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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

FINANCIAL HIGHLIGHTS

The table below sets forth certain key financial information of the Group for the periods indicated.

	Six Months Ended June 30,		Period-over-period Change
	2026	2025	
	RMB'000	*RMB'000*	*%*
Revenue[(1)] [(2)]	**5,008,487**	4,375,873	**14.5**
Gross profit	**608,856**	215,551	**182.5**
Profit/(loss) before income tax	**33,723**	(352,966)	**(109.6)**
Profit/(loss) attributable to owners of the Company	**33,564**	(342,053)	**(109.8)**
Basic and diluted profit/(loss) per share *(RMB cents per share)*	**1.94**	(23.43)	**(108.3)**

(1) The majority of the Group's revenue was derived from sales of fruits, snacks and other food products. For the six months ended June 30, 2025 and 2026, revenue from sales of fruits, snacks and other food products amounted to RMB4,308.3 million and RMB4,912.5 million, respectively, accounting for approximately 98.5% and 98.1% of the Group's total revenue for the six months ended June 30, 2025 and 2026, respectively. The remaining revenue was derived from royalty and franchising income, membership income and others.

(2) The Group mainly distributes its products through an offline store network, comprising franchised stores supervised by itself, franchised stores supervised by its regional dealers, a limited number of self-operated stores and brand partner stores. For the six months ended June 30, 2025 and 2026, aggregate revenue from sales of products contributed by franchised stores amounted to RMB3,076.9 million and RMB3,080.7 million, accounting for approximately 70.3% and 61.5% of the Group's total revenue for the six months ended June 30, 2025 and 2026, respectively.

OPERATIONAL HIGHLIGHTS

The table below sets forth the Group's total number of franchised fruit stores, self-operated fruit stores and brand partner stores as of the dates indicated.

	As of June 30,	
	2026	2025
Franchised fruit stores		
Franchised fruit stores supervised by the Group	**3,900**	3,570
Others	**852**	805
Sub-total	***4,752***	*4,375*
Self-operated fruit stores	**6**	11
Brand partner stores	**1,951**	0
Total	**6,709**	4,386

The table below sets forth certain other key operational information of the Group for the periods or as of the dates indicated.

	Six Months Ended/As of June 30,	
	2026	2025
Gross retail sales *(RMB'000)*(1)	**5,168,649**	5,710,837
Total direct sales *(RMB'000)*(2)	**700,934**	700,473
Gross merchandise volume of Shenzhen Banguo *(RMB'000)*(3)	**1,401,610**	1,149,870
Sales of fruits, snacks and other food products to brand partner stores *(RMB'000)*(4)	**721,294**	–
Number of members *('000)*	**97,695**	93,041
Number of self-owned product brands	**56**	51

(1) Gross retail sales represent the gross retail sales of the Group's fruit retail stores only, without taking into account the brand partner stores. Specifically, the gross retail sales represent aggregate of (i) gross store retail sales, which represent total sales amount of retail fruit stores after discounts or rebates, and (ii) gross online retail sales, which represent total value of goods sold via all online distribution channels of the Group. While being a useful performance indicator, gross retail sales are not equivalent to the Group's revenue for the relevant periods.

(2) Total direct sales represent the total sales amount to the Group's 2B customers which are directly accounted for as the Group's revenue.

(3) Gross merchandise volume represent the total transaction amount recorded on the procurement platform operated by Shenzhen Banguo and are not equivalent to its revenue for the relevant periods.

(4) The Group collaborated with seven regional retail brands (the "**Seven Star Alliance**") (七星聯盟) across Inner Mongolia, Shaanxi, Henan, Jiangsu, Hunan, Jiangxi and Guizhou in the first half of 2026. Brand partner stores represent stores authorised to operate under such seven regional retail brands across those regions.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend for the six months ended June 30, 2026.

The board (the "**Board**") of directors (the "**Directors**") of Shenzhen Pagoda Industrial (Group) Corporation Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results (the "**Interim Results**") of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2026 (the "**Reporting Period**"). The Interim Results were prepared based on the unaudited interim condensed consolidated financial statements of the Group, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the "**HKFRS**"), which include all HKFRS, Hong Kong Accounting Standards (the "**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). In addition, the Interim Results have also been reviewed by the audit committee of the Board (the "**Audit Committee**").

In this announcement, "we", "us", and "our" refer to the Company (as defined above) and where the context otherwise requires, the Group (as defined above).

PERFORMANCE REVIEW

Market Overview

In the first half of 2026, the national consumer price index (CPI) recorded a year-on-year increase of approximately 1.0%, among which, food prices decreased by approximately 0.6% year-on-year, while fresh fruit prices increased by approximately 1.5% on year-on-year basis. Against this macroeconomic backdrop, the resilience of fresh fruit consumption is highlighted, reflecting consumers' continuously increasing recognition of the health attributes and emotional value of fruits.

In respect of supply and trade, fruit prices in the first half of 2026 exhibited a seasonal decline following a price surge during the Spring Festival. In the first half of 2026, the import value of fruits and fruit products in the PRC reached US$11.2 billion, representing a year-on-year increase of approximately 4.1%, with a significant divergence observed among import categories – the import value of durians recorded a substantial year-on-year increase of approximately 47%, whereas the import value of cherries decreased by approximately 25.6% on year-on-year basis. The differentiated competition landscape between domestic and imported fruits in terms of product categories has further intensified. In terms of policies, the Ministry of Agricultural and Rural Affairs introduced the Administrative Measures on the Commitment-based Compliance Certificates for Quality and Safety of Agricultural Products (《農產品質量安全承諾達標合格證管理辦法》) with effect on February 1, 2026, which explicitly included fruits within the scope of the certificate management that fruits shall be certified before sale. In addition, the No. 1 Central Document for 2026, issued during the same period, explicitly proposed to optimise the cold-chain logistics networks at places of origin, implement the "Internet+" project for agricultural products leaving villages and entering cities, and cultivate leading agricultural enterprises, thereby providing policy support for the standardisation, branding, and full-chain traceable upgrading of the fruit industry chain.

In terms of consumer demands and scenarios, rational consumption, health-conscious consumption, and emotional consumption coexist. Consumers' pursuit of "certainty of freshness, selectable quality, and after-sales returns and exchanges" has surpassed that of "absolute low prices". Offline specialty chains are deeply integrating with channels such as community neighborhood retail, on-demand delivery, and content e-commerce, establishing the omnichannel model of "offline experience + online repurchase" as the mainstream format in the industry. Meanwhile, new formats in domestic retail channels continue to evolve, and the consumer demand for high cost-effectiveness and health-conscious choices continues to unleash incremental growth. Driven by the continuous consumption upgrade towards freshness, high quality, and short shelf lives, the fresh snack sector is emerging rapidly, bringing more development opportunities for diversified and differentiated regional snack business formats.

Our comprehensively implemented strategic positioning as the "Expert and Leader in High-quality and Cost-effective Fruit Industry" (高品質與高性價比水果專家與領導者) is highly aligned with the industry's upgrading trend towards "quality enhancement, branding, and traceability." We will continue to focus on the following three core capabilities: first, the direct procurement capabilities in the upstream supply chain and the differentiation barrier of our Excellent fruits; second, the terminal delivery capabilities featuring "certainty of quality and service experience" under omni-channel operations; and third, the refined management capabilities of our digital systems over inventory, pricing, and franchisees. Meanwhile, we also closely monitor the evolution of new business formats and new store models in the retail channels, and have established a dedicated team to conduct diversified exploration through collaboration with seven different regional retail brands, so as to capture differentiated development opportunities.

Company Performance Overview

As the largest fruit retail operator in the Chinese Mainland, we have not only consistently ranked first in terms of fruit sales volume for ten consecutive years, but also continuously led the entire industry in the formulation of fruit standards, quality enhancement, and food safety assurance. In the first half of 2026, we firmly advanced the core strategy of "Expert and Leader in High-quality and Cost-effective Fruit Industry (高品質與高性價比水果專家與領導者)." With synergistic improvements across all business segments, the overall operational and financial performance achieved an inflection point of turning from loss to profit. Our store network has substantially completed its adjustments after nearly two years of optimization, returning to the track of sustainable expansion; in terms of operations and marketing, the Group improved the refund and gift return services and upgraded the store service standards; in terms of products and categories, the Group upgraded the gift standards and packaging, and strengthened the portfolio of "large single products with massive customer flow" and "seasonal products with the best value for money"; in terms of the 2B business and branding, the Group's supply chain capabilities achieved outward extension; and in terms of digital intelligence, the enterprise-level AI middle platform built upon years of AI practices supported the rapid implementation of large models and AI agents, serving as the foundation for the Group's continuous outward extension of technological capabilities. The principal fruit retail business of the Group has been steadily consolidated. Relying on its mature operational experience and supply chain advantages, the Group is actively expanding into new store models and new business formats such as "Fruit+", and fully opening up its supply chain capabilities in an effort to build an integrated supply chain service platform.

