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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 ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025**

### **HIGHLIGHTS OF 2025 ANNUAL RESULTS**

- Total revenue was RMB52,553 million, representing a year-on-year increase of 22.5%;
- Profit attributable to the owners of the parent was RMB15,868 million, representing a year-on-year increase of 30.9%;
- Basic earnings per share were RMB1.411, representing a year-on-year increase of 30.9%;
- The distribution of a final dividend is recommended of RMB0.99 per ordinary share (amounting to a total dividend of approximately RMB11,134 million).

The board of directors (the “**Board**”) of Nongfu Spring Co., Ltd. (the “**Company**” or “**Nongfu Spring**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended December 31, 2025 (the “**Reporting Period**”) prepared in accordance with IFRS Accounting Standards, together with the comparative figures for the same period of 2024.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS***Year ended December 31, 2025*

		<b>2025</b>	2024
	<i>Notes</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>REVENUE</b>	3	<b>52,552,910</b>	42,895,992
Cost of sales		<u>(20,744,806)</u>	<u>(17,980,277)</u>
Gross profit		<b>31,808,104</b>	24,915,715
Other income and gains	4	<b>1,719,977</b>	2,128,940
Selling and distribution expenses		<b>(9,800,460)</b>	(9,173,297)
Administrative expenses		<b>(2,452,127)</b>	(1,962,470)
Other expenses	4	<b>(291,002)</b>	(29,561)
Finance costs	6	<u><b>(66,899)</b></u>	<u>(91,469)</u>
<b>PROFIT BEFORE TAX</b>	5	<b>20,917,593</b>	15,787,858
Income tax expense	7	<u><b>(5,049,319)</b></u>	<u>(3,664,554)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>15,868,274</b></u>	<u>12,123,304</u>
Attributable to owners of the parent		<u><b>15,868,274</b></u>	<u>12,123,304</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted For profit for the year	9	<u><b>RMB1.411</b></u>	<u>RMB1.078</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT FOR THE YEAR	<u>15,868,274</u>	<u>12,123,304</u>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>(50)</u>	<u>409</u>
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	<u>(50)</u>	<u>409</u>
Other comprehensive (loss)/income for the year, net of tax	<u>(50)</u>	<u>409</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>15,868,224</u>	<u>12,123,713</u>
Attributable to owners of the parent	<u>15,868,224</u>	<u>12,123,713</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	<i>Notes</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>24,719,336</b>	21,083,239
Right-of-use assets		<b>1,262,195</b>	1,026,650
Intangible assets		<b>80,894</b>	71,557
Deferred tax assets		<b>1,346,932</b>	1,087,893
Long-term bank deposits		<b>11,087,643</b>	10,630,882
Pledged deposits		<b>20,000</b>	–
Other non-current assets		<b>88,574</b>	188,217
		<hr/>	<hr/>
Total non-current assets		<b>38,605,574</b>	34,088,438
<b>CURRENT ASSETS</b>			
Inventories		<b>5,846,475</b>	5,013,047
Trade and bills receivables	<i>10</i>	<b>598,151</b>	581,372
Prepayments, other receivables and other assets		<b>1,377,874</b>	1,218,292
Restricted cash		<b>8,126</b>	7,677
Cash and bank balances		<b>11,177,574</b>	10,722,048
Financial assets at fair value through profit or loss (“FVTPL”)		<b>7,555,354</b>	1,529,438
		<hr/>	<hr/>
Total current assets		<b>26,563,554</b>	19,071,874
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	<i>11</i>	<b>1,654,233</b>	1,499,397
Other payables and accruals		<b>11,961,882</b>	9,543,746
Contract liabilities		<b>4,194,560</b>	3,565,558
Interest-bearing borrowings		<b>4,390,000</b>	3,625,433
Lease liabilities		<b>61,838</b>	55,705
Tax payables		<b>2,560,299</b>	1,694,898
		<hr/>	<hr/>
Total current liabilities		<b>24,822,812</b>	19,984,737
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>1,740,742</b>	(912,863)
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>40,346,316</b>	33,175,575
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***As at December 31, 2025*

