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**农夫山泉**

**NONGFU SPRING CO., LTD.**

**農夫山泉股份有限公司**

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

**(Stock Code: 9633)**

## **ANNOUNCEMENT OF 2025 INTERIM RESULTS**

### **HIGHLIGHTS OF 2025 INTERIM RESULTS**

- Total revenue was RMB25,622 million, representing a year-on-year increase of 15.6%;
- Profit attributable to the owners of the parent was approximately RMB7,622 million, representing a year-on-year increase of 22.1%;
- Basic earnings per share were RMB0.677, representing a year-on-year increase of 22.0%.

The board of directors (the “**Board**”) of Nongfu Spring Co., Ltd. (the “**Company**” or “**Nongfu Spring**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the “**Group**” or “**we**”) for the six months ended June 30, 2025 (the “**Reporting Period**”) prepared in accordance with the International Financial Reporting Standards (the “**IFRSs**”) (the “**Results Announcement**”), together with the comparative figures for the corresponding period of 2024.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended June 30, 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>REVENUE</b>	4	<b>25,622,201</b>	22,173,084
Cost of sales		<u>(10,165,771)</u>	<u>(9,140,616)</u>
Gross profit		<b>15,456,430</b>	13,032,468
Other income and gains, net		<b>807,547</b>	1,039,655
Selling and distribution expenses		<b>(5,010,696)</b>	(4,971,457)
Administrative expenses		<b>(1,067,728)</b>	(913,377)
Other expenses		<b>(127,414)</b>	(5,536)
Finance costs		<u><b>(24,563)</b></u>	<u>(39,438)</u>
<b>PROFIT BEFORE TAX</b>	5	<b>10,033,576</b>	8,142,315
Income tax expense	6	<u><b>(2,411,494)</b></u>	<u>(1,902,736)</u>
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<u><b>7,622,082</b></u>	<u>6,239,579</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted			
For profit for the period	8	<u><b>RMB0.677</b></u>	<u>RMB 0.555</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended June 30, 2025*

	<b>2025</b> <b>RMB'000</b> <b>(Unaudited)</b>	2024 <b>RMB'000</b> <b>(Unaudited)</b>
<b>PROFIT FOR THE PERIOD</b>	<b><u>7,622,082</u></b>	<b><u>6,239,579</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>(319)</u>	<u>128</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>(319)</u>	<u>128</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b><u>(319)</u></b>	<b><u>128</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b><u>7,621,763</u></b>	<b><u>6,239,707</u></b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*As at June 30, 2025*

		<b>June 30, 2025</b>	December 31, 2024
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>23,570,284</b>	21,083,239
Right-of-use assets		<b>1,174,811</b>	1,026,650
Intangible assets		<b>161,201</b>	71,557
Deferred tax assets		<b>1,298,181</b>	1,087,893
Long-term bank deposits		<b>11,504,929</b>	10,630,882
Other non-current assets		<b>160,073</b>	188,217
		<hr/>	<hr/>
Total non-current assets		<b>37,869,479</b>	34,088,438
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Inventories		<b>5,104,288</b>	5,013,047
Trade and bills receivables	9	<b>835,572</b>	581,372
Prepayments, other receivables and other assets		<b>1,436,429</b>	1,218,292
Restricted cash		<b>7,977</b>	7,677
Cash and bank balances		<b>14,905,813</b>	10,722,048
Financial assets at fair value through profit or loss		<b>4,234,311</b>	1,529,438
		<hr/>	<hr/>
Total current assets		<b>26,524,390</b>	19,071,874
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	10	<b>1,918,803</b>	1,499,397
Other payables and accruals		<b>20,530,463</b>	9,543,746
Contract liabilities		<b>2,897,728</b>	3,565,558
Interest-bearing borrowings		<b>4,419,502</b>	3,625,433
Lease liabilities		<b>45,406</b>	55,705
Tax payables		<b>2,323,574</b>	1,694,898
		<hr/>	<hr/>
Total current liabilities		<b>32,135,476</b>	19,984,737
		<hr/>	<hr/>
<b>NET CURRENT LIABILITIES</b>		<b>(5,611,086)</b>	(912,863)
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>32,258,393</b>	33,175,575
		<hr/>	<hr/>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(CONTINUED)**

*As at June 30, 2025*

	<b>June 30, 2025</b> <i>RMB'000</i> (Unaudited)	December 31, 2024 <i>RMB'000</i> (Audited)
<b>NON-CURRENT LIABILITIES</b>		
Deferred income	<b>324,219</b>	319,404
Deferred tax liabilities	<b>476,950</b>	503,098
Lease liabilities	<b>86,800</b>	65,909
	<hr/>	<hr/>
Total non-current liabilities	<b>887,969</b>	888,411
	<hr/>	<hr/>
<b>NET ASSETS</b>	<b>31,370,424</b>	32,287,164
	<hr/>	<hr/>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	<b>1,124,647</b>	1,124,647
Reserves	<b>30,245,777</b>	31,162,517
	<hr/>	<hr/>
Total equity	<b>31,370,424</b>	32,287,164
	<hr/>	<hr/>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2024.

The Group recorded net current liabilities of RMB5,611,086,000 as at June 30, 2025. In view of the net current liabilities position, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

Having considered the long-term bank deposits in Mainland China held by the Group, which amounting to RMB11,504,929,000, are freely convertible into cash, the directors are satisfied that the Group is able to meet in full its financial obligations as they fall due for the foreseeable future.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to IAS 21

*Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

## 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their services and has five reportable operating segments as follows:

