
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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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)

(1) PROPOSED ADOPTION OF THE 2023 SHARE AWARD SCHEME; AND
(2) PROPOSED AUTHORIZATION TO THE BOARD AND/OR
ITS DELEGATEE TO HANDLE MATTERS PERTAINING TO
THE 2023 SHARE AWARD SCHEME;
AND
NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

The EGM will be held at 10:00 a.m. on Thursday, September 28, 2023 at Conference Room, 12th Floor, Tower B, Jiansheng Building, No. 1 Pingji Road, Xialilang Community, Nanwan Street, Longgang 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 enclosed in this circular. Such form of proxy is also 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 or her behalf. A proxy need 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 (for H Shareholders), or to the Company's office at 12-20, 12th Floor, Tower B, Jiansheng Building, No. 1 Pingji Road, Xialilang Community, Nanwan Street, Longgang District, Shenzhen, Guangdong Province, China (for Domestic Shareholders) 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 10:00 a.m. on Wednesday, September 27, 2023) 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.

September 12, 2023

CONTENT

| | |
|---|-------|
| Definitions | 1 |
| Letter from the Board | 5 |
| Notice of 2023 First Extraordinary General Meeting | EGM-1 |

DEFINITIONS

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

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| “2023 Share Award Scheme” or “Scheme” | the 2023 share award scheme proposed to be adopted by the Company |
| “Adoption Date” | the date on which the Shareholders approve the 2023 Share Award Scheme |
| “Articles of Association” | the articles of association of the Company, as amended, modified or supplemented, from time to time |
| “Award(s)” | the award(s) granted by the Board to a Participant, pursuant to the Scheme, which may vest in the form of the Company instructing the Trustee(s) to divest the equivalent amount of the underlying Award Share(s) on the open market and redeem the amount of cash return generated from such Award Share(s) |
| “Award Share(s)” | the H Share(s) that the Trustee(s) purchased to fulfil the Scheme and the H Share(s) awarded to the Participant pursuant to the Scheme |
| “Board” | the board of directors of the Company |
| “Company” | Shenzhen Pagoda Industrial (Group) Corporation Limited (深圳百果園實業(集團)股份有限公司), a joint stock company incorporated in the PRC with limited liability on April 10, 2020 |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Delegatee” | the chairman of the Board, the secretary of the Board, the Trustee(s) and/or any other person(s) to which the Board has delegated its authority |
| “Director(s)” | director(s) of the Company |
| “Domestic Share(s)” | ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.0 each, which are subscribed for and paid up in Renminbi by domestic investors |
| “Domestic Shareholder(s)” | holder(s) of Domestic Share(s) |

DEFINITIONS

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| “EGM” | the 2023 first extraordinary general meeting of the Company to be held at 10:00 a.m. on Thursday, September 28, 2023 at Conference Room, 12th Floor, Tower B, Jiansheng Building, No. 1 Pingji Road, Xialilang Community, Nanwan Street, Longgang District, Shenzhen, Guangdong Province, China |
| “Grant” | the grant of Award(s) to a Participant |
| “Grant Date” | the date on which a Grant is made to a Participant |
| “Grant Price” | the grant price of each Award Share underlying the Award(s) to be determined by the Board and 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 |
| “Group” | the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the content may require), or where the context so requires, in respect of the periods before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time |
| “H Share(s)” | overseas listed share(s) in the share capital of the Company with a nominal value of RMB1.0 each, to be subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange |
| “H Shareholder(s)” | holder(s) of H Share(s) |
| “Hong Kong” or “HK” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong Trading Day(s)” | the ordinary trading day(s) of the Stock Exchange |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time |
| “Participant(s)” | person(s) who or entity(ies) which are eligible and selected to participate in the Scheme |

DEFINITIONS

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| “PRC” | the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “PRC Company Law” | Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time |
| “Qualified Agent(s)” | agent(s) with the proper qualification to act as trustee(s) |
| “RMB” or “Renminbi” | Renminbi, the lawful currency of the PRC |
| “Service Provider(s)” | person(s) who, or entity(ies) which, provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to person(s) who or entity(ies) which work for the Company as independent contractors (including advisers, consultants, distributors, contractors, suppliers, agents and service providers of any member of the Group) where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or those who are required to perform their services with impartiality and objectivity |
| “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 RMB1.0 each, including the Domestic Shares and H Shares |
| “Share Award Agreement(s)” | share award agreement(s) to be entered into by the Company and the Participant as grantee once the grant of Award(s) is confirmed by the Board |
| “Shareholders” | holders of the Shares, including Domestic Shareholder(s) and H Shareholder(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Supervisors” | supervisors of the Company |