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Deferred income	<b>359,322</b>	319,404
Deferred tax liabilities	<b>476,153</b>	503,098
Lease liabilities	<b>40,861</b>	65,909
	<hr/>	<hr/>
Total non-current liabilities	<b>876,336</b>	888,411
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<b>NET ASSETS</b>	<b>39,469,980</b>	32,287,164
	<hr/>	<hr/>
<b>EQUITY</b>		
Equity attributable to owners of the parent		
Share capital	<b>1,124,647</b>	1,124,647
Reserves	<b>38,345,333</b>	31,162,517
	<hr/>	<hr/>
Total equity	<b>39,469,980</b>	32,287,164
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## NOTES TO THE FINANCIAL STATEMENTS

### 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

#### 1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting standards (“IASs”) and Interpretations) as issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at FVTPL which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended December 31, 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

## 1.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> <sup>2</sup>
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after January 1, 2026

<sup>2</sup> Effective for annual/reporting periods beginning on or after January 1, 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after January 1, 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after January 1, 2027, with early application permitted. As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

## **2. OPERATING SEGMENT INFORMATION**

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

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

## Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment.

Year ended December 31, 2025	Water products RMB'000	Ready-to- drink tea products RMB'000	Functional drinks products RMB'000	Juice beverage products RMB'000	Other products RMB'000	Total RMB'000
<b>Segment revenue (note 3)</b>						
Sales to external customers	18,708,954	21,595,897	5,762,273	5,176,305	1,309,481	52,552,910
<b>Segment results</b>	<b>7,001,349</b>	<b>10,374,356</b>	<b>2,695,935</b>	<b>1,776,857</b>	<b>469,556</b>	<b>22,318,053</b>
<i>Reconciliation:</i>						
Interest income						579,671
Other unallocated income and gains						1,140,306
Corporate and other unallocated expenses						(3,053,538)
Finance costs						(66,899)
Profit before tax						<u>20,917,593</u>
Other segment information						
Depreciation and amortisation	<u>931,264</u>	<u>1,113,358</u>	<u>303,054</u>	<u>330,570</u>	<u>81,117</u>	<u>2,759,363</u>
Year ended December 31, 2024	Water products RMB'000	Ready-to- drink tea products RMB'000	Functional drinks products RMB'000	Juice beverage products RMB'000	Other products RMB'000	Total RMB'000
<b>Segment revenue (note 3)</b>						
Sales to external customers	15,952,354	16,744,537	4,932,110	4,084,857	1,182,134	42,895,992
<b>Segment results</b>	<b>4,970,517</b>	<b>7,562,635</b>	<b>2,081,961</b>	<b>1,017,117</b>	<b>392,146</b>	<b>16,024,376</b>
<i>Reconciliation:</i>						
Interest income						866,098
Other unallocated income and gains						1,262,842
Corporate and other unallocated expenses						(2,273,989)
Finance costs						(91,469)
Profit before tax						<u>15,787,858</u>
Other segment information						
Depreciation and amortisation	<u>869,904</u>	<u>912,913</u>	<u>285,086</u>	<u>299,605</u>	<u>77,920</u>	<u>2,445,428</u>

### Geographical information

Over 99% of the Group's revenue and operating profits are derived from customers based in Chinese Mainland, and over 98% of the Group's identifiable assets and over 99% of the Group's liabilities are in Chinese Mainland.

### 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 of the years ended December 31, 2025 and 2024.

## 3. REVENUE

An analysis of revenue is as follows:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<i>Revenue from contracts with customers</i>		
Sale of goods	<b><u>52,552,910</u></b>	<u>42,895,992</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.

#### 4. OTHER INCOME AND GAINS, AND OTHER EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Other income</b>		
Interest income	579,671	866,098
Government grants and subsidies		
related to income	575,695	761,334
related to assets	30,367	24,314
Sales of scraps	145,149	126,365
Income from compensation	36,688	27,310
Others	111,153	117,540
	<u>1,478,723</u>	<u>1,922,961</u>
<b>Gains</b>		
Foreign exchange gain, net	–	75,092
Fair value gains on financial assets at FVTPL	45,354	9,438
Gains on disposal of financial assets at FVTPL	125,904	50,952
Others	69,996	70,497
	<u>241,254</u>	<u>205,979</u>
	<u>1,719,977</u>	<u>2,128,940</u>
<b>Other expenses</b>		
Foreign exchange loss, net	(198,568)	–
Loss on disposal of items of property, plant and equipment	(18,749)	(9,737)
Donations	(68,074)	(15,555)
Loss on disposal of items of intangible assets	(5)	–
Others	(5,606)	(4,269)
	<u>(291,002)</u>	<u>(29,561)</u>

