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)

PROFIT WARNING

This announcement is made by Shenzhen Pagoda Industrial (Group) Corporation Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2025 (the "**First Half of 2025**") and the preliminary assessment of the information currently available to the Board, it is expected that the loss attributable to owners of the Company in the First Half of 2025 will be RMB330 million to RMB380 million as compared to the profit attributable to owners of the Company of approximately RMB88.5 million for the six months ended June 30, 2024, and that the revenue of the Group for the First Half of 2025 will decrease by no more than 25% from RMB5,594.1 million for the same period in 2024.

Based on the information currently available, the Board considers that the expected loss attributable to owners of the Company and the expected decrease in the revenue of the Group during the First Half of 2025 are mainly attributable to the phased impact from the Company's proactive promotion of strategic transformation and operational efficiency upgrades: (i) in the First Half of 2025, the Company continued its implementation of the strategy of "Expert and Leader in High-quality and Cost-effective Fruit Industry", which was commenced from the second half of 2024, and through which the Company aims to optimize its product mix and pricing mechanism to proactively reduce gross profit margin to meet consumers' needs for products of high quality and cost effective; (ii) in order to further improve operational efficiency, the Company continued to promote its store network optimization strategy, proactively guided franchisees to re-examine the location of stores and their business districts so as to relocate or close disadvantageous stores such as stores with high rental expenses or stores with high personnel expenses, and focused on advantageous stores, resulting in a decrease in the number of stores from 6,025 as of June 30, 2024 to 4,386 as of June 30, 2025; and (iii) the increase in one-off non-cash expenses in the Company's asset impairment provision and equity incentive expense allocation.

Despite the impacts on the Company's short-term revenue and profit, under the strategy of "Expert and Leader in High-quality and Cost-effective Fruit Industry", the quality of our stores has been further optimized with growing customer flow and stabilizing and rebounding sales. The Board considers that the store network optimization has been completed in the First Half of 2025 and our Company will continue to enhance its overall profitability through proactive measures including enriching product categories, optimizing product mix and expanding store network. The Company has taken/will take the following measures to improve its operating and financial performance: (i) in order to meet various market needs and expand sales scale, the Company actively enriches its product categories and market channels, such as fruit snacks and fruit gifts; (ii) in order to enhance the profitability of stores, the Company will continue to optimize its offering of products of high profit margin and products that attract higher customer flow in stores, and improve store service standards to provide consumers with a pleasant shopping experience; and (iii) the Company actively explores new store types to suit different business districts and consumer consumption preferences, and takes consideration of consumption environment and actual operations of the stores, to refine the store expansion plan.

The information as contained in this announcement is only based on a preliminary assessment on the unaudited consolidated management accounts of the Group for the First Half of 2025 as well as other relevant information currently available to the Board, and such figures and information have not been reviewed by the auditors of the Company or the audit committee of the Board. The Company is still in the process of finalizing its interim results of the Group for the First Half of 2025, which is expected to be released in late August 2025.

Shareholders and potential investors are advised to exercise caution when dealing in the securities 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
August 15, 2025

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