The Group's revenue increased by approximately 14.5% from RMB4,375.9 million for the six months ended June 30, 2025 to RMB5,008.5 million for the six months ended June 30, 2026. The Group's gross profit increased by approximately 182.5% from RMB215.6 million for the six months ended June 30, 2025 to RMB608.9 million for the six months ended June 30, 2026. Profit attributable to owners of the Company was RMB33.6 million for the six months ended June 30, 2026 whereas loss attributable to owners of the Company was RMB342.1 million for the six months ended June 30, 2025.

Company Business Highlights

Retail Business Unit

Scale and Expansion of Fruit Store Network

As of June 30, 2026, the Group's offline store network had a total of 4,758 fruit stores located in more than 180 cities covering 22 provinces and municipalities in the PRC.

The table below sets forth the Group's total number of franchised fruit stores and self-operated fruit stores as of the dates indicated.

	As of June 30,			
	2026		2025	
		%		%
Franchised fruit stores				
Franchised fruit stores supervised by the Group	**3,900**	**82.0**	3,570	81.4
Others	**852**	**17.9**	805	18.3
Sub-total	**4,752**	**99.9**	4,375	99.7
Self-operated fruit stores	**6**	**0.1**	11	0.3
Total	**4,758**	**100.0**	4,386	100.0

As part of the Group's expansion strategy, through diversifying our category products and extending our reach to a broader customer base, we continue to develop franchised fruit stores in different tier cities. The table below sets forth the Group's total number of stores by city tiers as of the dates indicated.

	As of June 30,			
	2026		2025	
		%		%
First-tier cities(1)	**1,215**	**25.6**	1,132	25.8
Second-tier cities(2)	**1,705**	**35.8**	1,585	36.1
Third-and lower-tier cities(3)	**1,838**	**38.6**	1,669	38.1
Total	**4,758**	**100.0**	4,386	100.0

Notes:

(1) Referring to Beijing, Shanghai, Guangzhou and Shenzhen.

(2) Referring to Chengdu, Chongqing, Hangzhou, Wuhan, Xi'an, Tianjin, Nanjing, Changsha, Zhengzhou, Qingdao, Shenyang, Hefei, Ningbo, Kunming, Xiamen, Jinan, Fuzhou, Dalian, Harbin, Changchun, Shijiazhuang, Nanning, Guiyang, Nanchang, Taiyuan, Lanzhou, Taipei, Yinchuan, Haikou, Xining, Hohhot, Lhasa and Urumqi.

(3) Referring to cities other than the first- and second-tier cities in China.

In the first half of 2026, the Group continued to enhance store operational efficiency through measures such as optimizing the single-store investment model, lowering the franchising threshold, and advancing the adjustment and reform of existing stores. As at June 30, 2026, the number of the Group's fruit retail stores achieved a net increase of 372 stores compared to June 30, 2025, representing an increase of approximately 8.5% from 4,386 to 4,758 stores, with the store network returning to a growth trajectory. Such restorative growth was primarily attributable to the Group's innovative launch of the delegated operation franchising model, which effectively lowered the franchising threshold and broadened the pool of prospective franchisees as well as the continuous advancement in assisting stores with adjustments and reforms to enhance store operational efficiency.

The table below sets forth the Group's revenue contribution derived from sales of products by types of fruit retail stores for the periods indicated.

	Six Months Ended June 30,			
	2026		2025	
	RMB'000	***%***	*RMB'000*	*%*
Franchised fruit stores				
Franchised fruit stores supervised by the Group	**3,078,570**	**99.7**	3,076,312	99.5
Others	**2,138**	**0.0**	608	0.0
Sub-total	**3,080,708**	**99.7**	3,076,920	99.5
Self-operated fruit stores	**7,947**	**0.3**	14,772	0.5
Total	**3,088,655**	**100.0**	3,091,692	100.0

Fruit Store Operations and Marketing Strategies

In the first half of 2026, the Group carried out over 30 themed store events centered around seasonal fruits, with more than 3,000 participating stores nationwide, and continued to promote the development of benchmark stores with aesthetic situational displays. During the period, the Group collaborated with Rockit Apple (樂淇蘋果) to create over 1,000 atmosphere-themed stores, 30 celebrity check-in stores, and multiple pop-up stores, driving a significant year-on-year increase of approximately 146% in the sales of this category.

In terms of product strategies, the Group continued to implement the combined strategy of "large single products with massive customer flow (強流量屬性大單品)" and "seasonal products with the best value for money", formulated operating guidelines for customer traffic-generating categories centering around the 24 solar terms of the year, and continuously carried out marketing activities such as "best fruit for you (好果報恩)" and "daily surprises (天天有驚喜)". During the period, focusing on durians and other large single products with massive customer flow (強流量屬性大單品), the Group held origin traceability events, and created the first Malaysia Durians Festival (馬來西亞榴蓮節) and the 10th Thailand Fruit Festival (泰國水果節), driving a year-on-year increase of approximately 7.5% in the sales volume of durians.

In terms of store services, the Group strengthened employee training and coaching, implemented standards such as "proactive food tasting" and "three-smile service", and selected service benchmark stores and individuals, driving an overall improvement in store service capabilities. In terms of franchisee relationship management, the Group enhanced the satisfaction of franchisees through measures such as symposiums, communication and rating systems for franchisees and optimized feedback processes, laying a management foundation for the expansion of the store network.

Online Operations and E-commerce Strategy

For the six months ended June 30, 2026, orders placed through self-operated APPs and mini-programs, Meituan, Ele.me and other online channels accounted for approximately 27.8% of the total orders of the Group, among which orders placed through Meituan accounted for approximately 47.4%.

In the first half of 2026, the Group continued to promote the "daily surprises (天天有驚喜)" marketing campaign, selecting a special-priced fruit product exclusively for WeChat community followers on a daily basis to create daily top-selling products and to enhance the stickiness of WeChat communities followers and offline customer traffic. As at June 30, 2026, the total number of WeChat communities of the Group's stores increased to approximately 36,000, representing a year-on-year increase of approximately 22%; the total number of followers in the WeChat follower communities was approximately 18.9 million, of which the sales generated through the WeChat Community group-ordering tool exceeded RMB87.6 million, representing a year-on-year increase of approximately 51.1%.

In terms of content e-commerce, the Group conducted online business and brand promotion on platforms such as Douyin, Tmall and JD.com. During the period, the Group carried out origin-tracing live streaming on Douyin covering categories such as Chinese bayberries and durians, improving brand exposure and consumer trust. As at June 30, 2026, the total number of orders placed by customers through the Douyin group-buying channel to purchase fruits and fruit products of the Group was approximately 2.46 million, representing a year-on-year increase of approximately 31.5%; total retail sales of the Douyin group-buying channel amounted to RMB69.9 million, representing a year-on-year increase of approximately 30.6%. In addition, the Group launched the "social gifting" service, upgrading traditional fruit gifting into a digitalized service integrating a convenient experience, emotional value and absolute trust.

Membership Operations and Gifting Business

As of June 30, 2026, the cumulative number of memberships across all distribution channels of the Group exceeded 97.7 million, representing a year-on-year increase of approximately 5.0% compared to June 30, 2025; the cumulative number of user visits to the WeChat mini-program reached 84.6 million, representing a year-on-year increase of approximately 7.6%.

In the first half of 2026, the Group upgraded its membership operation system, dividing it into five tiers such as Diamond Card and Gold Card based on consumption frequency and amount, and implemented differentiated operations to enhance the onboarding of new customers, the repurchase of existing customers, and the perception of high-value membership equity. Meanwhile, the Group encouraged membership top-ups through methods such as "additional rewards for monthly automatic top-ups" (月度自動充值享額外贈送), further enhancing member stickiness.

In respect of the gift business, the Group continued to advance the "Gift Penetration Campaign (禮品穿透戰)", launching products such as lightweight products (輕量化), whole-case health products (大健康整件), specialty fruit buckets (特色果桶) and ready-made fruit baskets (成品果籃) centering around occasions including "Women's Day", "Mother's Day" and "520." It also optimized the structure of three major price bands, namely souvenirs priced under RMB100, daily gifts priced between RMB100 and RMB200, and premium gifts priced above RMB300, so as to promote the adjustment of the gift structure. During the period, the Group launched the WeChat one-click gifting (微信一鍵送禮) and in-store self-assembled gift box (門店自建禮盒) functions. The everyday gifting strategy (禮品日常化戰略) achieved remarkable results, with the gift sales of gift shop recording a year-on-year increase of approximately 9.4%, among which the sales of daily gifts during non-major holidays increased by approximately 27.7% on a year-on-year basis.

2B Business Unit

For the six months ended June 30, 2026, the Group continued to leverage its supply chain capabilities and product resources to expand its customer base in the domestic and overseas market. In the domestic market, the Group reached cooperation with multiple emerging online retail platforms, corporate clients, and government entities to directly supply fruits and fruit products. In the overseas market, the Group primarily sold premium domestic products such as apples and pears to supermarkets and wholesalers in regions including Hong Kong, Singapore, Indonesia, and Thailand. The Group's revenue from direct sales of fruits and other food products changed from RMB700.5 million for the six months ended June 30, 2025, which increased by approximately 0.1% to approximately RMB700.9 million for the six months ended June 30, 2026.