DEFINITIONS

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| “Trading Day(s)” | any day(s) that is/are not a day/days on which the securities on Shanghai Stock Exchange, Shenzhen Stock Exchange and the Stock Exchange are required or authorized by law to close trading |
| “Trust(s)” | the trust(s) constituted by the Trust Deed(s) to service the 2023 Share Award Scheme |
| “Trust Deed(s)” | the trust deed(s) to be entered into between the Company and the Trustee(s) (as may be restated, supplemented and amended from time to time) |
| “Trustee(s)” | the trustee(s) appointed by the Company for the purpose of the Trust(s), and each, an independent third party of the Company |
| “Vesting Notice” | the vesting notice sent by the Board or its Delegatee to the relevant Participant within a reasonable time period after the vesting conditions and schedule have been reached, fulfilled, satisfied or waived |
| “%” | percentage |

LETTER FROM THE BOARD



Shenzhen Pagoda Industrial (Group) Corporation Limited 深圳百果园實業(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. JIAO Yue
Mr. ZHU Qidong

Non-executive Directors:

Mr. PAN Pan
Mr. HU Qihao

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:

6A-2, 6/F, Block A
Yantian Modern Industry
Service Center (Phase I)
No. 3018 Shayan Road,
Tianxin Community
Shatoujiao Street, Yantian District
Shenzhen
Guangdong Province
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 ADOPTION OF THE 2023 SHARE AWARD SCHEME; AND
(2) PROPOSED AUTHORIZATION TO THE BOARD AND/OR
ITS DELEGATEE TO HANDLE MATTERS PERTAINING TO
THE 2023 SHARE AWARD SCHEME**

I. INTRODUCTION

With reference to the announcement of the Company dated September 8, 2023, this circular is intended to provide you with the notice of the EGM and all information necessary, including (i) the proposed adoption of the 2023 Share Award Scheme; and (ii) the proposed authorization to the Board and/or its Delegatee to handle matters pertaining to the 2023 Share Award Scheme, to enable you to make an informed decision on the resolutions to be presented at the EGM.

LETTER FROM THE BOARD

II. PROPOSED ADOPTION OF THE 2023 SHARE AWARD SCHEME

An ordinary resolution will be presented at the EGM to consider and approve the proposed adoption of the 2023 Share Award Scheme. The 2023 Share Award Scheme was approved by the Board on September 8, 2023 and will become effective upon the approval by the Shareholders at the EGM.

1. Purposes

The purposes of the 2023 Share Award Scheme are:

- (1) to align the interests of Shareholders, the Company and the employees, and bring their attention to the realization of the Company's strategic development goals;
- (2) to further improve the Company's long-term incentive mechanism; and
- (3) to attract and retain outstanding employees, fully motivate the management and core personnel of the Group, as well as to recognize significant contribution made by talents or Service Providers to the Group.

2. Duration

Unless early terminated by the Board, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

3. Administration

The Scheme is subject to the administration of the Board and/or its Delegatee, including the Trustee(s), in accordance with the rules of the Scheme and terms of the Trust Deed(s).

The Scheme shall be subject to the administration of the following administrative bodies:

- (1) *Shareholders' Meeting*. The general meeting of the Shareholders, as the highest organ of authority of the Company, is responsible for the consideration and approval of the adoption, execution, amendment and termination of the Scheme. The general meeting of the Shareholders may authorize the Board and/or its Delegatee to deal with relevant matters pertaining to the Scheme to the extent of its authority.
- (2) *The Board*. The Board is the executive body of authority of the 2023 Share Award Scheme, in charge of the execution and administration of the Scheme. The Board or its Delegatee may handle all matters pertaining to the Scheme within the authorization by the general meeting of the Shareholders. The Board may also delegate independent third party, such as a trustee, to assist with the administration of the Scheme. In addition, the remuneration committee of the Board is responsible for the review of relevant matters pertaining to the Scheme (including but not limited to performance appraisal criteria and procedures) and makes recommendation to the Board for consideration.

LETTER FROM THE BOARD

The Board's decisions on all relevant matters relating to the Scheme and its interpretation on the terms of the Scheme are final.

