail, business-to-business or 2B and category businesses of the Group, as well as explore international business at the same time, the board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Group intends to implement three “Three-Year Plan” in the next ten years to gradually achieve its strategic goals of “being the first choice of quality, a global leader, and the global fruit king”, and strive to build a world-leading fruit eco-technology company and ultimately become a world-leading agro-ecological technology platform company by 2032.

Specifically, the Group’s objective for its first “Three-Year Plan” (2024-2026) is to “build on brand strengths and become the first choice of quality.” To achieve this goal, the Group will continue to focus on its fruit retail business and concentrate on brand upgrading and rejuvenation, striving to become an “expert and leader in high-quality fruit industry”; at the same time, the Group will further expand its retail stores, increase retail sales to end customers, and expand the number of Xinxiang (“心享”) members, so as to make “Pagoda” the first choice of quality in the industry. The Group’s objective for its second “Three-Year Plan” (2027-2029) is to “solidify overseas presence and achieve global leadership.” To realize this goal, the Group will leverage its supply chain strength gained from procuring fruits from overseas markets to continuously cultivate its existing overseas self-operated 2B business so as to further increase the sales of its overseas 2B business; meanwhile, the Group completed acquisition of Shenzhen Banguo Technology Co., Ltd. (深圳般果科技有限公司) (“**Shenzhen Banguo**”) in the fourth quarter of 2023 and gained control

over Shenzhen Banguo, and the Group will replicate the well-established domestic platform 2B business of Shenzhen Banguo in overseas markets, with an aim to make the Group China's largest and the world's first-class fruit supply chain and platform company; in addition, the Group will export its established domestic fruit specialty retail chain model to overseas markets and with respect to which, the Group expects to explore overseas markets by establishing self-operated stores at the initial stage and then accelerate the expansion of overseas stores through franchised stores model. Through the three segments, namely, further developing its overseas self-operated 2B business, replicating its existing domestic platform 2B business in overseas markets and expanding its overseas retail stores, the Group hopes to establish a multi-channel global presence and become a leading enterprise in the global fruit industry. Based on preliminary market research, with reference to the current business development trend of franchised companies in various consumer industries, and its understanding of the market in the Asia-Pacific region based on its well-established self-operated 2B business in some Asia-Pacific regions, the Group intends to export its fruit specialty retail store chain model to the Asia-Pacific region first. The Group's objective for its third "Three-Year Plan" (2030-2032) is to "promote the development of industrial ecology and solidify the status of global fruit king." To reach this goal, the Group will continue to export its plantation and supply chain technologies as well as to expand its global retail stores and increase fruit sales, striving to be the No. 1 fruit brand in the world in terms of reference rate and net promoter score, while accomplishing its comprehensive transformation from a fruit eco-technology company to an agro-ecological technology platform company.

2024 is the first year for the Group to implement its three "Three-Year Plan". The Group will focus on "highlighting brand advantages and becoming the first choice of quality", so as to be well prepared for the implementation of the three "Three-Year Plan". Specifically, in 2024, the Group intends to (1) continuously build the image of "high standards and high quality" for the Group's channel brands to enhance the profitability of individual stores; (2) continuously deepen the "excellent-grade fruits dominated" product brand strategy and promote the development of all product categories with excellent-grade fruits to enhance the profitability of individual products; and (3) seize the opportunity of rapid growth of wellness gifts in China to explore the "wellness fruit gifts" market, making Pagoda high-quality fruit gifts the first choice for wellness gifts.

The Board believes that the three "Three-Year Plan", if materialized, will comprehensively enhance the Group's core competitiveness in its three business segments of retail, 2B and category, thereby enhancing its long-term profitability. Therefore, the Board is of the view that the implementation of the above business plans and strategies is in the interest of the Company and the Shareholders as a whole.

The Company will make further announcement(s) as and when necessary in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Shareholders and potential investors of the Company should note that the above business plans and strategies do not conflict with the Group’s existing business plans and strategies. Except for the replication of the domestic platform 2B business in overseas markets and export of the fruit specialty retail chain model to overseas markets as mentioned in the second “Three-Year Plan”, the Group has already started to implement the other above-mentioned business plans and strategies. In addition, the Shareholders and potential investors of the Company should also note that the above business plans and strategies only reflect the Group’s decisions based on current economic and market environment. Considering that the market may change rapidly due to the impact of the economic environment, the above business plans and strategies may be adjusted accordingly. Therefore, the above business plans and strategies may materialize (but not necessarily at the expected time) or may not materialize. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Shenzhen, the People’s Republic of China
January 5, 2024

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