## 5. PROFIT BEFORE TAX

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

	<i>Note</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Cost of inventories sold*		<b>20,744,806</b>	17,980,277
Depreciation of property, plant and equipment		<b>3,213,368</b>	2,727,727
Depreciation of right-of-use assets		<b>160,179</b>	135,676
Amortisation of intangible assets**		<b>19,011</b>	11,298
Employee benefit expenses (including directors' and chief executive's remuneration):			
Wages and salaries		<b>4,063,049</b>	3,533,293
Pension scheme contributions, social welfare and other welfare***		<b>959,807</b>	762,663
Equity-settled share-based payment expenses		<b>76,839</b>	5,516
Research and development costs****		<b>310,631</b>	306,436
Expenses relating to short-term leases, variable leases and leases of low-value assets		<b>167,252</b>	157,152
Impairment of inventories		<b>82,784</b>	–
Impairment of trade receivables	<i>10</i>	<b>4,413</b>	2,429
(Reversal of impairment)/impairment of financial assets included in prepayments, other receivables and other assets		<b>(2,224)</b>	2,460
Fair value gains on financial assets at FVTPL		<b>(45,354)</b>	(9,438)
Gains on disposal of financial assets at FVTPL		<b>(125,904)</b>	(50,952)
Auditor's remuneration		<b>5,896</b>	5,736

\* 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 years ended December 31, 2025 and 2024 is included in administrative expenses in the 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. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Interest on interest-bearing borrowings	<b>60,720</b>	85,717
Interest on lease liabilities	<b>6,179</b>	5,752
Total	<b>66,899</b>	91,469

## 7. INCOME TAX

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current		
Charge for the year	5,331,640	3,701,603
Underprovision/(overprovision) in prior years	3,663	(18,231)
Deferred	<u>(285,984)</u>	<u>(18,818)</u>
Total	<u>5,049,319</u>	<u>3,664,554</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 year. 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 year.

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 are entitled to a full exemption from the local portion of corporate income tax for five years from the year in which the first operating income is generated and a half exemption from the local portion of corporate income tax from the sixth to the tenth year. The policy implementation period is from October 1, 2023 to December 31, 2030. Meanwhile, pursuant to the Grand Development of Western Region and high and new technology enterprise preferential policies, if enterprises 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 preferential income tax rate of 15%. Accordingly, the Group’s certain subsidiaries established in Guangxi is entitled to an income tax rate of 9% for the year. Pursuant to the Notice on The Implementation Measures for the Enterprise Income Tax Policy of the Xizang Autonomous Region (Interim) (Zang Zheng Fa [2022] No. 11 and Zang Zheng Fa [2026] No. 4), enterprises whose main business belongs to the industries and projects that are given key support and encouragement for development in Xizang, and whose main business income accounts for more than 60% of the total enterprise income, are entitled to a full exemption from the local portion of corporate income tax from January 1, 2022 to December 31, 2027. Meanwhile, pursuant to the Grand Development of Western Region preferential policy, if enterprises meet the criteria for the preferential income tax policy under the Grand Development of Western Region, they are entitled to a preferential income tax rate of 15%. Accordingly, the Group’s certain subsidiary established in Xizang is entitled to an income tax rate of 9% for the year.

The Group’s certain PRC subsidiary is accredited as “High and New Technology Enterprise” and was therefore entitled to a preferential income tax rate of 15% for the years end December 31, 2024 and 2025. Such qualifications are subject to review by the relevant tax authority in the PRC for every three years.

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 years ended December 31, 2024 and 2025 on the estimated assessable profits arising in Hong Kong.

#### **Singapore corporate income tax**

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

#### **Malaysia corporate income tax**

The statutory income tax rate in Malaysia was 24% for the year. No provision for Malaysian income tax was made as the Group had no chargeable income in Malaysia during the year.

#### **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 the United States income tax was made as the Group had no taxable income in the United States during the year.