- (3) *The Trustee(s)*. The Company, through the Board and/or its Delegatee, may entrust one or more Qualified Agent(s) to act as the Trustee(s) under the Scheme to assist with the administration of the Scheme as well as the granting and vesting of the Award Share(s) in accordance therewith. The Board and/or its Delegatee may instruct the Trustee(s) to purchase H Shares through open market as the Award Share(s) for the Scheme.

4. The Eligible Participants

The eligible Participants of the Scheme include management personnel of the Group at manager level or above, other core employees who made outstanding contribution to the Group and Service Provider(s) as the Board deems fit. A person shall not be considered as an eligible Participant if he/she, as at the Grant Date:

- (1) is an independent non-executive Director;
- (2) has been publicly censured or declared as an ineligible candidate by securities regulatory institutions in the last 12 months;
- (3) has been imposed with administrative penalties by securities regulatory institutions in the last 12 months due to material non-compliance of laws or regulations;
- (4) is prohibited from acting as a Director or a member of the senior management of the Company as required by the PRC Company Law or the Listing Rules;
- (5) is prohibited from participating in the Scheme as required by laws and regulations;
- (6) has committed other material violation of relevant requirements of the Group or caused material damage to the interest of the Group as determined by the Board; or
- (7) any other circumstances prescribed by the Board for the purpose of safeguarding the Group's interests and ensuring the compliance of applicable laws and regulations relating to the operation of the Scheme.

5. Source of Award Share(s) and Funds

The Board intends to instruct the Trustee(s) to purchase a certain number of existing H Shares through open market at the market trading price as and when appropriate as the Award Share(s) for the Scheme. The source of funds for funding the Scheme is the internal funds of the Group.

LETTER FROM THE BOARD

The Participant shall purchase the Award(s) with his/her own funds on the Grant Date.

6. Grant of Award Share(s)

(1) Maximum Grant

The maximum number of Award Share(s) that can be granted under the Scheme throughout the duration of the Scheme shall not exceed 5.0% of the total issued share capital of the Company as at the Adoption Date.

The maximum number of Award Share(s) that each Trustee can acquire and hold from time to time under the Scheme throughout the duration of the Scheme shall not exceed 5.0% of the total issued share capital of the Company's H Shares as at the Adoption Date.

The aggregate number of Award Share(s) to be obtained by any eligible Participant under the Scheme shall not exceed 1.0% of the total issued share capital of the Company's H Shares unless approved at general meeting of Shareholders.

(2) Grant Date

Grant Date shall be determined by the Board upon having the Scheme considered and approved by the Shareholders at the EGM and the satisfaction of the conditions for the Grant. The determination of the Grant Date(s) shall be in compliance with the relevant rules and regulations including the Listing Rules, and that it shall not pose any material risks to the Company (including but not limited to compliance risks).

(3) Grant Price

The Board shall determine the Grant Price with reference to the market trading price of the 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.

(4) Share Award Agreement

Once the grant of the Award(s) is confirmed, the Company and the Participant shall sign a Share Award Agreement which shall set out, among others, the name of the Participant (as the grantee), number of H Shares to be granted as Award Shares and their vesting conditions and vesting schedule, the Grant Price as well as other terms and conditions that are not consistent with the rules of the Scheme as decided by the Board.

LETTER FROM THE BOARD

7. Limitations

No grant of any Award Share(s) to any selected Participant may be made and no directions or recommendations shall be given to the Trustee(s) with respect to any grant of Award Share(s) or any acquisition or sale of Award Share(s) under certain circumstances, including:

- (i) where such grant, acquisition or sale of Award Share(s) would result in a breach by the Company or any of its subsidiaries or any of their directors of any applicable securities laws, rules or regulations;
- (ii) where such grant, acquisition or sale of Award Share(s) would result in a breach of the maximum grant limit set out in the Scheme;
- (iii) after the expiry of or after the early termination of the Scheme;
- (iv) where any Director, Supervisor or senior management member is in possession of unpublished inside information (as defined under the SFO) in relation to the Company or where any Director, Supervisor or senior management member reasonably believes there is inside information which must be disclosed pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO or where dealings by Directors, Supervisors or senior management members are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations;
- (v) during the period of 60 days immediately preceding the publication date of the annual results of the Group or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and
- (vi) during the period of 30 days immediately preceding the publication date of the quarterly or half-year results of the Group or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of such results.