- the water products segment engages in manufacturing and sale of packaged drinking water and edible ice;
- the ready-to-drink tea products segment engages in manufacturing and sale of ready-to-drink tea beverages;
- the functional drinks products segment engages in manufacturing and sale of functional beverages;
- the juice beverage products segment engages in manufacturing and sale of juice beverage products; and
- the other products segment engages in manufacturing and sale of agricultural products and other beverages.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, other income and gains, as well as head office and corporate expenses are excluded from such measurement. No analysis of segment assets and liabilities is presented as management does not regularly review such information for the purposes of resource allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Six months ended June 30, 2025	Water products RMB'000 (Unaudited)	Ready-to- drink tea products RMB'000 (Unaudited)	Functional drinks products RMB'000 (Unaudited)	Juice beverage products RMB'000 (Unaudited)	Other products RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Segment revenue (note 4)</b>						
Sales to external customers	9,442,660	10,088,816	2,897,818	2,563,885	629,022	25,622,201
<b>Segment results</b>	<b>3,347,232</b>	<b>4,878,633</b>	<b>1,364,366</b>	<b>802,873</b>	<b>228,664</b>	<b>10,621,768</b>
<i>Reconciliation:</i>						
Interest income						306,566
Other unallocated income and gains						500,981
Corporate and other unallocated expenses						(1,371,176)
Finance costs						(24,563)
Profit before tax						<u>10,033,576</u>
Other segment information						
Depreciation and amortization	<u>464,550</u>	<u>503,923</u>	<u>148,215</u>	<u>161,320</u>	<u>37,470</u>	<u>1,315,478</u>

Six months ended June 30, 2024	Water products <i>RMB'000</i> (Unaudited)	Ready-to- drink tea products <i>RMB'000</i> (Unaudited)	Functional drinks products <i>RMB'000</i> (Unaudited)	Juice beverage products <i>RMB'000</i> (Unaudited)	Other products <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
<b>Segment revenue (note 4)</b>						
Sales to external customers	8,530,540	8,430,158	2,550,420	2,113,962	548,004	22,173,084
<b>Segment results</b>	2,743,339	3,717,407	1,050,251	499,172	158,587	8,168,756
<i>Reconciliation:</i>						
Interest income						543,827
Other unallocated income and gains						495,829
Corporate and other unallocated expenses						(1,026,659)
Finance costs						(39,438)
Profit before tax						<u>8,142,315</u>
Other segment information						
Depreciation and amortization	<u>441,972</u>	<u>448,404</u>	<u>141,759</u>	<u>140,882</u>	<u>36,244</u>	<u>1,209,261</u>

### Geographical information

Over 99% of the Group's revenue and operating profits are derived from customers based in Mainland China. Over 98% of the Group's non-current asset excludes deferred tax assets and intangible assets were in Mainland China.

### Information about major customers

No revenue from the Group's sales to a single customer amounted to 10% or more of the Group's total revenue for each six months ended June 30, 2025 and 2024.

## 4. REVENUE

An analysis of revenue is as follows:

	<b>For the six months ended June 30,</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
<i>Revenue from contracts with customers</i>		
Sales of goods	<u><b>25,622,201</b></u>	<u>22,173,084</u>

The timing of the above revenue recognition is when the performance obligations of sales and delivery of goods are satisfied at a point in time.

The performance obligation is satisfied upon delivery of goods and payment in advance is normally required, except for customers with credit terms, where payment is generally due within 30 days, and extended up to 90 days for major customers. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration.



The Group has no revenue contract that has an original expected duration of more than one year, thus management has applied the practical expedient under IFRS 15 and is not required to disclose the aggregate amount of the transaction prices allocated to the performance obligations that are unsatisfied or partially satisfied as of the end of the reporting period.

## 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Cost of inventories sold*	<b>10,165,771</b>	9,140,616
Depreciation of property, plant and equipment	<b>1,555,401</b>	1,310,254
Depreciation of right-of-use assets	<b>63,665</b>	52,287
Amortisation of intangible assets**	<b>6,207</b>	5,504
Loss on disposal of items of property, plant and equipment	<b>9,507</b>	4,611
Employee benefit expenses (including directors' and chief executive's remuneration):		
Wages and salaries	<b>1,827,548</b>	1,670,326
Pension scheme contributions, social welfare and other welfare***	<b>334,106</b>	307,258
Equity-settled share-based payment expenses	<b>25,417</b>	5,516
Research and development costs****	<b>118,673</b>	140,353
Expenses relating to short-term leases and leases of low-value assets	<b>96,565</b>	93,749
Impairment of trade receivables	<b>16,197</b>	9,905
Impairment of financial assets included in prepayments, other receivables and other assets	<b>3,919</b>	1,298
Fair value gains on financial assets at fair value through profit or loss	<b>(21,046)</b>	(4,727)
Gains on disposal of financial assets at fair value through profit or loss	<b>(29,751)</b>	–

\* Cost of inventories sold include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

\*\* The amortisation of intangible assets for the reporting periods is included in administrative expenses in the interim condensed consolidated statement of profit or loss.

\*\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

\*\*\*\* Research and development costs include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

## 6. INCOME TAX

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current		
Charge for the period	2,644,267	2,087,358
Underprovision/(overprovision) in prior periods	3,663	(2,325)
Deferred	(236,436)	(182,297)
Total	<u>2,411,494</u>	<u>1,902,736</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

### PRC corporate income tax

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the EIT rate of the Group’s PRC subsidiaries is 25% unless subject to tax exemption set out below.

The statutory PRC enterprise income tax for the PRC subsidiaries is 25% for the period. According to the Announcement on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China (Announcement No. 23 [2020] of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission) jointly issued by the Ministry of Finance, the State Taxation Administration and National Development and Reform Commission, enterprises located in the western region of the PRC whose principal business is within the encouraged industry while the principal business revenue accounts for over 60% of its total gross revenue were entitled to a preferential income tax rate of 15% for 10 years from January 1, 2021 to December 31, 2030. Accordingly, certain subsidiaries located in the western region of the PRC are entitled to an income tax rate of 15% for the reporting periods.

In addition, pursuant to the Notice on Several Policy Measures to Promote the Construction of China-ASEAN Industrial Cooperation Zones (Gui Zheng Fa [2023] No. 68), newly established enterprises that align with the key industries of the Guangxi Pilot Free Trade Zone and are recognized as high and new technology enterprises or meet the criteria for the preferential income tax policy under the Grand Development of Western Region are entitled to a full exemption from the local portion of corporate income tax for five years, starting from the year in which their first principal revenue is earned. Accordingly, the Group’s certain subsidiary established in Guangxi is entitled to an income tax rate of 9% for the period ended June 30, 2025.