Shenzhen Banguo Technology Co., Ltd.* (深圳般果科技有限公司) (“**Shenzhen Banguo**”) is a non-wholly-owned subsidiary of the Company, primarily engaged in the business of providing a procurement platform for small businesses (such as self-operated fruit stores and independent convenience stores). For the six months ended June 30, 2026, the gross merchandise volume (GMV) of Shenzhen Banguo was approximately RMB1.40 billion, representing an increase of approximately 21.9% compared to RMB1.15 billion for the six months ended June 30, 2025, primarily due to the expansion of its business scope. As of June 30, 2026, Shenzhen Banguo has established nine major warehouses nationwide. The Group believes that Shenzhen Banguo is well-equipped to meet the procurement needs of small and medium-sized fruit suppliers and family-run small shops, which helps to improve the supply chain efficiency of the Group and expand its market share in the 2B sector.

Regarding the Government and Enterprise Division (政企事業部), the Group continued to deepen its layout for government and enterprise services, offering card and gift voucher businesses such as the Haochi Card (好吃卡) and Haochi Voucher (好吃券), as well as fruit sales services. During the period, the Group successfully launched the employee welfare business model of “in-store pick-up + home delivery”. Through collaborations with welfare platforms in the government and enterprise sector and JD.com, it realized the on-demand consumption of corporate employee benefits across physical store and delivery channels. In addition, the Group established sales outlets in entities such as large enterprises, hospitals, and schools, and formed strategic partnerships with clients in industries including high-speed rail, medical and healthcare, and specialty catering, as well as local trade unions. This move precisely covers diverse consumption scenarios, fully satisfying the diversified fruit consumption needs of corporate clients, such as employee benefits, marketing gifts, dining card consumption, afternoon tea and employee benefit programs.

Category Business Unit

The Group continued to implement the fruit grading system of “Saccharinity, Crispness, Tenderness, Freshness, Flavor and Safety”, and deepened the differentiated development of Excellent fruits. As at June 30, 2026, the Group had launched a total of 56 proprietary product brands for Excellent fruits to the market, and the total retail sales of fruits under the proprietary product brands of Excellent fruits accounted for approximately 11.2% of the total retail sales of Pagoda stores.

In the first half of 2026, the Group advanced the upgrade of quality standards for Excellent fruits, with the coverage rate of planting intervention and post-harvest treatment continuing to increase. During the period, a breakthrough was achieved in the post-harvest preservation technology for Zespri red kiwifruits (佳沛紅果), extending the shelf life from 2-4 days to 7-11 days. The integrated post-harvest treatment technology empowerment system of “ripening + preservation + standards” became increasingly mature. The Group established a joint research and development base for post-harvest preservation of fruits and vegetables in China with Elefei (埃雷菲), an international fruit and vegetable preservation enterprise, and undertook fruit quality improvement-related activities of the Ministry of Agriculture and Rural Affairs (農業農村部). In addition, the Group initiated the preparation for an apple category company to explore a long-term mechanism for the branded operation of categories, and continued to enrich its product lineup across various price bands through the development of secondary fruits, small-sized fruits, and novel and unique fruits, as well as the building of “Tens of Millions of Rising Stars” (千萬新星) fruit products.

In terms of brand promotion, in the first half of 2026, the Group respectively held origin traceability and promotional activities for pineapples, durians, Chinese bayberries, and Naihuang apricots (奶皇杏). The network-wide exposure of the projects exceeded 500 million times, connecting the full link of supply chain — brand — end users, and realizing the visibility of the upstream industry chain.

Other Business Updates

Seven Star Alliance "fruit + snacks" retail stores

Leveraging its over 20 years of advantages in the fruit supply chain, franchised store operations, and fresh product operation and management experience, the Group collaborated with seven regional retail brands (the "**Seven Star Alliance**") (七星聯盟) across Inner Mongolia, Shaanxi, Henan, Jiangsu, Hunan, Jiangxi and Guizhou in the first half of 2026. Under the Seven Star Alliance model, regional brands retain flexibility in localized product selection and operations, exploring new business formats and new store models such as "fruit + snacks", full-category standardized-product discount supermarkets and community fresh retail stores, which are positioned to meet the high-frequency and on-demand fresh food consumption needs of community residents for "five meals a day." On the one hand, the Group empowers more terminal network nodes with its mature supply chain infrastructure and quality control system to expand business scale and coverage; on the other hand, catering to consumers' upgraded demands for a "quality-to-price ratio" and a "high-quality life at the doorstep", the Group extends its service scenarios from single fruit specialty stores to comprehensive community fresh retail, cultivating a second growth curve. As of the date of this announcement, there were a total of 1,951 brand partner stores operated under the Seven Star Alliance model.

The table below sets forth the Group's revenue derived from sales of products by brand partner stores for the period indicated:

	Six Months Ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Brand partner stores	**721,294**	0

Centered on the strategic direction of a "fully open supply chain" for the omni-channel open supply chain, in the first half of 2026, the Group completed the establishment of an omni-channel supply platform and put it into trial operation, alongside the completion of the introduction of the version 1.0 fruit standard system platform. In the future, it will realize the integration of "one set of standards, one platform, and one inventory pool", enabling all suppliers serving Pagoda to also serve omni-channel customers. At the same time, we upgraded the "four dimensions and four grades" (四維四等) fruit standard system, completed the upgrade of standard contents and system entry for common varieties, and newly established a new channel sales department as the demand conversion center between the channels and the procurement end. To enhance operational efficiency, we advanced the structural upgrade of our distribution centers, initiated pilot programs for unmanned vehicle delivery and automation, and expanded standardized packaging capacity to support the fulfillment demands across all business formats, including the retail business unit, the Seven Star Alliance, as well as the 2B business unit. We believe that a supply chain platform equipped with standardized quality control capabilities, digitalized dispatching capabilities, and scaled procurement bargaining power will occupy a more core position in the industry value chain, thereby opening up room for incremental growth for the 2B business and new channel businesses.

Digital Intelligence and AI Applications

In the first half of 2026, the Group accelerated the large-scale implementation of artificial intelligence (AI) in core operational scenarios. Based on the long-term accumulation of AI practices, the Group has established an enterprise-level AI middle platform to support the rapid deployment of large AI models and agent applications within the enterprise. Empowered by this middle platform, the Group has been able to continuously enhance decision-making accuracy and operational efficiency, and continuously iterate AI tools and optimize operational and management systems. At the store level, the smart ordering system and AI operations diagnostic system have covered the entire store network, effectively reducing inventory loss and enhancing store operational efficiency. In terms of the supply chain and back-office systems, workload diversion through AI smart customer service reduced the labor costs of the customer service team by 44%, while the daily average number of stores covered by remote smart store inspections increased efficiency by 5 times compared to traditional store inspections. Furthermore, the Group advanced the development of digital employee agents, with the first batch of benchmark cases covering business scenarios such as test report recognition, fruit product information, customer service scripts, and community operations. The Group is committed to consolidating AI capabilities into organizational-level institutionalized capabilities, thereby reducing the reliance of store operations on individual experience. In summary, our AI middle platform is the core foundation supporting the continuous spillover and replication of the Group's technological capabilities, constituting the Group's core differentiating advantage over traditional retailers, and laying the foundation for the Group's sustainable release of operational efficiency dividends in the future.

Business Outlook and Future Strategies

In the first half of 2026, the Group achieved a turnaround from loss to profit, the fruit retail store network returned to a growth trajectory, and the results of reducing costs and enhancing efficiency through technology became apparent, validating the phased achievements of our strategic business adjustments and transformation over the past two years. Looking ahead to the second half of 2026 and the future, the Group will continue to firmly implement the strategy of being the "Expert and Leader in High-quality and Cost-effective Fruit Industry (高品質與高性價比水果專家與領導者)", relying on over 20 years of experience across the entire industry chain, digital intelligence capabilities, and brand advantages, with omni-channel coverage, all-category operations, and all-tier penetration as its core development layout.

Regarding the expansion of fruit retail stores, we will continue to accelerate our layout in prime business districts and penetration into lower-tier markets, and further enhance single-store profitability and the satisfaction of franchisees through supply upgrades, management upgrades, and method innovations (community upgrades, freshness upgrades, introduction of fruit derivatives, and shopping guide service upgrades). In respect of the brand partner stores operated under the Seven Star Alliance, we will first build store density in the respective advantageous areas of the seven regional retail brands, and steadily advance the pilot exploration and scaled implementation of fruit + snacks and community fresh food retail stores. In terms of membership and customer operations, the Group will continuously perfect the "consumption – socialization – experience – conversion" membership closed loop, steadily carry out regional private-domain live streaming, launch a mini-program membership interactive community, and activate the value of the existing membership. In terms of the gift business, the Group will focus on the Mid-Autumn Festival for its sales in the second half of the year, continuously optimize the gift structure across all price bands, implement the function of self-assembled gift boxes at stores and social gifting scenarios, and deepen the construction of normalized gift zones and management of market distribution rates; develop differentiated single products revolving around our positioning as a "health fruit and food expert (健康水果食品專家)", thereby consolidating the consumer mindset of "gifting means Pagoda fruit gifts (送禮就送百果園水果禮)."