8. Vesting of Award Share(s)

(1) Vesting conditions

Vesting of the Award Share(s) granted under the Scheme is subject to the following conditions:

- (i) the Scheme is still valid and has not been terminated;
- (ii) the vesting schedule as set out in the Share Award Agreement has been fulfilled;
- (iii) the grantee under the Scheme is an eligible Participant as defined in paragraph 4 above;

LETTER FROM THE BOARD

- (iv) the Participant is not prohibited from being awarded or subscribed under the Scheme;
- (v) the Participant has fulfilled the performance indicators of the Company and the individual performance targets; and
- (vi) the Participant is not prohibited from participating in any share incentive schemes of a listed company by laws and regulations.

The details of the performance indicators of the Company and the individual performance targets shall be determined by the Board and shall be set out in the Share Award Agreement.

If the selected Participant fails to fulfil the vesting conditions applicable to the relevant Award(s), all the Award Share(s) underlying the relevant Award(s) which may be vested during the respective vesting periods shall not be vested and become immediately forfeited unless the Board decides otherwise. In this case, the Board may, at its discretion, decide that the Award Share(s) underlying the relevant Award(s) be vested at a delayed schedule with adjusted vesting percentage.

(2) *Vesting schedule*

The Board shall determine the vesting schedule, including the vesting time and vesting percentage, in respect of Award Share(s) underlying the Award(s) and details of which shall be set out in the Share Award Agreement.

Within a reasonable time after the vesting conditions and schedule have been reached, fulfilled, satisfied or waived, the Board or its Delegatee shall send the Vesting Notice to each of the relevant Participants. The Vesting Notice will confirm the extent to which the vesting conditions and schedule have been reached, fulfilled, satisfied or waived, and the number of Award Share(s) to be vested for that relevant vesting period (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Award Share(s)).

9. Redemption of the Award Share(s)

If any Participant fails to fulfil the vesting conditions applicable to the relevant Award(s), all the Award(s) which may otherwise be vested during the respective vesting periods shall not be vested and become immediately forfeited, and the relevant underlying Award Share(s) shall correspondingly be forfeited. In this case, unless otherwise decided by the Board, the Company shall notify the Trustee(s), and the Trustee(s) shall then sell the forfeited Share(s) on the open market at the market trading price within reasonable period upon reception of such notification.

LETTER FROM THE BOARD

The amount of proceeds from the sale of such forfeited Share(s) or an amount equivalent to the respective Grant Price paid by the Participants (whichever is lower) shall be returned to the respective Participants whose Award(s) were forfeited, with the remaining of proceeds (if any) to be retained by the Trustee(s) and be included into the pool of the Trust(s) fund for further acquisition of H Shares during the implementation of the Scheme.

The relevant Participant may instruct the Trustee(s) through the Company to sell the vested Award Share(s) underlying the Award(s) on the open market and redeem the amount of cash return generated from the respective Award Share(s) pursuant to the rules of the Scheme. The relevant Participant shall bear the taxes and other expenses incurred in relation to the sale and appreciation of the Award Share(s).

10. Voting Rights and Dividends

Neither the Participant nor the Trustee(s) may exercise any voting rights attached to any H Shares (including any unvested H Shares) held by the Trustee(s) under the Trust(s).

The Trustee(s) holding unvested H Shares under the Scheme shall abstain from voting on matters requiring the consent of the Shareholders in accordance with the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

Any dividends paid to the Award Share(s) underlying the Award(s) shall belong to the Participants when the Award(s) are yet to be vested (except for those Award(s) that are forfeited) and be paid to the Participants at the time of vesting.

11. Issuance of Share Capital and Rights of Shares

During the term of the Scheme, if the Company issued H Shares or other securities to the Shareholders for subscription by way of rights, options or warrants, the Trustee(s) may, exercise, or take action to underwrite, purchase and/or subscribe for, any rights, options or warrants allocated to the Shares of the Company and held for purposes of implementing the Scheme if no additional fund need to be paid for the subscription, otherwise, the Trustee(s) shall not exercise such rights.

12. Alteration and Termination

(1) Alteration

Once the Scheme is adopted at the EGM, it may be altered by the Board at its discretion as it considers necessary in compliance with applicable laws and regulations. If there is any discrepancy between the rules of the Scheme and the relevant laws, regulations, agreements or the Listing Rules, the requirements of such relevant laws, regulations, agreements and the Listing Rules shall prevail.

The Board shall procure approval from the Shareholders or the Stock Exchange to alter the rules of the Scheme, if required by relevant laws, regulations, agreements and the Listing Rules.