Certain of the Group’s PRC subsidiaries are engaged in agriculture and entitled to the tax exemption on agricultural products.

### Hong Kong profits tax

The statutory rate of Hong Kong profits tax was 16.5% for the reporting periods on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the period.

### Singapore corporate income tax

The statutory income tax rate in Singapore was 17% for the reporting periods. No provision for Singapore income tax was made as the Group had no chargeable income in Singapore during the period.

### United States corporate income tax

State income tax and federal income tax of the Group's subsidiaries in the United States have been provided for at the rates of state income tax and federal income tax on the estimated assessable profits of the subsidiaries during the year. The state income tax rate is 8.7% in Delaware in which the subsidiaries are registered, and the federal income tax rate was 21%. No provision for taxation in the United States has been made as no assessable profit for the period ended June 30, 2025.

## 7. DIVIDENDS

	<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Dividends declared by the Company	<b>8,547,314</b>	<b>8,434,850</b>

On May 20, 2025, the Company's shareholders approved 2024 final dividend of RMB0.76 for every share of the Company's 11,246,466,400 ordinary shares, in an aggregate amount of RMB8,547,314,000, of which amounting to RMB8,547,314,000 was included in "other payables and accruals". Except for dividend attributable to the shares held by the trustee in relation to employee share incentive scheme that would be paid no earlier than the unlocking date, the rest of the dividend will be paid in August 2025.

On May 21, 2024, the Company's shareholders approved 2023 final dividend of RMB0.75 for every share of the Company's 11,246,466,400 ordinary shares, in an aggregate amount of RMB8,434,850,000, of which amounting to RMB8,434,850,000 was included in "other payables and accruals". The dividend was paid in August 2024.

The directors of the Company have determined that no dividend will be proposed in respect of the current interim period.

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 11,246,218,693 (June 30, 2024: 11,245,206,063).

The impact of shares granted to employees in relation to employee share incentive scheme was included in the computation of dilutive earnings per share for the period ended June 30, 2025 and 2024. A calculation was done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the period) based on the monetary value of the subscription rights.

## 9. TRADE AND BILLS RECEIVABLES

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	<b>June 30, 2025 RMB'000 (Unaudited)</b>	<b>December 31, 2024 RMB'000 (Audited)</b>
Within 90 days	<b>745,731</b>	522,376
91 to 180 days	<b>78,571</b>	48,511
181 to 365 days	<b>11,270</b>	10,485
	<b><u>835,572</u></b>	<b><u>581,372</u></b>

## 10. TRADE AND BILLS PAYABLES

Trade and bills payables are non-interest-bearing and normally settled on terms of within 90 days.

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>June 30, 2025 RMB'000 (Unaudited)</b>	<b>December 31, 2024 RMB'000 (Audited)</b>
Within 90 days	<b>1,833,307</b>	1,394,397
91-180 days	<b>50,113</b>	49,258
181-365 days	<b>25,716</b>	32,112
Over 1 year	<b>9,667</b>	23,630
	<b><u>1,918,803</u></b>	<b><u>1,499,397</u></b>

## 11. EVENTS AFTER THE REPORTING PERIODS

The Group had no significant events after the reporting period up to the date of the approval of the unaudited interim condensed consolidated financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2025. The interim condensed consolidated financial information is unaudited, but has been reviewed by the audit committee of the Board (the “**Audit Committee**”) and Ernst & Young, the independent auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

## ECONOMIC ENVIRONMENT

In the first half of 2025, the global economy continued to navigate a complex and changing environment. While major economies were gradually recovering, geopolitical uncertainties presented challenges to such economic recovery. China’s economy exhibited a steady and positive trend. According to the National Bureau of Statistics, China’s gross domestic product (GDP) amounted to RMB66.1 trillion in the first half of 2025, representing a year-on-year increase of 5.3%. The consumer market was gradually recovering. In the first half of the year, total retail sales of consumer goods topped RMB24.5 trillion, representing a year-on-year increase of 5.0%. Final consumption expenditure contributed 52% to the GDP growth, giving full play to its role as the primary driver of economic growth.

According to the China Beverage Industry Association (CBIA), the Chinese beverage industry performed well from January to May 2025, with year-on-year growth in both revenue and profits. The trend towards health and naturalness continued to drive product innovation and upgrades. Consumers were more concerned about beverage ingredient transparency and health attributes, driving the market towards cleaner formulations with fewer additives. Sectors such as sugar-free tea and functional beverages continued to experience robust growth.

In the first half of 2025, new regulations and standards, such as the Measures for the Supervision and Administration of Food Labeling and the National Food Safety Standard – General Rules for Nutrition Labeling of Prepackaged Foods (GB 28050-2025), were introduced, proposing more detailed requirements for nutritional information on food labels. Against the backdrop of increasing regulatory and consumer attention to product information authenticity and health attributes, companies with solid basic R&D capabilities, precise supply chain control to ensure ingredient and label consistency, and capability of continuous improvement of product health attributes will have more prominent compliance advantages and market competitiveness.

## BUSINESS REVIEW

In the first half of 2025, the Group recorded a revenue of RMB25,622 million, representing an increase of 15.6% as compared with the corresponding period of last year, of which the revenue from packaged drinking water products increased by 10.7% as compared with the same period of last year, accounting for 36.9% of the total revenue. The revenue from beverage products increased by 18.7% as compared with the same period of last year, accounting for 62.7% of the total revenue. The following table sets forth a breakdown of the Group's revenue from each product category and their percentage of total revenue for the periods indicated:

Product Category	Six Months Ended June 30,					
	2025		2024		Change	
	Revenue (RMB million)	Percentage of total revenue	Revenue (RMB million)	Percentage of total revenue	Amount (RMB million)	Percentage
Packaged drinking water products	9,443	36.9%	8,531	38.5%	912	10.7%
Tea beverage products	10,089	39.4%	8,430	38.0%	1,659	19.7%
Functional beverage products	2,898	11.3%	2,550	11.5%	348	13.6%
Juice beverage products	2,564	10.0%	2,114	9.5%	450	21.3%
Other products ( <i>Note</i> )	629	2.4%	548	2.5%	81	14.8%
<b>Total</b>	<b>25,622</b>	<b>100.0%</b>	<b>22,173</b>	<b>100.0%</b>	<b>3,449</b>	<b>15.6%</b>

*Note:* Other products primarily include other beverage products such as soda water beverage, coffee beverage, and agricultural products such as fresh fruits.