In respect of the 2B business, we will optimize domestic and overseas distribution channels, promote the bilateral circulation of domestic fruit exports and high-quality global fruits, and enhance our influence in the fruit industry. We will also deepen cooperation with government and enterprise customers such as beverage enterprises, healthcare enterprises, government authorities, and specialty catering enterprises, and leverage government resources to develop specialty products for rural revitalization, thereby building a full-scenario consumption ecosystem to further expand our market penetration. Meanwhile, we will focus on addressing the core challenges of building supply chain models for channels including centralized procurement and distribution, convenience stores, snack stores, and fresh stores, so as to improve product adaptability and fulfillment service capabilities; we will continuously optimize the layout of the warehousing and distribution network, and advance pilot projects for unified warehousing and co-distribution, origin warehouses, destination processing, unmanned vehicles, and automation, thereby building a fulfillment capability that satisfies the demands of all business formats and all categories.

As the responsible department for enhancing fruit quality from the source, the Category Business Unit, will continue to leverage our technological capabilities in breeding and agricultural services. We will focus on the cultivation of benchmark category brands and the empowerment of the entire industry chain, promoting the transformation of domestic fruits from "selling products" to "creating brands". We will continue to consolidate our profound partnerships with upstream suppliers, strengthen upstream control, and comprehensively empower suppliers through measures such as premium variety selection, soil improvement, and the supply of agricultural materials, thereby uncovering differentiated product categories. Furthermore, while strictly adhering to full-chain food safety standards, we will expand our fruit business and cultivate other health products (such as fruit and vegetable derivatives) to fully unleash the full life-cycle value of fruits.

Based on years of practical AI experience, we have established an AI middle-platform capable of supporting the implementation of enterprise-level AI applications. Moving forward, we will continue to rapidly implement large AI models and AI agent applications within the enterprise, institutionalize AI capabilities at the organizational level, and reduce the reliance of store operations on individual experience. This will enable technology-driven cost reductions and efficiency enhancements to cover the entire store network and all supply chain segments, comprehensively improving decision-making accuracy and productivity. As the store network returns to an expansionary trajectory, the Group anticipates that the digital and intelligent systems will exert a more pronounced scale effect in reducing single-store management costs, enhancing supply chain turnover efficiency, and optimizing the accuracy of demand forecasting.

Leveraging its three major business groups and the open supply chain strategy, the Group will fortify the foundation of our fruit retail business, serve omnichannel customers with a fully open supply chain, cultivate the "fruit + snacks" second growth curve, and reinforce our leading position across the entire industry value chain. The Group is committed to building a world-leading fruit industry ecological technology company and an all-format fruit supply chain service platform, balancing commercial value with social responsibility, and creating sustained and stable comprehensive value returns for Shareholders, customers, employees, and society.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the Group's unaudited consolidated financial results for the six months ended June 30, 2026 with comparative figures for the six months ended June 30, 2025.

	Six Months Ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Revenue	**5,008,487**	4,375,873
Cost of sales	**(4,399,631)**	(4,160,322)
Gross profit	**608,856**	215,551
Other income	**18,624**	17,423
Other (losses)/gains, net	**(8,785)**	6,993
Selling expenses	**(286,493)**	(257,161)
Administrative expenses	**(225,699)**	(216,248)
Net provision of impairment loss on financial assets	**(6,437)**	(39,920)
Research and development expenses	**(38,636)**	(46,494)
Operating profit/(loss)	**61,430**	(319,856)
Finance income	**13,060**	11,973
Finance costs	**(44,840)**	(49,152)
Finance costs, net	**(31,780)**	(37,179)
Share of profits of associates and joint venture, net	**4,073**	4,069
Profit/ (loss) before income tax	**33,723**	(352,966)
Income tax expense	**(1,189)**	(285)
Profit/ (loss) for the period	**32,534**	(353,251)
Profit/ (loss) for the period attributable to:		
Owners of the Company	**33,564**	(342,053)
Non-controlling interests	**(1,030)**	(11,198)
	32,534	(353,251)

Revenue

The following table sets forth the Group's revenue by operating segments, each expressed in the absolute amount and as a percentage of total revenue, for the six months ended June 30, 2025 and 2026, respectively.

	Six Months Ended June 30,			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
Sales of fruits, snacks and other food products	**4,912,524**	**98.1**	4,308,322	98.5
Royalty and franchising income	**23,765**	**0.5**	8,575	0.2
Membership income	**9,386**	**0.2**	21,687	0.5
Others	**62,812**	**1.2**	37,289	0.8
Total	**5,008,487**	**100.0**	4,375,873	100.0

The Group's total revenue increased by approximately 14.5% from RMB4,375.9 million for the six months ended June 30, 2025 to RMB5,008.5 million for the six months ended June 30, 2026. Revenue generated from Sales of fruits, snacks and other food products represented the majority portion of the Group's total revenue, representing approximately 98.5% and 98.1% of total revenue of the Group for the six months ended June 30, 2025 and 2026, respectively. The increase in revenue from sales of fruits, snacks and other food products was primarily contributed by the Group's sales of products to brand partner stores under the Seven Star Alliance model since January 2026, and such business segment provided additional momentum for the Group's revenue.

The Group mainly distributes fruits and other food products through offline store network, comprising franchised stores operated by franchisees recruited by itself or referred by its regional dealers, self-operated stores and brand partner stores. It also distributes through online channels. In addition, it engages in direct sales to certain major customers and, on a small scale, engages in wholesale business.

The following table sets forth a breakdown of the Group's revenue from sales of fruits, snacks and other food products by distribution channels, each expressed in the absolute amount and as a percentage of revenue from sales of fruits, snacks and other food products, for the six months ended June 30, 2025 and 2026, respectively.

	Six Months Ended June 30,			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
Franchised fruit stores	**3,080,708**	**62.7**	3,076,920	71.4
Self-operated fruit stores	**7,947**	**0.1**	14,772	0.3
Regional dealers	**373,918**	**7.6**	479,212	11.1
Direct sales	**700,934**	**14.3**	700,473	16.3
Online channels	**27,723**	**0.6**	36,945	0.9
Brand partner stores	**721,294**	**14.7**	–	–
Total	**4,912,524**	**100.0**	4,308,322	100.0

The increase in revenue from franchised fruit stores was primarily due to increase in daily sales per store by approximately 1.37% for the six months ended June 30, 2026 as compared to the same period in 2025.

The increase in revenue from direct sales was primarily due to the increase in overseas direct sales. The Group's total sales amount derived from exporting fruits and fruit products to 2B customers in overseas market increased by approximately 36.3% from RMB113.3 million for the six months ended June 30, 2025 to RMB154.5 million for the six months ended June 30, 2026 due to relief in tariff policy to Indonesia for 2026 to that of 2025. The Group's total sales amount derived from 2B customers in domestic market decreased by approximately 6.9% from RMB587.1 million for the six months ended June 30, 2025 to RMB546.5 million for the six months ended June 30, 2026 due to a general reduction in corporate employee benefits of our corporate customers, including gift-giving for the Chinese New Year and the Dragon Boat Festival, which resulted in lower sales to corporate customers.

The increase in the revenue from brand partner stores was primarily due to the Group's collaboration with the Seven Star Alliance in the first half of 2026.

Cost of Sales

Cost of sales increased by approximately 5.8% from RMB4,160.3 million for the six months ended June 30, 2025 to RMB4,399.6 million for the six months ended June 30, 2026. Cost of inventories sold represented the majority portion of the Group's cost of sales, accounting for approximately 95.9% and 95.6% of the Group's total cost of sales for the six months ended June 30, 2025 and 2026, respectively. The difference in magnitude of the increase of cost of sales to that of sales of fruit, snacks and other food products was mainly due to the optimization of the Group's product mix since 2025.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's gross profit increased by approximately 182.5% from RMB215.6 million for the six months ended June 30, 2025 to RMB608.9 million for the six months ended June 30, 2026, primarily due to the optimization of the Group's product mix of the fruit retail business and the collaboration with Seven Star Alliance since January 2026. Seven Star Alliance business segment provided additional gross profit of RMB55.6 million which led to the increase of the Group's gross profit margin from 4.9% for the six months ended June 30, 2025 to 12.2% for the six months ended June 30, 2026.

Other Income

The Group's other income increased by approximately 6.9% from RMB17.4 million for the six months ended June 30, 2025 to RMB18.6 million for the six months ended June 30, 2026. The increase was primarily due to the lease and management income deriving from Shenzhen Banguo's provision of value-added services.

Other (Losses)/Gains, Net

The Group recorded other losses, net of RMB8.8 million for the six months ended June 30, 2026 and other gains, net of RMB7.0 million for the six months ended June 30, 2025. It was primarily due to losses on disposals of property, plant and equipment of RMB4.8 million in relation to the decoration materials used for the store front doors and within the stores and exchange losses, net of RMB5.2 million.