LETTER FROM THE BOARD

(2) Termination

Once the Scheme is adopted at the EGM, it shall be terminated on the earlier of: (i) the tenth anniversary of the Adoption Date; or (ii) such date of early termination as determined by the Board.

In the event of termination, any unvested Award(s) shall lapse and the Award Share(s) underlying the lapsed Award(s) shall be sold on the open market by the Trustee(s).

III. REASONS FOR AND BENEFITS OF THE ADOPTION OF THE 2023 SHARE AWARD SCHEME

Please refer to the paragraph headed “II. Proposed Adoption of the 2023 Share Award Scheme – 1. Purposes” in this circular. The Directors are of the view that the adoption of the 2023 Share Award Scheme will realize the goals set out in that paragraph, and that the rules of the 2023 Share Award Scheme are on normal commercial terms, which are fair and reasonable, in the interests of the Company and the Shareholders as a whole.

IV. PROPOSED AUTHORIZATION TO THE BOARD AND/OR ITS DELEGATEE TO HANDLE MATTERS PERTAINING TO THE 2023 SHARE AWARD SCHEME

An ordinary resolution will be presented at the EGM to consider and approve the proposed authorization to the Board and/or its Delegatee to handle matters pertaining to the 2023 Share Award Scheme. The Board proposed to grant the following authorization to the Board and/or its Delegatee and the Board shall act as the executive body of the 2023 Share Award Scheme and be responsible for its administration and implementation upon seeking approval from the Shareholders at the EGM:

- (1) to interpret the Scheme and formulate specific implementation rules and take necessary measures to implement the Scheme, including but not limited to, establishment of the Trust(s), examination of the eligibility of the Participants, selection of the Participants, determination of the conditions of the Grant, vesting conditions and the Grant Price;
- (2) to determine the number of selected Participants and the amount of Award(s) to be granted and to grant and vest Award(s) to the selected Participants upon satisfaction of the grant conditions and vesting conditions, and to deal with all matters necessary for the Grant and vesting, including but not limited to the signing of Share Award Agreement with Participants, making application to the relevant registration and settlement company(ies) to process the relevant registration and settlement requirements;
- (3) to determine the maximum amount of the Award Share(s), the Grant Date and Grant intervals;

LETTER FROM THE BOARD

- (4) to formulate and adjust in its discretion based on the operation and management needs of the Company (if necessary), the specific grant conditions, the vesting schedule, vesting conditions, vesting periods and forfeit conditions of the Award(s), examine and verify whether the Participants have satisfied the grant and vesting conditions or forfeit conditions of the Award(s), and do all matters necessary in relation to such grant, vesting or forfeit matters, including the handling of forfeited Award(s);
- (5) to handle the matters in relation to the Award(s) pursuant to the rules of the Scheme if special circumstances stated under the Scheme occurred, such as resignation, retirement, work adjustment, dismissal and death occurs to the Participants;
- (6) to determine the alteration and termination of the Scheme and obtain any approvals from the Shareholders' meeting and/or the relevant regulatory authorities necessary for such alterations as required by laws, regulations, or relevant regulatory authorities;
- (7) to complete necessary examination and approval, registration, filing, approval, consent and other procedures (if any) with relevant governments and authorities with respect to the Scheme; to execute, implement, amend and complete the documents (if any) submitted to relevant governments, authorities, organizations and individuals; and take all actions as it deems necessary, appropriate or advisable in connection with the Scheme;
- (8) to sign, execute, amend and terminate all documents relating to the Scheme, including but not limited to the Trust Deed(s) and Share Award Agreement(s), go through all procedures relevant to the Scheme and conduct all such actions as it considers necessary, expedient or desirable to give effect to the Scheme;
- (9) to engage Trustee(s), banker(s), accountant(s), lawyer(s), consultant(s) and other professional institutions for the purpose of the Scheme;
- (10) to determine all matters in relation to the Trust Deed(s); and
- (11) to administer and execute other matters necessary for the implementation of the Scheme, unless otherwise specified in written that such matters shall be dealt with by way of resolutions at the Shareholders' meeting.

LETTER FROM THE BOARD

V. LISTING RULES IMPLICATIONS

The 2023 Share Award Scheme does not involve any issue of new shares or granting of option for any new shares of the Company. Therefore, it does not constitute a share scheme involving issue of new shares under Chapter 17 of the Listing Rules. However, the Scheme constitutes a share scheme funded by existing shares under Chapter 17 of the Listing Rules, and therefore shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. Moreover, according to the Articles of Association, the adoption of the Scheme shall be subject to Shareholders' approval.