*Note:* Due to the rounding practice, some figures may turn out with slight discrepancies.

### Packaged drinking water products

The impact of last year's defamation incident on the Group's packaged drinking water products business was subsiding, and its sales had been gradually recovering during the first half of this year. During the Reporting Period, the Group's packaged drinking water products recorded revenue of RMB9,443 million, representing an increase of 10.7% compared to the same period of last year, accounting for 36.9% of total revenue.

During the Reporting Period, we introduced three new water sources: Badagong Mountain in Hunan, Longmen Mountain in Sichuan, and Nyenchen Tanglha Mountain in Xizang. To date, we have established fifteen major water sources nationwide. In the first half of the year, we continued to promote the “Natural Water Sources, Transparent Factories (天然水源，透明工廠)” campaign across the country. For the campaign, we invited world swimming champion, celebrities, industry opinion leaders, as well as our employees and their families to visit over ten high-quality water sources and modern production bases of Nongfu Spring, allowing more people to personally experience the natural ecology and biodiversity of our water sources and directly showcasing the high-quality source guarantee of our products. Meanwhile, through a multi-channel communication matrix on mainstream social media platforms, we released multimedia content including graphics, short videos, and outdoor billboard and airport screen advertisements, effectively conveying the core message of “Natural Water Sources, Transparent Factories”. These activities significantly strengthened consumers’ recognition and trust in Nongfu Spring’s core concept of “healthy and natural”.

For the Lunar New Year, we continued to launch the commemorative glass-bottled mineral water for the “Snake” zodiac year and invited the brand spokesperson, world swimming champion Pan Zhanle, to film a promotional video with his grandfather for the first time, which has enhanced the Spring Festival advertisement’s family reunion theme and emotional resonance, thereby creating a strong emotional connection with the audience. In addition to online channels, we also carried out multi-dimensional offline advertising in subway stations, bus stops, and elevator areas across major cities, fully capturing the festive atmosphere and effectively improving our brand exposure.

In June 2025, we expanded our ice product portfolio and launched “Nongfu Spring” pure transparent edible ice. Based on last year’s Nongfu Spring ice cup, we adhered to the product concept of “Good water makes good ice (好水出好冰)”, leveraging our strength in high-quality natural water sources. With an advanced ultra-slow freezing process of up to 24-32 hours, we have created a high-end ice product that is not easily melted, pure, transparent and beautiful from natural water sources. The product replicates the natural, elegant, and irregular rock formation, and opens up a new consumption scenario of complementary ice and beverages products. Currently, our pure transparent edible ice is available for sale at Sam’s Club, enjoying widespread popularity among young consumers.

### **Tea beverage products**

In the first half of 2025, the Group’s tea beverage products continued to maintain its growth momentum, recording a revenue of RMB10,089 million during the Reporting Period, representing an increase of 19.7% compared to the same period last year, and accounting for 39.4% of the total revenue.



In the spring, the seasonal limited edition “Longjing Spring Tea (龍井新茶)” from “Oriental Leaf (東方樹葉)” returned for its fourth year. The product, which is crafted from premium Longjing tea leaves harvested before the Qingming Festival, enjoys enduring popularity among consumers. On April 1, “Oriental Leaf (東方樹葉)” launched its first-ever “Open Cap, Win Prize (開蓋贏獎)” campaign, offering prizes of up to RMB666 bonus to encourage more consumers to savour the taste of “Oriental Leaf (東方樹葉)”. The campaign was complemented by new advertisements, prominently displayed in subway stations and outdoor bus shelters etc. across major cities nationwide. These initiatives enhanced consumer’s interaction and engagement with the brand, successfully attracting new customers while reinforcing brand loyalty. In May, “Oriental Leaf (東方樹葉)” further enriched its product portfolio across the six major tea categories with the launch of a new flavour, “Chenpi White Tea (陳皮白茶)”, and facilitated the brand’s efforts to attract and engage new consumers.

In early June 2025, we launched a new carbonated tea beverage product named “Iced Tea (冰茶)” made with 100% real natural tea leaf extract, without using tea powder, and contains a tea polyphenol content at least 200mg/bottle featuring delicate carbonation, delivering a refreshing new carbonated tea flavour. Branded under the slogan “Iced Tea, Chilled Tea! (冰茶，冰爽茶！),” the product debuted alongside an “Open Cap, Win Prize (開蓋贏獎)” promotional campaign with the possibility of winning of RMB666, effectively driving the promotion effects of the new product.

We are committed to the entire tea production industry chain, supporting rural revitalization through industrial development. Since December 2024, we have successively funded the construction of five modern tea primary processing factories in Jingdong County (景東縣), Simao District (思茅區), and Jinggu County (景谷縣) of Pu’er City, as well as Linxiang District (臨翔區) and Yun County (雲縣) of Lincang City, Yunnan Province. We actively promote industrial-driven agriculture, quality-driven agriculture, and green-driven agriculture, facilitating seamless production and sales integration to contribute to the fulfillment of the great vision of “Farmers get rich, China gets strong”.

### **Functional beverage products**

During the Reporting Period, driven by increased consumer preference for sports and health beverages, the Group recorded a revenue from functional beverage products of RMB2,898 million, representing an increase of 13.6% as compared with the same period of last year, accounting for 11.3% of the total revenue.

In the first half of the year, we further consolidated the product and channel capabilities of the “Scream (尖叫),” “Victory Vitamin Water (力量帝維他命水)” brand series. Staying firmly consumer-centric, we enhanced brand exposure through sponsorship of sporting events and orchestrated interactive campaigns on social media. These initiatives successfully encouraged spontaneous user sharing, boosted product visibility, and deepened engagement with younger consumers.