### **8. DIVIDENDS**

The dividends paid by the Company in 2025 and 2024 for the years ended December 31, 2024 and 2023 amounted to RMB8,547,314,000 and RMB8,434,850,000 respectively.

The proposed 2025 final dividend for the year of RMB0.99 per ordinary share, equivalent to an aggregate of approximately RMB11,134,002,000, is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 11,245,699,244 (2024: 11,245,815,054) outstanding during the year.

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 year. 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.

## 10. TRADE AND BILLS RECEIVABLES

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	<b>638,805</b>	618,481
Bills receivable	<b>868</b>	–
Impairment	<b>(41,522)</b>	(37,109)
	<hr/>	<hr/>
Total	<b>598,151</b>	581,372
	<hr/>	<hr/>

The Group's trading terms are mainly cash before delivery, except for direct sale customers where credits are granted. The credit period is generally one month, extending up to three months for major direct sale customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables related to various diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. The balances of trade and bills receivables are non-interest-bearing.

Included in the Group's trade and bills receivables are amounts due from the ultimate holding company and fellow subsidiaries of RMB178,000 (2024: nil) and RMB1,048,000 (2024: RMB866,000), respectively, which are repayable on credit terms similar to those offered to the major customers of the Group.

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>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	<b>543,190</b>	522,376
91 to 180 days	<b>46,705</b>	48,511
181 days to 1 year	<b>8,256</b>	10,485
	<hr/>	<hr/>
Total	<b>598,151</b>	581,372
	<hr/>	<hr/>

The movements in the loss allowance for impairment of trade receivables are as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	<b>37,109</b>	34,680
Impairment losses, net	<b>4,413</b>	2,429
	<hr/>	<hr/>
At end of year	<b>41,522</b>	37,109
	<hr/>	<hr/>

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables.

Bills receivable are bank acceptance bills that are unconditionally accepted by banks within the maturity period, and there is no loss allowance for impairment of bills receivable.

An impairment analysis is performed at year end using a provision matrix to measure expected credit losses for trade receivables. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at year end about past events, current conditions and forecasts of future economic conditions.

The Group writes off trade receivables when there is information indicating that the counterparty is in severe financial difficulties and there is no realistic prospect of recovery. The Group also takes into account legal advice where appropriate, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

<b>2025</b>	<b>Expected credit loss rate</b>	<b>Gross carrying amount RMB'000</b>	<b>Expected credit losses RMB'000</b>
Within 90 days	4.26%	566,479	24,157
91 to 180 days	12.75%	53,529	6,824
181 days to 1 year	45.69%	15,201	6,945
Over 1 year	100.00%	3,596	3,596
Total		<b>638,805</b>	<b>41,522</b>
<b>2024</b>	<b>Expected credit loss rate</b>	<b>Gross carrying amount RMB'000</b>	<b>Expected credit losses RMB'000</b>
Within 90 days	3.85%	543,312	20,936
91 to 180 days	12.49%	55,437	6,926
181 days to 1 year	44.15%	18,774	8,289
Over 1 year	100.00%	958	958
Total		<b>618,481</b>	<b>37,109</b>

## 11. 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 year, based on the invoice date, is as follows:

	<b>2025 RMB'000</b>	<b>2024 RMB'000</b>
Within 90 days	<b>1,533,827</b>	1,394,397
91 to 180 days	<b>68,185</b>	49,258
181 days to 1 year	<b>27,107</b>	32,112
Over 1 year	<b>25,114</b>	23,630
Total	<b>1,654,233</b>	<b>1,499,397</b>

Included in the trade and bills payables are amounts due to fellow subsidiaries of RMB6,707,000 (2024: RMB24,905,000), which are unsecured, interest-free and repayable within 90 days.

## CHAIRMAN’S STATEMENT

Dear shareholders,

In 2025, the Group recorded a total revenue of RMB52,553 million, exceeding RMB50 billion for the first time, representing an increase of 22.5% as compared to 2024. Profit attributable to the owners of the parent also reached RMB15,868 million, representing an increase of 30.9% as compared to 2024 (RMB15,999 million after deducting one-time non-operating gains and losses). We would like to take this opportunity to extend our gratitude to all employees and partners for their joint efforts. We also congratulate our new management team, which has withstood the test of defamation and has been growing increasingly mature.