Selling Expenses

The Group's selling expenses increased by approximately 11.4% from RMB257.2 million for the six months ended June 30, 2025 to RMB286.5 million for the six months ended June 30, 2026. The increase was primarily due to increase in employee benefit expenses of selling staffs and depreciation of right-of-use assets in relation to the Group's collaboration with the Seven Star Alliance for the operation of 1,951 brand partner stores.

Administrative Expenses

The Group's administrative expenses increased by approximately 4.4% from RMB216.2 million for the six months ended June 30, 2025 to RMB225.7 million for the six months ended June 30, 2026. The increase was mainly due to increase in employee benefit expenses of administrative staffs in relation to the Seven Star Alliance for the operation of 1,951 brand partner stores.

Net Provision of Impairment Loss on Financial Assets

Net impairment loss on financial assets for the six months ended June 30, 2025 and 2026 mainly represented a general expected credit loss on trade and other receivables. Net provision of impairment loss on financial assets decreased from RMB39.9 million for the six months ended June 30, 2025 to RMB6.4 million for the six months ended June 30, 2026. It was mainly due to the Group's proactive measures taken to collect debts which in turn effectively reduced the provision of impairment loss for financial assets aged over 12 months.

Research and Development Expenses

The Group's research and development expenses decreased by approximately 16.9% from RMB46.5 million for the six months ended June 30, 2025 to RMB38.6 million for the six months ended June 30, 2026. The decrease was primarily due to decrease in headcounts of the Group's research and development staff from 288 as of June 30, 2025 to 266 as of June 30, 2026.

Finance Costs, Net

Finance income increased by approximately 9.1% from RMB12.0 million for the six months ended June 30, 2025 to RMB13.1 million for the six months ended June 30, 2026, which was mainly attributable to the increase in interest income arising from bank deposits.

Finance costs decreased slightly from RMB49.2 million for the six months ended June 30, 2025 to RMB44.8 million for the six months ended June 30, 2026 as we optimized our bank borrowings with lower interest rate.

Share of Profits of Associates and Joint Venture, Net

The Group recorded share of profits of associates and joint venture, net of RMB4.1 million and RMB4.1 million for the six months ended June 30, 2025 and 2026, respectively. The share of profits was mainly contributed by Nanjing Jinse Zhuangyuan Agricultural Products Co., Ltd.* (南京金色莊園農產品有限公司) ("**Nanjing Jinse Zhuangyuan**"), which is primarily involved in trading of strawberry.

Profit/(Loss) Before Income Tax

As a result of the foregoing, the Group recorded profit of RMB33.7 million before tax for the six months ended June 30, 2026 while the Group had loss of RMB353.0 million for the six months ended June 30, 2025. The turnaround was mainly due to the achievement of the Group's effort on continuous improvement in the core operating performance of the Group which led to significant improvement of the Group's gross profit margin and the net increase of number of retail stores.

Income Tax Expense

Income tax expense increased by approximately 317.2% from RMB0.3 million for the six months ended June 30, 2025 to RMB1.2 million for the six months ended June 30, 2026, primarily due to increase in the Group's operating profit which led to increase in taxable profit.

Profit/(Loss) for the Period

As a result of the foregoing, the Group recorded net profit of approximately RMB32.5 million for the six months ended June 30, 2026 while the Group recorded net loss of RMB353.3 million for the six months ended June 30, 2025. The Group's net profit margin was 0.6% for the six months ended June 30, 2026 while the Group's net loss margin was 8.1% for the six months ended June 30, 2025.

Non-HKFRS Measures – Adjusted Net Profit/(Loss) and Adjusted Net Profit/(Loss) Margin

To supplement the Group's consolidated financial information, which is presented in accordance with HKFRS, the Group presents adjusted net profit/(loss) and adjusted net profit/(loss) margin, each a non-HKFRS measure, as additional financial measures. Adjusted net profit/(loss) is defined as the profit/(loss) for the period, adjusted by adding back share-based payment expenses, redundancy compensation in relation to layoffs or workforce adjustments, and loss/(gain) on dilution of investment in associates. Adjusted net profit/(loss) margin is calculated as adjusted net profit/(loss) for the period divided by total revenue for the relevant period. Share-based payment expenses represent expenses relating to award shares granted pursuant to the Company's 2023 share award scheme on May 20, 2024, November 20, 2024 and June 5, 2025, and restricted share units granted pursuant to the Company's 2025 restricted share unit scheme (H share) on December 1, 2025 and May 29, 2026. Redundancy compensation relates to mass systematic staff layoffs kicked off in the first half of 2025. Loss on dilution of investment in associates represents the loss on dilution of investment in an associate, Xiamen Weiyu Ecological Agriculture Co., Ltd.* (廈門微玉生態農業有限公司), and a joint venture, Nanjing Jinse Zhuangyuan.

The Group uses unaudited non-HKFRS measures as an additional financial measure to supplement the consolidated financial information and to evaluate the financial performance of the Group by eliminating the impact of certain non-recurring items and other items that the Group does not consider indicative of the performance of the business of the Group. Other companies in the industry the Group operates in may calculate the non-HKFRS measures differently than the Group does. The non-HKFRS measures are not a measure of operating performance or liquidity under HKFRS and should not be considered as a substitute for, or superior to, profit before tax or cash flow from operating activities in accordance with HKFRS.

The non-HKFRS measures have limitation as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of the Group's results as reported under HKFRS. The Group's presentation of this non-HKFRS item should not be construed as an inference that the Group's future results will be unaffected by unusual or non-recurring items.

The table below sets forth the reconciliation of profit/(loss) for the period and net profit/(loss) margin under HKFRS to adjusted net profit/(loss) for the period and adjusted net profit/(loss) margin, respectively, for the periods indicated.

	Six Months Ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Profit/(loss) for the period (as reported under HKFRS)	**32,534**	(353,251)
Add: Share-based payment expense	**23,634**	17,688
Add: Redundancy compensation in relation to layoff or workforce adjustment	**4,397**	24,002
Add: Loss/(gain) on dilution of investment in associates and joint venture	**–**	16,407
Adjusted net profit/(loss) for the period (non-HKFRS measure)	**60,565**	(295,154)
Net profit/(loss) margin (as reported under HKFRS)	**0.6%**	(8.1%)
Adjusted net profit/(loss) margin (non-HKFRS measure)	**1.2%**	(6.7%)

Liquidity and Capital Resources

For the six months ended June 30, 2026, the Group financed its operations primarily through cash generated from its business operations, capital contributions by the shareholders of the Company (the "**Shareholders**") and bank borrowings.

Capital Structure

As of June 30, 2026, the Group had net assets of RMB2,655.9 million, as compared to RMB2,760.5 million as of December 31, 2025. Net assets as of June 30, 2026 primarily comprised current assets of RMB6,563.1 million, non-current assets of RMB1,963.0 million, current liabilities of RMB5,202.9 million and non-current liabilities of RMB667.3 million.

Cash and Bank Balances

As compared with RMB2,888.3 million as of December 31, 2025, the Group had cash and bank deposits of RMB3,627.4 million as of June 30, 2026, which consisted of unrestricted cash and cash equivalents of RMB2,079.0 million and restricted bank deposits of RMB1,548.4 million.

As of December 31, 2025 and June 30, 2026, the cash and cash equivalents of the Group were mainly denominated in Renminbi ("**RMB**").

Financial Risks

The Group is exposed to interest rate risk in relation to its cash and bank balances, bank borrowings and fixed rate loan receivables. The management considers the overall interest rate risk to be insignificant. The Group has cash at banks denominated in foreign currencies, which subject the Group to foreign exchange risk. The Group does not use any derivative contracts to hedge against its exposure to foreign exchange risk. The management manages its currency risk by closely monitoring the movement of the foreign currency rates and will take prudent measures to minimize the currency translation risk.

Use of Proceeds from the Global Offering

The Company completed its global offering (the "**Global Offering**") and listing in the first quarter of 2023 and its H shares were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on January 16, 2023 (the "**Listing Date**"). Net proceeds the Company raised from the Global Offering (including the partial exercise of the over-allotment option), after deducting the underwriting commission and other estimated expenses in connection with the Global Offering, amounted to approximately HK$474.0 million (the "**Net Proceeds**").