## **Juice beverage products**

During the Reporting Period, the Group's juice beverage products continued to achieve stable growth, recording a revenue of RMB2,564 million, representing an increase of 21.3% as compared with the same period of last year, accounting for 10.0% of the total revenue.

The “17.5°” Honeyberry Blend Juice was launched on December 31, 2024. Made from selected honeyberries grown in the forests of Northeast China, the product offers rich nutritional value and preserves the natural freshness of the fruit through fresh fruit pressing technology. Each 300 mL bottle of juice contains anthocyanins equivalent to that found in at least 30 blueberries (calculated based on an average weight of 0.76g per blueberry). Additionally, in January 2025, our “17.5°” 100% fresh fruit cold-pressed orange juice in 900ml large-sized bottle was introduced at Sam's Club. Following the successful market performance of the “17.5°” seasonal special fresh orange juice launched in December of the previous year, this product has become a bestseller at Sam's Club, further enriching the “17.5°” portfolio of premium juice offerings.

## **Other products**

During the Reporting Period, other products (mainly including soda water beverages, coffee beverages, and other beverage products, as well as fresh fruits and other agricultural products) recorded a revenue of RMB629 million, representing an increase of 14.8% compared with the same period of last year, accounting for 2.4% of the total revenue.

Nongfu Spring's natural soda water products further enriched its flavor profile, promoting the concept of “Good Water, Good Soda.” The product is sourced from Nongfu Spring's premium natural water sources and contains a variety of natural mineral elements such as potassium, calcium, magnesium, and metasilicic acid. With its sugar-free, non-carbonated, and mildly alkaline attributes, it is not only suitable for daily consumption but also for pairing with spicy food, seafood, or alcohol, aligning with healthy consumption lifestyle.

In May, “TANBING (炭欠)” launched its low-temperature sugar-free black coffee at Sam's Club, and it quickly topped the “New Arrivals Popularity Chart” on the Sam's Club app. This product uses only freshly roasted coffee beans within 15 days, blending high-quality flavors from premium coffee-producing regions across three continents. It is crafted using fresh grinding and extraction techniques, continuing the “TANBING (炭欠)” black coffee series' signature formula of 0 sugar, 0 calories, 0 fat, 0 artificial flavors, and 0 instant coffee powder. Produced by Nongfu Spring's own coffee roasting factory and transported via a full cold chain, the product delivers a fresher ready-to-drink black coffee experience for consumers.

## Outlook

The food and beverage industry occupies a pivotal position in China's economy and continues to expand on market scale. In recent years, fueled by the rising of consumer spending power and the upgrading of consumption patterns, China's beverage market has demonstrated robust growth. In 2025, competition within the beverage industry is expected to intensify further, with the made-to-order beverage segment also witnessing vigorous expansion. Consumer preferences for nutrition, health, and diversity are driving category innovation and reshaping the industry, with segments such as sugar-free tea and functional beverages showing strong growth momentum, bringing both new opportunities and challenges to the sector.

We always adhere to the philosophy of establishing factories close to water sources and have established an extensive and stable network of water sources. During the Reporting Period, we added three new mountain spring water sources: Badagong Mountain in Hunan, Longmen Mountain in Sichuan, and Nyenchen Tanglha Mountain in Xizang. Looking ahead, we will continue to optimize and refine our water source layout. While ensuring the provision of high-quality drinking water to consumers, this drive will also enable us to effectively reduce production costs, improve supply efficiency, and strengthen the Group's core competitive advantages.

We are actively advancing the "going global" strategy for our products. In June 2025, core products such as "Nongfu Spring" natural drinking water, "Oriental Leaf (東方樹葉)" sugar-free tea beverages, and the "Tea π (茶π)" fruit-flavored tea series were officially launched in the Hong Kong market, covering over 3,500 outlets across the full-spectrum retail network. Through a series of promotional activities, including sourcing from water origins and celebrity endorsements, we continuously reinforce the brand philosophy of "natural and healthy". By adopting a holistic brand strategy integrating channels, products, and culture, we have achieved a critical milestone in validating our efforts toward brand premiumization and internationalization. Looking ahead, we will continue to explore additional overseas markets and actively expand our international presence, thereby unlocking new growth potential for the Group.

## **FINANCIAL REVIEW**

### **Revenue and Gross Profit**

During the Reporting Period, the Group recorded a revenue of RMB25,622 million, representing an increase of 15.6% as compared with RMB22,173 million in the first half of last year; gross profit was RMB15,456 million, representing an increase of 18.6% as compared with RMB13,032 million in the first half of last year. During the Reporting Period, the Group's gross profit margin increased by 1.5 percentage points from 58.8% in the corresponding period of last year to 60.3%, which was mainly due to the falling procurement prices of PET raw materials and the reduced procurement costs for packaging materials such as cartons and raw materials like sugar.

### **Selling and Distribution Expenses**

During the Reporting Period, the selling and distribution expenses of the Group amounted to RMB5,011 million, representing an increase of 0.8% as compared with RMB4,971 million in the first half of last year. Selling and distribution expenses accounted for 19.6% of the total revenue, representing a decrease of 2.8 percentage points as compared with 22.4% in the first half of last year, which was mainly due to the decrease of advertising and promotion expenses compared to the corresponding period of last year and the logistics cost decline due to the change of segment sales structure during the Reporting Period.

### **Administrative Expenses**

During the Reporting Period, the administrative expenses of the Group amounted to RMB1,068 million, representing an increase of 17.0% as compared with RMB913 million in the first half of last year. Administrative expenses accounted for 4.2% of the total revenue, remaining flat to 4.1% in the first half of last year.

### **Other Income and Gains**

During the Reporting Period, other income and gains of the Group amounted to RMB808 million, representing a decrease of 22.3% as compared with RMB1,040 million in the first half of last year, and accounting for 3.2% of the total revenue, which was mainly due to lower interest income from deposits as affected by interest rate reduction.