In light of the Group’s operations in 2025, the Board will recommend the distribution of a final cash dividend of RMB0.99 per share for the year ended December 31, 2025 at the forthcoming 2025 annual general meeting (the “**2025 AGM**”) of the Company (amounting to a total dividend of approximately RMB11,134 million).

In 2025, the Group’s drinking water business resumed growth, recording a full-year revenue of RMB18,709 million, representing an increase of 17.3% as compared with the same period of 2024. Nongfu Spring has adhered to building its production plants and bottling the water at the water sources since 1996. In 2025, we introduced three new water sources: Badagong Mountain in Hunan, Longmen Mountain in Sichuan and Nyainqêntanglha Mountains in Xizang. At the beginning of 2026, the Group further introduced a new water source: Jiaozi Snow Mountain in Yunnan, and had established sixteen major water sources in total nationwide. We open our factories to the public and welcome consumers to visit and trace the origin of our products, providing them with an intuitive understanding of the high-quality source assurance behind Nongfu Spring. We firmly believe in the importance of mineral elements in water for life and health, and we also believe that the growth of the drinking water business will gradually progress alongside the establishment of consumers’ healthy hydration concepts. Nongfu Spring will continue, as always, to be a promoter of healthy hydration.

The diversity of Chinese tea species and the profundity of Chinese tea culture have laid a solid foundation and created infinite possibilities for the expansion of our tea business. In 2025, we launched our first new carbonated tea product, “Iced Tea (冰茶)”, allowing consumers to experience the taste of “chilled” tea. Furthermore, East Leaf (東方樹葉) introduced new flavors, i.e. “Chenpi White Tea (陳皮白茶)” and “Chrysanthemum Pu-erh Tea (菊花普洱)”, further enriching the product matrix of East Leaf (東方樹葉). Excellence in tea products is inseparable from high-quality fresh tea leaves and superior tea-making techniques. Therefore, we are striving to extend upstream into the tea ingredient industry chain. In premium tea-producing regions such as Yunnan, we are introducing standardized industrial production concepts to the field management of tea and investing in the donation and construction of modern tea processing plants. This initiative not only drives income growth for local tea farmers and the upgrading of the industry but also ensures a stable supply of high-quality tea ingredients for our products. In the future, Nongfu Spring will continue to inject tangible industrial support into the premiumization and localization of Chinese tea beverage market, consolidating our leadership position in the tea beverage sector.

In 2026, we will mark the 30th anniversary of the founding of Nongfu Spring. With the perspective of “Stabler, Slower, and Farther (穩一點、慢一點、遠一點)”, we are cumulating strength over the time, let every drop of water carry the trust into a future where the enterprise and society thrive together in symbiotic prosperity.

**Zhong Shanshan**

*Chairman*

Hangzhou, the People’s Republic of China

March 24, 2026

## MANAGEMENT DISCUSSION AND ANALYSIS

### Macro and Industry Environment

In 2025, the world saw a general slowdown in economic growth amidst the complex and challenging global political landscape. Geopolitical conflicts, mounting pressures on global governance, and revolutionary technological changes collectively contributed to the profound adjustments in the global landscape. Despite the complex and evolving domestic and international economic environment, China's national economy demonstrated resilience under pressures, moving toward innovation and quality while maintaining steady progress, and achieved new results in the high-quality growth, successfully accomplishing its major targets for economic and social development. According to the National Bureau of Statistics, China's GDP for 2025 reached RMB140.2 trillion, surpassing the RMB140 trillion milestone for the first time, representing a year-on-year increase of 5.0%. In 2025, market consumption expanded throughout the year, with total retail sales of consumer goods exceeded RMB50 trillion for the first time and reached RMB50.1 trillion, representing a year-on-year increase of 3.7%. Among the total retail sales of goods by units above the designated size, the beverage products saw a year-on-year increase of 1.0%. Final consumption expenditure contributed over 50% to the economic growth, continuously giving play to its role as the primary driver of economic development.