In addition, if the Company proposes to grant any Award(s) to any Participant who is a connected person, such Grant would constitute a connected transaction of the Company in accordance with Chapter 14A of the Listing Rules, and *inter alia*, the approval of the independent Shareholders at general meeting of the Company is needed, unless exempted under the Listing Rules. As share award(s) could be part of the remunerations of Directors (except non-executive Directors and independent non-executive Directors) under their service contracts, the Grant to the Directors (except non-executive Directors and independent non-executive Directors) will be exempt from the notification, announcement and independent shareholder approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules.

VI. PUBLIC FLOAT

The Company shall take appropriate measures to ensure compliance with the public float requirements as stipulated in the Listing Rules and/or as required by the Stock Exchange from time to time.

VII. EGM

The EGM of the Company will be held at 10:00 a.m. on Thursday, September 28, 2023, at Conference Room, 12th Floor, Tower B, Jiansheng Building, No. 1 Pingji Road, Xialilang Community, Nanwan Street, Longgang 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 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, No. 183 Queen's Road East, Wanchai, Hong Kong, the Company's H share registrar (for H Shareholders), or the Company's office at 12-20, 12th Floor, Tower B, Jiansheng Building, No. 1 Pingji Road, Xialilang Community, Nanwan Street, Longgang District, Shenzhen, Guangdong Province, China (for Domestic Shareholders), as soon as possible and in any event no later than 24 hours before scheduled time of the EGM (that is, no later than 10:00 a.m. on Wednesday, September 27, 2023) 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.

LETTER FROM THE BOARD

VIII. 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.

To the best knowledge and belief of the Directors, no Shareholders or their associate (as defined in the Listing Rules) is deemed to have a material interest in any resolution at the EGM, therefore no Shareholder shall abstain from voting on any resolution at the EGM.

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.

IX. 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 Monday, September 25, 2023 to Thursday, September 28, 2023 (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 Thursday, September 28, 2023 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, No. 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders), or the Company's office at 12-20, 12th Floor, Tower B, Jiansheng Building, No. 1 Pingji Road, Xialilang Community, Nanwan Street, Longgang District, Shenzhen, Guangdong Province, China (for Domestic Shareholders) no later than 4:30 p.m. on Friday, September 22, 2023.

LETTER FROM THE BOARD

X. RECOMMENDATION

The Board (including the independent non-executive Directors) believes that (i) the proposed adoption of the 2023 Share Award Scheme and (ii) the proposed authorization to the Board and/or its Delegatee to handle matters pertaining to the 2023 Share Award Scheme are in the interests of the Company and the Shareholders as a whole. Therefore, the Board recommends the Shareholders to vote in favour of all resolutions to be proposed at the EGM.

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

September 12, 2023

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

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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)

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 first extraordinary general meeting (the “**EGM**”) of Shenzhen Pagoda Industrial (Group) Corporation Limited (the “**Company**”) will be held at 10:00 a.m. on Thursday, September 28, 2023 at Conference Room, 12th Floor, Tower B, Jiansheng Building, No. 1 Pingji Road, Xialilang Community, Nanwan Street, Longgang 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 adoption of the 2023 Share Award Scheme; and
2. To consider and approve the proposed authorization to the Board and/or its Delegatee to handle matters pertaining to the 2023 Share Award Scheme.

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

Shenzhen, the People's Republic of China
September 12, 2023

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

Notes:

1. For more information on the above resolutions, please refer to the circular of the EGM of the Company dated September 12, 2023.
2. All 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 Monday, September 25, 2023 to Thursday, September 28, 2023, 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 Thursday, September 28, 2023 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 (for H Shareholders) or the Company’s office at 12-20, 12th Floor, Tower B, Jiansheng Building, No. 1 Pingji Road, Xialilang Community, Nanwan Street, Longgang District, Shenzhen, Guangdong Province, China (for Domestic Shareholders) no later than 4: 30 p.m., Friday, September 22, 2023.
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 (for H Shareholders) or the Company’s office at 12-20, 12th Floor, Tower B, Jiansheng Building, No. 1 Pingji Road, Xialilang Community, Nanwan Street, Longgang District, Shenzhen, Guangdong Province, China (for Domestic Shareholders) 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 10 a.m., Wednesday, September 27, 2023), 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, 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.