### **Other Expenses**

During the Reporting Period, other expenses of the Group amounted to RMB127 million, representing an increase of 2,016.7% as compared with RMB6 million in the first half of last year, and accounting for 0.5% of the total revenue, which mainly comprised donations of RMB50 million and exchange losses of RMB66 million. As of June 30, 2025, the Group held HK\$1,712 million, US\$630 million and a small amount of other foreign currencies, which slightly increased as compared with HK\$1,617 million, US\$489 million and a small amount of other foreign currencies held on December 31, 2024.

## **Finance Costs**

During the Reporting Period, the finance costs of the Group decreased from RMB39 million in the corresponding period of last year to RMB25 million.

## **Profit for the Period**

As a result of the aforementioned changes, the profit of the Group during the Reporting Period increased by 22.1% from RMB6,240 million in the first half of last year to RMB7,622 million.

## **Dividends**

The distribution of a final cash dividend of RMB0.76 per share (tax inclusive, totaling approximately RMB8,547 million) for the year ended December 31, 2024 was approved at the 2024 annual general meeting of the Company on May 20, 2025, which will be distributed on August 27, 2025 to shareholders whose names appear on the register of members of the Company on Saturday, May 24, 2025.

The Board resolved not to declare an interim dividend for the six months ended June 30, 2025.

## **Long-term Bank Deposits, Restricted Cash, Cash, Bank Balances and Borrowings**

As of June 30, 2025, the sum of long-term bank deposits, restricted cash, cash and bank balances of the Group amounted to RMB26,419 million, representing an increase of 23.7% as compared with RMB21,361 million as of December 31, 2024. The total credit facility of the Group was RMB18,693 million and interest-bearing borrowings amounted to RMB4,420 million as of June 30, 2025, representing an increase of 21.9% as compared with RMB3,625 million as of December 31, 2024, with due repayment of a total amount of RMB8,442 million as of June 30, 2025. All of the borrowings are denominated in RMB. Among the total borrowings as of June 30, 2025, no borrowings were charged at a fixed interest rate (not including discount of bank acceptance bills). The Group does not have any interest rate hedging policy.

## **Inventories**

Due to the increase in raw materials inventory at the end of the period as a result of production stocking, inventories of the Group increased from RMB5,013 million as at December 31, 2024 to RMB5,104 million as at June 30, 2025. Inventory turnover days increased from 82.3 days as at December 31, 2024 to 90.8 days as at June 30, 2025.

## **Trade and Bills Receivables**

Trade and bills receivables of the Group increased from RMB581 million as of December 31, 2024 to RMB836 million as of June 30, 2025. The turnover days of trade and bills receivables increased from 4.8 days in 2024 to 5.0 days in the first half of 2025.

## **Trade and Bills Payables**

Trade and bills payables of the Group increased from RMB1,499 million as of December 31, 2024 to RMB1,919 million as of June 30, 2025. The turnover days of trade and bills payables decreased from 33.2 days in 2024 to 30.7 days in the first half of 2025.

## **Gearing Ratio**

As at June 30, 2025, the gearing ratio of the Group (equaling (interest-bearing borrowings + lease liabilities)/equity) was 14.5% (during the Reporting Period, the Group has no minority equity), representing an increase as compared with the gearing ratio of the Group as at December 31, 2024 being 11.6%, mainly due to our increased use of bills receivable financing.

As at June 30, 2025, the Group recorded net current liabilities of RMB5,611 million, which was mainly due to our increase in long-term (over one year) time deposit arrangements. As of June 30, 2025, the Group had long-term bank deposits of RMB11,505 million in Chinese Mainland, representing an increase as compared with that of RMB10,631 million as at December 31, 2024, among which, RMB11,505 million in long-term bank deposits could be freely converted into cash as and when appropriate.

## **Treasury Policy**

The Group adopts a prudent financial management approach for its treasury policy to ensure that the Group's liquidity structure comprising assets, liabilities and other commitments is able to always meet its capital requirements.

## **MATERIAL EVENTS AFTER THE REPORTING PERIOD**

There have been no material events of the Group from June 30, 2025 until the date of this announcement.

## **FOREIGN EXCHANGE RISK**

As of June 30, 2025, the Group held HK\$1,712 million, US\$630 million and a small amount of other foreign currencies. The Group will closely monitor our foreign exchange risks and will utilize appropriate financial instruments for hedging purposes when necessary to help reduce foreign exchange risks.

## **CONTINGENT LIABILITIES**

As of June 30, 2025, the Group did not have any significant contingent liabilities.

## **CAPITAL COMMITMENTS**

Capital commitments of the Group amounted to approximately RMB3,745 million as at June 30, 2025, mainly used for construction of production plants and purchase of production equipment.

## **PLEDGE OF ASSETS**

As at June 30, 2025, no assets of the Group were pledged by the Group.

## **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL**

As of June 30, 2025 and the date of this announcement, the Group did not have any significant investments held, or any material acquisition or disposal of any relevant subsidiaries, associates and joint ventures.

## **FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

As at the date of this announcement, save for the events disclosed in the “Future Plans and Use of Proceeds” section of the prospectus issued by the Company on August 25, 2020 (the “**Prospectus**”), the Group did not have any existing plan for acquiring other material investments or capital assets.

## **HUMAN RESOURCES AND EMOLUMENT POLICY**

As at June 30, 2025, the total number of employees of the Group (including the Company and its subsidiaries) exceeded 20,000. During the Reporting Period, the total employee benefit expenses (including directors’ remuneration) amounted to RMB2,187 million.

The Group firmly believes that our long-term growth depends on the expertise, experience and development of our employees. With vigorous efforts in talent selection, cultivation and motivation, we have built a common growth framework for the benefit of talents and the Company over the long term. The remuneration and benefits for employees of the Group are determined with reference to the market standards as well as individual qualification and experience, performance bonus and other incentive systems are established. Performance bonuses are paid based on the Group’s revenue and profit targets, as well as the performance of the organization in which the employee works and the performance of the individual employee. Organizations and employees making outstanding contribution to the Group’s business growth are rewarded with equity-based incentives, annual honors and other returns. During the Reporting Period, employees’ monetary income ranked among the top level in the industry, making the overall remuneration policy competitive.