Under the dual impetus of consumption upgrade and market transformation, the competition in the food and beverage industry remained exceptionally fierce, with health-consciousness emerged as the core theme running through all product categories. The evolving industry trends demand not only acute market perception and rapid response capabilities, but also comprehensive capabilities in supply chain integration, technological innovation investment, and brand asset accumulation. Competition in the sector has evolved from a simple product competition to a comprehensive rivalry encompassing R&D capabilities, channel efficiency, and commitment to sustainable development.

In June 2025, the Ministry of Industry and Information Technology, along with six other government departments, jointly issued the Implementation Plan for Digital Transformation of the Food Industry to guide the upgrade towards intelligent manufacturing, establishing digital traceability systems as critical infrastructure for meeting new compliance requirements. In September 2025, the amendment to the Food Safety Law of the People's Republic of China was passed and became effective from December 1, 2025, marking a significant step forward in China's food safety supervision. Focusing on two major issues including bulk road transportation of liquid food and supervision of liquid infant formula milk, it introduced targeted modifications and improvements for strengthening access management, enhancing process supervision, and improving legal responsibilities, which is conducive to strengthen the management of qualifications, transport records, and container cleaning certificates for the bulk transport of liquid food, enabling end-to-end traceability from production to consumption. This revision lays a solid institutional foundation for food safety in related fields, provides better legal guarantees, and ensures the people's "safety of food intake". In this context of increasingly systematic, end-to-end, and targeted supervision in the food industry, enterprises with robust R&D capabilities, precise supply chain management, and forward-looking compliance planning are better positioned to thrive and stand out from the competition.

## BUSINESS REVIEW

In 2025, the Group recorded annual revenue of RMB52,553 million, representing an increase of 22.5% as compared to 2024, among which, the proportion of revenue from packaged drinking water products to total revenue was 35.6% and the proportion of revenue from beverage product to total revenue was 63.9%. The following table sets forth a breakdown of our revenue from each product category and their percentage of total revenue for the periods indicated:

Product Category	Year Ended December 31,		Year Ended December 31,	
	2025	Percentage	2024	Percentage
	RMB (million)	of total revenue	RMB (million)	of total revenue
Packaged drinking water products	18,709	35.6%	15,952	37.2%
Tea beverage products	21,596	41.1%	16,745	39.0%
Functional beverage products	5,762	11.0%	4,932	11.5%
Juice beverage products	5,176	9.8%	4,085	9.5%
Other products (Note)	1,309	2.5%	1,182	2.8%
Total	<u>52,553</u>	<u>100.0%</u>	<u>42,896</u>	<u>100.0%</u>

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

### Packaged drinking water

The sales of the Group's packaged drinking water products business recorded a gradual improvement in 2025, and its market leadership continued to remain stable. In 2025, the Group's packaged drinking water products recorded revenue of RMB18,709 million, representing an increase of 17.3% compared to the same period of last year, accounting for 35.6% of the total revenue.

In 2025, we introduced three new water sources: Badagong Mountain in Hunan, Longmen Mountain in Sichuan, and Nyainqêntanglha Mountains in Xizang. In 2026, we introduced an additional water source, i.e. Jiaozhi Snow Mountain in Yunnan. As of the date of this announcement, we have established sixteen major water sources in total nationwide. We continued to promote the “Natural Water Sources, Transparent Factories (天然水源，透明工廠)” campaign across the country. In 2025, our industrial tourism initiatives for sourcing from water origins attracted over 700,000 visits for the full year, of which nearly 40% were water source research tour participants. The rich research tour activities not only enhanced young people’s understanding of water source ecology and water health knowledge, but also allowed them to witness Nongfu Spring’s advanced, modern manufacturing technology on site, thereby deepening their understanding of Nongfu Spring as both an enterprise and a brand. In addition, we also invited world swimming champions, celebrities in the performance arts sector and other experts to visit more than ten high-quality water sources and modern production bases of Nongfu Spring. Besides, from May to November, we accumulatively conducted over 100 nationwide source exploring campaigns for our employees and their families, reaching about 5,000 people and consolidating the emotional ties between our employees and the Company. 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”, and significantly strengthening consumers’ acknowledgement and trust in the brand of Nongfu Spring.