The table below sets forth the utilization of the Net Proceeds by the Group as of June 30, 2026:

Intended use of Net Proceeds	Adjusted allocation of Net Proceeds[(1)]	Adjusted percentage of total Net Proceeds[(1)]	Amount of Net Proceeds utilized up to December 31, 2025	Balance of Net Proceeds unutilized as of December 31, 2025	Amount of Net Proceeds utilized during the six months ended June 30, 2026	Balance of Net Proceeds unutilized as of June 30, 2026	Expected Timeframe[(2)]
	(million)		*(million)*	*(million)*	*(million)*	*(million)*	
To improve and enhance operation and supply chain systems	HK$23.3	4.9%	HK$23.3	nil	nil	nil	–
To upgrade and improve core backbone IT systems and infrastructure	HK$169.5	35.8%	HK$160.6	HK$8.9	nil	HK$8.9	Before December 31, 2026
To repay part of interest-bearing bank borrowings	HK$91.5	19.3%	HK$91.5	nil	nil	nil	–
To use as working capital and for general corporate purposes[(3)]	HK$189.7	40.0%	HK$189.7	nil	nil	nil	–
TOTAL	**HK$474.0**	**100.0%**	**HK$465.1**	**HK$8.9**	**nil**	**HK$8.9**	

Notes:

(1) Based on the actual amounts of Net Proceeds adjusted on pro rata basis and subsequently adjusted based on the reallocation of the unutilized Net Proceeds as of February 7, 2025 resolved by the Board on February 7, 2025 after taking into account the Company's operating conditions and business strategies and approved by the Company's Shareholders on March 6, 2025, except for the fixed amount of HK$91.5 million used to repay the Group's interest-bearing bank borrowings. Details of the adjustment of the allocation of the Net Proceeds was set out in the announcement of the Company dated February 7, 2025 and the circular of the Company dated February 18, 2025 (the "**Reallocation and Adjustment Announcement and Circular**").

(2) Based on the Group's current estimates of its business plans and market conditions, and subject to change and adjustment.

(3) Based on the Group's actual operational needs, the proceeds allocated for use as working capital and general corporate purposes were utilised as follows: (i) HK$105.1 million for the payment of trade payables in the usual and ordinary course of business, (ii) HK$30.8 million for employee benefit expenses, (iii) HK$30.2 million for marketing and promotion expenses, and (iv) HK$23.6 million for legal and professional expenses.

As of June 30, 2026, the Net Proceeds unutilized had been deposited into short-term interest-bearing deposits placed in licensed banks in China. The Group intends to utilize the Net Proceeds in the manner as disclosed in the Reallocation and Adjustment Announcement and Circular.

Use of Proceeds from Placing of Shares in 2025

On October 9, 2025, a placing of 279,500,000 new H shares of the Company to no fewer than six independent placees by First Shanghai Securities Limited was completed. The net proceeds from such placing, after deducting all applicable costs and expenses, amounted to approximately HK$325.0 million. As at June 30, 2026, such net proceeds had been significantly utilised, details of which are set out below:

Intended purposes	Percentage of the planned use of the net proceeds	Planned use of the net proceeds	Amount of Net Proceeds utilized up to December 31, 2025	Balance of Net Proceeds unutilized as of December 31, 2025	Amount of Net Proceeds utilized during the six months ended June 30, 2026	Balance of Net Proceeds unutilized as of June 30, 2026	Expected time frame for fully utilising the net proceeds[1]
		(million)	*(million)*	*(million)*	*(million)*	*(million)*	
Paying the trade payables in the ordinary course of business	61.5%	HK$200.0	HK$172.12	HK$27.88	nil	HK$27.88	Before December 31, 2026
Repaying the Company's bank borrowings	30.8%	HK$100.0	HK$100.00	nil	nil	nil	–
To be used for the general working capital and administrative expenses of the Group	7.7%	HK$25.0	HK$25.00	nil	nil	nil	–
TOTAL	**100.0%**	**HK$325.0**	**HK$297.12**	**HK$27.88**	**nil**	**HK$27.88**	

Note:

(1) Based on the Group's current estimates of its business plans and market conditions, and subject to change and adjustment.

Indebtedness

As of June 30, 2026, the Group had an aggregate (i) non-current bank borrowings of RMB193.0 million with interest rates ranging from 3.1% to 4.2% per annum and shall become payable in two to five years, and (ii) short-term bank borrowings of RMB3,137.1 million with interest rates ranging from 1.9% to 3.4% per annum and shall become payable in one year (December 31, 2025: approximately RMB2,342.2 million). Such outstanding bank borrowings were denominated in Renminbi and the majority portion was at fixed interest rates with the remaining at variable interest rates.

The Group uses current ratio (equivalent to current assets/current liabilities at the end of period and multiplied by 100%) to monitor its capital structure. The Group's current ratio increased from 1.24 as of June 30, 2025 to 1.26 as of June 30, 2026, which was primarily due to the Company's proactive collection efforts on debts aged over 12 months.

Pledged Assets

As of June 30, 2026, the Group's right-of-use assets of RMB43.7 million (December 31, 2025: RMB44.6 million) and the Group's building classified under property, plant and equipment of RMB267.4 million (December 31, 2025: RMB20.9 million) were pledged as collateral for the Group's bank borrowings.

Cash Flows

For the six months ended June 30, 2026, net cash generated from operating activities was RMB126.1 million, while net cash used in operating activities was RMB123.3 million for the six months ended June 30, 2025, which was mainly attributable to net cash generated from operation of RMB129.3 million.

For the six months ended June 30, 2026, net cash used in investing activities was RMB4.1 million, while net cash generated from investing activities was RMB191.4 million for the six months ended June 30, 2025, which was mainly attributable to net impact of payment of property, plant and equipment of RMB25.4 million, interest income arising from loan receivables of RMB8.9 million and interest received from bank deposits of RMB13.1 million.

For the six months ended June 30, 2026, net cash used in financing activities was RMB94.9 million, while the cash used in financing activities was RMB8.3 million for the six months ended June 30, 2025, which was mainly attributable to the Company's payment for acquisition of non-controlling interests of RMB96.0 million.

Financial Assets, Capital and Investment Management

The Group from time to time invests in wealth management products, primarily structured deposits, in order to better facilitate its cash management. Structured deposits were principal-protected products which typically had a fixed short term and may be redeemed upon had their respective expiry dates, therefore, were relatively low risk in nature. The Group's structured deposits were accounted as financial assets measured at FVTPL. To a lesser extent, the Group also recorded fair value gains on long-term financial assets at FVTPL which mainly represented convertible debts in connection with loans convertible to equity interests in the borrowers pursuant to the relevant agreements. Moreover, the Group also recorded financial assets at FVOCI, which comprised (i) unlisted equity securities and (ii) listed equity securities whereby the Group invested in companies that it considered have development potentials.

As of June 30, 2026, the Group had (i) structured deposits which accounted for as financial assets at FVTPL of RMB65.2 million (December 31, 2025: RMB108.4 million), (ii) other financial assets at FVTPL of RMB32.6 million (December 31, 2025: RMB52.5 million), and (iii) financial assets at FVOCI of RMB32.3 million (December 31, 2025: RMB33.9 million).

The Group has implemented capital and investment policies to monitor and control the risks relating to its investment activities. The Group generally only makes investments in asset management products when it has surplus cash, and in principle, is only entitled to invest in products with low-risk and high liquidity, and such investments should be non-speculative in nature. The Group's capital and investment policies also specify the criteria for selecting investments to be considered and the detailed review procedures that each proposed investment shall go through.

In view of an upside of earning a relatively higher return than current saving or fixed deposit rate under the low interest rate trend, as well as the principal-protected nature and a relatively short term of maturity of the structured deposits, the Directors are of the view that the structured deposits pose little risk to the Group and the terms and conditions of each of the structured deposits are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Capital Expenditure

The Group's capital expenditures amounted to RMB170.1 million for the six months ended June 30, 2026, mainly for payment for increase in interests in a joint venture, Nanjing Jinse Zhuangyuan and payment for acquisition of non-controlling interest of Shenzhen Banguo.

The Group financed its capital expenditures primarily with cash generated from operations, bank borrowings and the proceeds raised from issuance of ordinary shares.

Contingent Liabilities and Guarantees

As of June 30, 2026, the Group did not have any contingent liabilities, guarantees or any significant litigation against it.

Significant Investments, Material Acquisitions, and Disposals of Subsidiaries, Associates and Joint Ventures

On February 2, 2026, the Company (as existing shareholder), Mr. Tian Xiqiu ("**Mr. Tian**") (as subscriber), Mr. Lai Hin Yeung ("**Mr. Lai**") (as subscriber) and Shenzhen Pagoda Commercial Management Co., Ltd.* (深圳百果園商業管理有限公司) ("**Pagoda Commercial Management**") (as the target company) entered into a capital increase agreement (the "**Capital Increase Agreement**"), pursuant to which Mr. Tian and Mr. Lai agreed to make a capital contribution of RMB660,000 and RMB300,000, respectively, in cash into the registered share capital of Pagoda Commercial Management, each at a consideration of RMB1.0 per share. Upon completion of the capital injection (the "**Capital Injection**"), the registered share capital of Pagoda Commercial Management increased by RMB960,000 from RMB1,000,000 to RMB1,960,000, and Mr. Tian and Mr. Lai hold approximately 33.67% and 15.31% of the equity interest in Pagoda Commercial Management, respectively. The Company's shareholding in Pagoda Commercial Management was diluted from 100% to approximately 51.02%, which constituted a deemed disposal of the Company's interest in Pagoda Commercial Management under Rule 14.29 of the Listing Rules (the "**Deemed Disposal**"). Pagoda Commercial Management remains a subsidiary of the Company and its financial results continue to be consolidated into the financial results of the Group.