In order to improve the Company’s incentive mechanism, retain key employees and promote sustainable growth of the Company’s performance, as approved in the extraordinary general meeting held in January 14, 2022, the Company has adopted the employee share incentive scheme in 2022 to incentivize management personnel and core technical experts who play an important role in the Group’s business performance and future development. According to the employee share incentive scheme, the maximum number of H Shares that the trustee can acquire and hold from time to time under the employee share incentive scheme throughout the duration of the employee share incentive scheme shall not exceed 5% of the total issued share capital of the Company as at the date of adoption, and without the approval by a special resolution at the general meeting, the total number of H shares of the Company obtained by any scheme participant through the employee share incentive scheme shall not exceed 1% of the total share capital of the Company. The employee share incentive scheme is valid for 10 years, and as of the date of this announcement, the validity period of the employee share incentive scheme has about 7 years left.



## **Grant and Vesting of Awards in 2022**

In March 2022, the Company granted the awards in accordance with the employee share incentive scheme. The vesting of the awards under the grant was fully completed in April 2024. The details of the grant and vesting are available in relevant statements of the “Human Resources and Emolument Policy” section contained in the 2024 Annual Report of the Company.

## **Grant of Awards and Vesting Arrangement in 2025**

In March 2025, the Company granted the 2025 awards according to the employee share incentive scheme, which correspond to 8,118,400 H shares of the Company, accounting for 0.072% of the total issued Shares of the Company as at December 31, 2024 and 0.161% of the issued H Shares of the Company as at December 31, 2024. Pursuant to the provisions of the employee share incentive scheme, the grant price under the grant of the awards is 30% of the average closing price of the Company’s H Shares in the 120 Hong Kong trading days before the grant date, being HK\$10.20 per award share, which has been fully paid by each of the scheme participants before April 15, 2025. The 144 scheme participants in the grant include Ms. Wu Limin, Mr. Xiang Xiansong, Mr. Rao Minghong, Ms. Han Linyou, the directors of the Company, and Ms. Wang Yuan, Mr. Jiang Xiaodong, the supervisors of the Company, in which, the awards granted to Ms. Wu Limin correspond to 326,000 H Shares of the Company, the awards granted to Mr. Xiang Xiansong correspond to 181,600 H Shares of the Company, the awards granted to Mr. Rao Minghong correspond to 181,600 H Shares of the Company, the awards granted to Ms. Han Linyou correspond to 90,800 H Shares of the Company, the awards granted to Ms. Wang Yuan correspond to 69,800 H Shares of the Company, the awards granted to Mr. Jiang Xiaodong correspond to 59,200 H Shares of the Company; and 9 employees of Yangshengtang Group, to whom the awards granted correspond to 636,000 H Shares of the Company, while these persons are neither directly appointed nor employed by the members of the Group, they are experts and senior technical professionals from various fields providing strong support and expert advice to the Group in online marketing, plant construction, research and development governance and administration.

The Group believes that granting awards to these persons will motivate them to make greater contributions to the Group, thereby contributing to the long-term development of the Group. The remaining 129 scheme participants, to whom the total awards granted correspond to 6,573,400 H Shares of the Company, are all employees of the Group, excluding other Directors, Supervisors and other connected persons of the Company.

Ms. Wu Limin, Mr. Xiang Xiansong, Mr. Rao Minghong, Ms. Han Linyou, Ms. Wang Yuan and Mr. Jiang Xiaodong, being directors/supervisors of the Company, are connected persons of the Company, and the granting of the incentive shares to these persons constitutes a connected transaction of the Company under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). As the grants of the incentive shares to these persons constitute part of the remuneration package under the service contracts entered into between the Company and them, such grants are exempted from the reporting, announcement and independent shareholders’ approval requirements pursuant to Rule 14A.73(6) and Rule 14A.95 of the Listing Rules.

The awards granted to the abovementioned scheme participants shall be vested according to the following timetable (for the avoidance of ambiguity, the “trading day” in the following table refers to the common trading day of the Hong Kong Stock Exchange, the Shanghai Stock Exchange and the Shenzhen Stock Exchange):

Vesting arrangement	Vesting time	Vesting percentage
First tranche vesting	Last trading day in April 2026	1/3
Second tranche vesting	Last trading day in April 2027	1/3
Third tranche vesting	Last trading day in April 2028	1/3

During the Reporting Period, particulars of the interests of the directors and supervisors of the Company, connected entity participants and other employee participants in the unvested award shares are set out below:

Name/Class of scheme participants	Date of grant	Price of Grant (HKD)	Number of award shares granted (shares)	Remaining vesting date	Number of award shares vested during the Reporting Period (shares) (note 1)	Number of awards shares forfeited during the Reporting Period (shares)	Number of awards shares unvested as at June 30, 2025 (shares)
Wu Limin (Director)	April 15, 2025	10.20	326,000	Last trading day in	0	0	326,000
Xiang Xiansong (Director)	April 15, 2025	10.20	181,600	April 2026, last	0	0	181,600
Rao Minghong (Director)	April 15, 2025	10.20	181,600	trading day in April	0	0	181,600
Han Linyou (Director)	April 15, 2025	10.20	90,800	2027, last trading	0	0	90,800
Wang Yuan (Supervisor)	April 15, 2025	10.20	69,800	day in April 2028	0	0	69,800
Jiang Xiaodong (Supervisor)	April 15, 2025	10.20	59,200		0	0	59,200
Five individuals with highest emoluments during the Reporting Period (note 2)	April 15, 2025	10.20	717,000		0	0	717,000
Connected entity participants (note 3)	April 15, 2025	10.20	636,000		0	0	636,000
Other employee participants in aggregate	April 15, 2025	10.20	6,364,000		0	0	6,364,000
Total			8,118,400 (note 4)		0	0	8,118,400 (note 4)



*Notes:*

- (1) As there are no unvested award shares at the beginning of the Reporting Period and no vesting occurred during the Reporting Period, there is no need to disclose the number of unvested award shares at the beginning of the Reporting Period and the weighted average closing price before the vesting date during the Reporting Period;
- (2) Including the director(s) or supervisor(s) of the Company;
- (3) Being 9 employees of Yangshengtang;
- (4) The award shares held by the five individuals with highest emoluments during the Reporting Period include those held by the director(s)/supervisor(s) of the Company. Since the award shares held by the director(s)/supervisor(s) of the Company are also separately listed in this table, they are excluded from the aggregate total to prevent double-counting.