Save as disclosed above, during the six months ended June 30, 2026, there was no material acquisition or disposal of subsidiaries, associates or joint ventures by the Group.

Turnover Ratios

Average inventory turnover days decreased from 12.3 days for the six months ended June 30, 2025 to 11.2 days for the six months ended June 30, 2026, primarily contributed by increase in cost of goods sold in relation to the Group's collaboration with the Seven Star Alliance which was primarily indent in nature.

Average trade receivables turnover days decreased from 35.8 days for the six months ended June 30, 2025 to 29.1 days for the six months ended June 30, 2026, primarily due to the Company's proactive measures taken to collect debts aged over 12 months.

Average trade payables turnover days increased from 21.5 days for the six months ended June 30, 2025 to 24.5 days for the six months ended June 30, 2026, primarily because of increase in trade payables in relation to the Group's collaboration with the Seven Star Alliance which has usually 30 to 45 days credit term for its suppliers.

Employees and Employee Benefit Expenses

As of June 30, 2026, the Group had a total of 2,483 employees, among which approximately 16.3% were from marketing department, 18.0% were from operating and store management department, 14.1% were from production and logistics department and 10.7% were from IT department.

The Group attaches great importance to the development and retention of talents to support the sustainable growth. It has established a comprehensive talent training system for its management and other employees. It offers all-round talent training programs, respectively focusing on developing talents in various fields of general management, upstream planting and market operation.

The Group has developed a performance evaluation system to assess the performance of its employees annually, which forms the basis for determining the salary levels, bonuses and promotions an employee may receive. Sales and marketing personnel may also receive bonuses based on the sales targets they accomplish, by taking into account the overall sales performance of the stores in the same regional market in the relevant period.

For the six months ended June 30, 2026, the Group incurred total employee benefit expenses of RMB344.4 million, representing approximately 6.9% of total revenue of the Group for the same period.

Major Suppliers and Major Customers

For the six months ended June 30, 2026, purchases from the Group's largest supplier in terms of dollar amount accounted for approximately 9.8% of total purchase cost of the Group for the same period, and the aggregate purchases from its top five suppliers in aggregate accounted for 25.2% of total purchase cost of the Group for the same period.

For the six months ended June 30, 2026, revenue contributed by the Group's largest customer accounted for approximately 1.2% of total revenue of the Group for the same period, and the aggregate revenue contributed by its top five customers accounted for approximately 4.3% of total turnover of the Group for the same period. All top five customers were the Group's franchisees.

Reserves

As of June 30, 2026, the Company's reserves available for distribution to Shareholders amounted to approximately RMB51.7 million.

FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
	Note	**2026**	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**5,008,487**	4,375,873
Cost of sales	*4*	**(4,399,631)**	(4,160,322)
Gross profit		**608,856**	215,551
Other income		**18,624**	17,423
Other (losses)/gains, net		**(8,785)**	6,993
Selling expenses	*4*	**(286,493)**	(257,161)
Administrative expenses	*4*	**(225,699)**	(216,248)
Net provision of impairment loss on financial assets		**(6,437)**	(39,920)
Research and development expenses	*4*	**(38,636)**	(46,494)
Operating profit/(loss)		**61,430**	(319,856)
Finance income		**13,060**	11,973
Finance costs		**(44,840)**	(49,152)
Finance costs, net		**(31,780)**	(37,179)
Share of profits of associates and joint venture, net		**4,073**	4,069
Profit/(loss) before income tax		**33,723**	(352,966)
Income tax expense	*5*	**(1,189)**	(285)
Profit/(loss) for the period		**32,534**	(353,251)
Profit/(loss) attributable to:			
Owners of the Company		**33,564**	(342,053)
Non-controlling interests		**(1,030)**	(11,198)
		32,534	(353,251)
Earnings/(loss) per share for profit attributable to the owners of the Company			
Basic and diluted (expressed in RMB cents per share)	*6*	**1.94**	(23.43)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Profit/(loss) for the period		**32,534**	(353,251)
Other comprehensive (loss)/income			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		**112**	(81)
Items that will not be subsequently reclassified to profit or loss			
Changes in the fair value of financial assets at fair value through other comprehensive income ("**FVOCI**")		**(1,824)**	641
Share of other comprehensive loss of associates		**(23)**	–
Income tax relating to FVOCI		**–**	(86)
Other comprehensive (loss)/income for the period, net of tax		**(1,735)**	474
Total comprehensive income/(loss) for the period		**30,799**	(352,777)
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		**31,829**	(341,579)
Non-controlling interests		**(1,030)**	(11,198)
		30,799	(352,777)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**As at 30 June 2026 RMB'000 (Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Assets			
Non-current assets			
Property, plant and equipment		**583,210**	595,986
Right-of-use assets		**437,419**	427,811
Investment property		**2,219**	2,263
Intangible assets		**242,732**	247,875
Interests in associates and joint venture		**365,337**	313,297
Financial assets at FVOCI		**32,298**	33,850
Financial assets at fair value through profit or loss ("**FVTPL**")		**7,000**	7,000
Restricted bank deposits		**–**	1,009
Long-term bank deposits		**20,000**	24,130
Deposits, prepayments and other receivables		**261,524**	289,881
Deferred tax assets		**11,232**	9,070
		1,962,971	1,952,172
Current assets			
Inventories		**282,445**	262,770
Biological assets		**6,270**	8,458
Trade receivables	*8*	**845,119**	772,834
Deposits, prepayments and other receivables		**1,706,662**	1,552,321
Financial assets at FVTPL		**90,815**	153,889
Amounts due from associates and joint venture		**24,340**	38,110
Restricted bank deposits		**1,548,422**	850,000
Short-term bank deposits		**85,418**	66,796
Cash and cash equivalents		**1,973,603**	1,946,389
		6,563,094	5,651,567
Total assets		**8,526,065**	7,603,739

	Note	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Liabilities			
Non-current liabilities			
Bank borrowings		**193,038**	252,593
Other payables		**83,004**	76,763
Contract liabilities		**2,809**	5,716
Lease liabilities		**382,920**	369,897
Deferred tax liabilities		**5,485**	5,290
		667,256	710,259
Current liabilities			
Trade payables	*9*	**621,988**	575,148
Accruals and other payables		**1,155,722**	1,133,546
Dividend payable	*7*	**8,697**	–
Contract liabilities		**144,286**	17,720
Income tax payables		**2,761**	2,723
Amounts due to associates and joint venture		**13,910**	31,599
Liabilities under supplier finance arrangements		**88,148**	–
Bank borrowings		**3,137,089**	2,342,190
Lease liabilities		**30,269**	30,021
		5,202,870	4,132,947
Total liabilities		**5,870,126**	4,843,206
Net assets		**2,655,939**	2,760,533
Equity			
Equity attributable to the owners of the Company			
Share capital		**2,000,721**	2,000,721
Reserves		**586,186**	680,653
Capital and reserves attributable to owners of the Company		**2,586,907**	2,681,374
Non-controlling interests		**69,032**	79,159
Total equity		**2,655,939**	2,760,533

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

The Company was incorporated in the People's Republic of China (the "**PRC**") on 3 December 2001 as a limited liability company under Company Law of the PRC and was converted into a joint stock company with limited liability on 10 April 2020. The address of the Company's registered office is Pagoda Technology Building, No. 2005 Shenyan Road, Pengwan Community, Haishan Street, Yantian District, Shenzhen, China.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 16 January 2023.

The Company and its subsidiaries (together, the "**Group**") are principally engaged in operating of a franchised retail network and trading of fruits. Since January 2026, the Group has expanded its business to "fruit + snack" through our collaboration with seven regional retail brands. The ultimate controlling party of the Group is Mr. Yu Huiyong ("**Mr. Yu**").

This interim condensed consolidated financial information is presented in Renminbi ("**RMB**"), and all values are rounded to the nearest thousand ("**RMB'000**") unless otherwise stated.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting". The interim condensed consolidated financial information should be read in conjunction with the annual report for the year ended 31 December 2025, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

2.2 Accounting policies

The accounting policies applied are consistent with those applied in preparation of the Group's financial statements for the year ended 31 December 2025, as described in those annual consolidated financial statements, except for the estimation of income tax and the adoption of new standards, amendments to standards and interpretations as set out below.

(a) New and amended standards adopted by the Group

The following new and amended standards apply for the first time to financial reporting periods commencing on or after 1 January 2026:

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments; Contracts Referencing Nature-dependent Electricity
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11
Amendment to HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements

The adoption of these new and amended standards in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in this interim condensed consolidated financial information.

Amended standards that have been issued but are not effective for the six months ended 30 June 2026 and have not been early adopted:

		Effective for accounting periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of Assets between an investor and its Associate or Joint Venture	To be determined

Management is in the process of assessing the financial impact of the adoption of the above amendments to standards. The Group will adopt the amendments to standards when they become effective.