## USE OF PROCEEDS FROM THE LISTING

From September 8, 2020 (the “**Listing Date**”) to June 30, 2025, the Group has gradually utilised the proceeds from the initial public offering for the intended purposes set out in the Prospectus.

The sum of IPO proceeds from the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and the net proceeds from the full exercise of the over-allotment option (after deducting underwriting fees and other related expenses) is approximately HK\$9,377 million. As of June 30, 2025, the Group has utilised approximately HK\$4,901 million of the proceeds for the intended purposes set out in the Prospectus published by the Company, accounting for 52.3% of all raised funds, and the remaining unutilised proceeds are approximately HK\$4,476 million. The balance of the proceeds from the listing will continue to be utilised according to the purposes and proportions disclosed in the Prospectus. See the table below for details:

	Net proceeds from the listing available (HK\$ million)	Actual net amount utilised up to June 30, 2025 (HK\$ million)	Unutilised net amount up to June 30, 2025 (HK\$ million)	Expected timeline for fully utilising unutilised net amount (note)
Brand building	2,344	1,003	1,341	December 31, 2026
Purchasing sales equipment	2,344	371	1,973	December 31, 2026
Purchasing production facilities and building new factories	1,875	1,439	436	December 31, 2026
Strengthening fundamental capabilities	938	212	726	December 31, 2026
Repaying loans	938	938	0	N/A
Working capital and other general corporate purposes	938	938	0	N/A
Total	9,377	4,901	4,476	December 31, 2026

*Note:* Pursuant to the further extension of the expected timetable for the utilisation of proceeds from the listing approved by the Board on August 27, 2024, the remaining proceeds from the listing will be used by the Company in a gradual manner prior to December 31, 2026 for the purpose as disclosed in the Prospectus depending on the market environment, subject to the best interests of the Company and its shareholders as a whole.

## **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the Reporting Period, none of the Company and its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including the sale of treasury shares (as defined under the Listing Rules)). As at June 30, 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

## **AUDIT COMMITTEE**

The Company established the Audit Committee with written terms of reference in compliance with the Rule 3.21 of the Listing Rules and Corporate Governance Code and Corporate Governance Report in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”).

During the Reporting Period, Mr. Stanley Yi Chang, an independent non-executive director of the Company, has tendered his resignation as an independent non-executive director of the Company and the member and chairman of the Audit Committee due to his personal health reasons, with effective from March 17, 2025. Upon the approval at the 2024 AGM held on May 20, 2025, Mr. Gu Zhaoyang was elected as an independent non-executive director of the Company’s eighth session of the Board. At the Board meeting held immediately following the AGM, the Board passed (among other things) resolutions to appoint members of the Board Committees, including the Audit Committee, the term of service shall commence from May 20, 2025, until the expiry of the term of the eighth session of the Board. The Audit Committee currently comprises three independent non-executive directors of the Company, namely Mr. Gu Zhaoyang, Mr. Yang, Lei Bob, and Mr. Lu Yuan. Mr. Gu Zhaoyang is the chairman of the Audit Committee. For details, please refer to the announcement of the Company dated May 20, 2025.

The Audit Committee has reviewed the Group’s unaudited condensed consolidated interim results for the six months ended June 30, 2025, and confirms that the applicable accounting principles, standards and requirements have been complied with, and adequate disclosures have been made. The interim results for the six months ended June 30, 2025 are unaudited, but have been reviewed by Ernst & Young, the independent auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company is committed to the best practices on corporate governance, and had complied with all the code provisions as set out in the Corporate Governance Code as of the date of this interim results announcement, save for the deviations from the code provision C.2.1 under Section 2 of the Corporate Governance Code disclosed below.

Pursuant to code provision C.2.1 under Section II of the CG Code, the roles of chairman of the board and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Mr. Zhong Shanshan is the chairman of the Board and general manager of the Company. As the founder of the Group, Mr. Zhong Shanshan has extensive experience in the drinking water and soft beverage industry and is responsible for the overall management of the Company's business strategies and operations. He has been mainstay to the growth and business expansion of the Group since the Company's establishment in 1996. The Board is of the view that vesting both roles of chairman and general manager in Mr. Zhong Shanshan is beneficial to the management of the Company.

In addition, the balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-caliber individuals. The Board currently consists of five executive directors (including Mr. Zhong Shanshan), one non-executive director and three independent non-executive directors. Therefore, we consider that the senior management and the Board have a fairly strong independence element in its composition.

The Board shall review the structure from time to time to ensure that the structure facilitates the execution of the business strategies of the Group and maximises effectiveness of its operation.

## **COMPLIANCE WITH CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") under Appendix C3 to the Listing Rules to work out the Regulations on Securities Transactions by Directors, Supervisors and Related Employees. All directors and supervisors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the requirements for securities transactions of directors and supervisors set out in the Model Code during the Reporting Period.

## DISCLOSURE OF INFORMATION

This announcement is published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.nongfuspring.com>), and the interim report for the six months ended June 30, 2025 of the Company will be published on the aforementioned websites and dispatched to the shareholders of the Company who wish to receive a printed communication in due course.

On behalf of the Board  
**Nongfu Spring Co., Ltd.**  
**Zhong Shanshan**  
*Chairman*

Hong Kong, August 26, 2025

*As at the date of this announcement, the board of directors of the Company comprises Mr. Zhong Shanshan, Ms. Wu Limin, Mr. Xiang Xiansong, Mr. Rao Minghong and Ms. Han Linyou as executive directors; Mr. Zhong Shu Zi as non-executive director; Mr. Yang, Lei Bob, Mr. Lu Yuan and Mr. Gu Zhaoyang as independent non-executive directors.*