3 REVENUE

(a) Geographical segment

Analysis of revenue of the Group by geographical market is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Chinese Mainland	**4,854,017**	4,262,532
Indonesia	**85,193**	40,817
Singapore	**27,161**	40,567
Hong Kong and other countries/regions	**42,116**	31,957
	5,008,487	4,375,873

Over 99% of the Group's assets and liabilities are located in the Chinese Mainland. Accordingly, no segment assets and liabilities by geographical segment is presented (31 December 2025: same).

There is no single external customer contributed more than 10% of the Group's revenue during the six months ended 30 June 2026 (six months ended 30 June 2025: same).

(b) Disaggregation of revenue from contracts with customers

Revenue of the Group is analysed as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Sales of fruits, snacks and other food products	**4,912,524**	4,308,322
Royalty and franchising income	**23,765**	8,575
Membership income	**9,386**	21,687
Commission income	**29,455**	7,353
Others	**33,357**	29,936
	5,008,487	4,375,873
Timing of revenue recognition		
At a point in time	**4,941,979**	4,315,675
Over time	**66,508**	60,198
	5,008,487	4,375,873

4 EXPENSE BY NATURE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**4,206,712**	3,991,077
Employee benefit expenses (including directors' emoluments)	**344,368**	338,244
Depreciation of property, plant and equipment	**31,869**	30,155
Depreciation of right-of-use assets	**34,033**	29,418
Amortisation of intangible assets	**5,230**	7,186
Remuneration of auditors – Audit service *(Note a)*	**2,300**	2,300
Legal and professional fees	**62,526**	54,231
Delivery charges	**96,088**	77,561
Marketing and promotion expenses	**38,715**	37,050
Office supplies	**4,073**	3,155
Labour cost *(Note b)*	**52,061**	50,181
Expenses relating to short-term leases	**20,220**	15,038
Travelling expenses	**8,619**	5,796
Entertainment	**5,372**	2,019
Water and electricity	**8,005**	7,089
Other tax expenses	**6,741**	7,067
Others	**23,527**	22,658
	4,950,459	4,680,225
Representing:		
Cost of sales	**4,399,631**	4,160,322
Selling expenses	**286,493**	257,161
Administrative expenses	**225,699**	216,248
Research and development expenses	**38,636**	46,494
	4,950,459	4,680,225

Notes:

(a) Balance includes overseas auditor's remuneration for audit services of RMB1,700,000 (six months ended 30 June 2025: RMB1,700,000), as well as domestic auditor's remuneration for audit services of RMB600,000 (six months ended 30 June 2025: RMB600,000).

(b) Balance represents costs incurred by the Group for human resources companies responsible for outsourced staff working at warehouses and distribution centres.

5 INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	**3,156**	4,362
Deferred tax	**(1,967)**	(4,077)
Income tax expense	**1,189**	285

Income tax expense is recognised using the tax rate that would be applicable to expected total annual earnings.

6 EARNINGS PER SHARE

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share is calculated on the profit/(loss) attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding (excluding the ordinary shares purchased by the Company under the share award scheme, restricted share unit scheme and for cancellation purpose) during the six months ended June 2026 (2025: same).

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to owners of the Company (RMB'000)	**33,564**	(342,053)
Weighted average number of shares outstanding ('000)	**1,732,930**	1,459,919
Basic earnings/(loss) per share (expressed in RMB cent)	**1.94**	(23.43)

(b) Diluted earnings/(loss) per share

During the six months ended June 30, 2026, the Company has two categories of dilutive potential ordinary shares: Share Awards and Restricted Share Units, which were considered as contingently issuable shares and the condition was not satisfied as at June 30, 2026. Hence, diluted earnings per share for the six months ended June 30, 2026 is the same as the basic earnings per share.

As the Group incurred losses for the period ended June 30, 2025, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the period ended June 30, 2025 was the same as basic loss per share.

7 DIVIDENDS

The final dividend of RMB0.005 per ordinary share, equivalent to a total of approximately RMB10,004,000 for the year ended 31 December 2025, has been approved by the Company's shareholders at its annual general meeting. Except for dividend attributable to the shares held by the trustee of RMB1,307,000 in relation to employee share incentive scheme, the rest of the dividend of RMB8,697,000 has been recognised as dividend payable in the interim condensed consolidated statement of financial position as at 30 June 2026.

The board does not recommend payment of interim dividend for the period ended 30 June 2026 (2025: same).

8 TRADE RECEIVABLES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables, gross	**880,082**	834,353
Less: loss allowance	**(34,963)**	(61,519)
Trade receivables, net	**845,119**	772,834

The Group allows a credit period of up to 90 days to its customers. The ageing analysis of trade receivables before the loss allowance by invoice date is as follows:

	As at 30 June 2026 ***RMB'000*** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
1 – 90 days	**727,669**	587,864
91 – 180 days	**99,412**	168,334
181 – 365 days	**27,695**	36,337
Over 1 year	**25,306**	41,818
	880,082	834,353

As at 30 June 2026, the maximum exposure to credit risk is the carrying value of trade receivables mentioned above and the Group does not hold any collateral as security (31 December 2025: same).

9 TRADE PAYABLES

The ageing analysis of the trade payables based on invoice dates is as follows:

	As at 30 June 2026 ***RMB'000*** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
1 to 30 days	**354,333**	378,147
31 to 60 days	**2,747**	23,897
61 to 90 days	**9,784**	8,631
Over 90 days	**37,475**	14,811
	404,339	425,486

As at 30 June 2026, the carrying amounts of the Group's trade payables approximate their fair values and are denominated in RMB (31 December 2025: same).

OTHER INFORMATION

Interim Dividend

The Board has resolved not to declare an interim dividend for the six months ended June 30, 2026.

Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance.

During the six months ended June 30, 2026, the Company complied with all applicable code provisions under the CG Code and adopted most of the best practices set out therein.

Model Code for Securities Transactions

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding all dealing by Directors, supervisors of the Company (the "**Supervisors**") and relevant employees of securities in the Company and other matters covered by the Model Code since the Listing Date.

Having made specific enquiry with all the Directors and Supervisors, all of the Directors and Supervisors confirmed that he/she has complied with the required standards as set out in the Model Code during the six months ended June 30, 2026. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company for the aforesaid period.

Purchase, Sale or Redemption of the Company's Listed Securities

On June 23, 2025, the Board resolved to repurchase H shares on the Stock Exchange pursuant to the general mandate granted by the Shareholders at the 2024 annual general meeting of the Company held on June 5, 2025, for cancellation to reduce the registered capital in accordance with the law, or to be held as treasury shares. Such mandate expired upon the conclusion of the next annual general meeting.

On June 15, 2026, the Board resolved to repurchase H shares on the Stock Exchange pursuant to the general mandate granted by the Shareholders at the 2025 annual general meeting of the Company held on June 5, 2026, for cancellation to reduce the registered capital in accordance with the law, or to be held as treasury shares.

Pursuant to the above mandates, during the six months ended June 30, 2026, the Company repurchased a total of 20,378,500 H shares on the Stock Exchange for a total consideration of approximately HK$35.98 million (before deducting transaction fees). Details of the repurchase of H shares are as follows:

Month of purchase	No. of H Shares purchased	Highest price paid per Share (HK$)	Lowest price paid per Share (HK$)	Aggregate consideration paid (HK$ million)
March 2026	3,075,000	1.84	1.73	5.45
April 2026	7,106,500	1.91	1.65	13.13
June 2026	10,197,000	1.79	1.62	17.40
Total	**20,378,500**	**–**	**–**	**35.98**

The aforementioned repurchased H shares are held by the Company as treasury shares. As at June 30, 2026, the Company held 20,378,500 treasury shares, and such treasury shares are intended to be used for the employee share incentive scheme of the Company or for sale purposes. Save as disclosed above, during the six months ended June 30, 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including the sale of any treasury shares).

PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained sufficient public float as required by the Listing Rules during the six months ended June 30, 2026 and up to the date of this announcement. The Company maintained the minimum level of public float of at least 25% of its total issued shares.

SUBSEQUENT EVENTS

As of the date of this announcement, there was no significant event affecting the Group which occurred subsequent to June 30, 2026.

AUDIT COMMITTEE

The Board has established the Audit Committee, which comprises two independent non-executive Directors and one non-executive Director, namely, Dr. WU Zhanchi *(chairman)*, Mr. MA Ruiguang and Mr. JIAO Yue. The Audit Committee has also adopted written terms of reference which clearly set out its duties and obligations (the terms of reference are available on the websites of the Company and the Stock Exchange).

The Audit Committee has, together with the senior management of the Company, reviewed the accounting principles and practices adopted by the Group as well as the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2026.

SCOPE OF WORK OF AUDITOR

The interim condensed consolidated financial information is unaudited but have been reviewed by the Group's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

PUBLICATION OF 2026 INTERIM RESULTS AND 2026 INTERIM REPORT

This interim results announcement is published on the website of the Company (www.pagoda.com.cn) and the website of the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended June 30, 2026 containing all the information required by the Listing Rules will be disseminated to the Shareholders and published on the respective websites of the Company and the Stock Exchange within the prescribed time and in accordance with the requirements under the Listing Rules.

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

Shenzhen, the People's Republic of China
August 28, 2026

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

* *For identification purpose only*