For the 2025 Chinese 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 addition, we expanded our ice product portfolio and launched “Nongfu Spring” pure transparent edible ice in June 2025. 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. We have created a high-end ice product that is not easily melted, pure, transparent and beautiful from natural water sources. Currently, our pure transparent edible ice is available for sale at Sam’s Club, enjoying widespread popularity among young consumers.

## **Tea beverage products**

Driven by our long-term commitment to health, continuous flavor innovation and diverse packaging options, the tea beverage products of the Group achieved steady growth in 2025, recorded a revenue of RMB21,596 million during the Reporting Period, representing an increase of 29.0% compared to the same period of last year, accounting for 41.1% of the total revenue.

During the 2025 Spring Festival, in order to continuously meet diverse consumer needs and expand consumption scenarios, “East Leaf (東方樹葉)” launched a new 1.5L large-sized bottle with the theme of “Share the joy with large bottle tea (大瓶茶，樂分享)”, targeting family and gathering scenarios, which gained positive market feedback. In April, “East 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, and combined with integrated online and offline publicity, our consumer interaction, customer acquisition and brand royalty being enhanced effectively. In May, “East Leaf (東方樹葉)” launched new flavors of “Chenpi White Tea (陳皮白茶)” and “Chrysanthemum Pu-erh Tea (菊花普洱)”, further enriching its product portfolio across the six major tea categories and continuously attracting new consumer groups. Continuing the product tradition of “one spring, one autumn (一春一秋)”, “Longjing Spring Tea (龍井新茶)” season returned once again in spring, adhering to using premium Longjing tea leaves harvested before the Qingming Festival as raw materials to consolidate the perception of brand quality. In autumn, “Osmanthus Oolong (桂花烏龍)” arrived as promised, continuously enhancing the emotional bond between the brand and consumers.

“Tea π (茶π)” features “original tea extraction + natural fruit juice (原茶萃取+天然果汁)”, and its unique packaging style has always been favored by consumers. During the Reporting Period, through participation in music and art festivals popular among young people, “Tea π (茶π)” further strengthened its close relationship with music culture, contributing more fashion and vitality into the brand.

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, containing a tea polyphenol content at least 200mg/bottle, featuring delicate carbonation and delivering a refreshing new carbonated tea flavor. Branded under the slogan “Iced Tea, Chilled Tea! (冰茶，冰爽茶!)”, the product attracts consumers’ trial and attention.

We are always committed to the establishment and improvement of the entire tea production industry chain. We established tea processing facilities ourselves and since December 2024, we have also donated and built five modern tea processing factories in core tea-producing areas such as Pu’er City and Lincang City in 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 RMB5,762 million, representing an increase of 16.8% as compared with the same period of last year, accounting for 11.0% of the total revenue.

During the Reporting Period, we further consolidated the product and channel capabilities of the “Scream (尖叫)” and “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. In the summer of 2025, “Scream (尖叫)” was designated as the official sports drink for several marathons and youth sports events, strengthening its promotion of professional sports hydration.

### **Juice beverage products**

During the Reporting Period, the Group’s juice beverage products continued stable growth, recording a revenue of RMB5,176 million, representing an increase of 26.7% as compared with the same period of last year, accounting for 9.8% of the total revenue.

We continued to focus on our juice series of “NFC” juice and “17.5°” juice, emphasizing “the entire industry chain monitoring”, and proceeded to cater to the growing demands for healthy consumption by reinforcing the delivery of “0 additives, pure juice (0添加，純果汁)”. The “17.5°” Honeyberry Blended Juice was launched on December 31, 2024. Made from selected honeyberries grown in the forests of Northeast China, the product preserves the natural freshness of the fruit through fresh fruit pressing technology. Each 300mL 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 consistent successful market performance since its launch, 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, plant-based beverages and other beverage products, as well as fresh fruits and other agricultural products) recorded a revenue of RMB1,309 million, representing an increase of 10.7% compared with the same period of last year, accounting for 2.5% 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.

During the Reporting Period, “TANBING (炭灸)” continued to expand premium ready-to-drink coffee offerings. In May 2025, this brand launched its 900mL low-temperature sugar-free black coffee at Sam’s Club. This product uses only freshly roasted coffee beans within 15 days. It is crafted using fresh grinding and extraction techniques, continuing the “TANBING (炭灸)” black coffee series’ signature formula of 0 sugar, 0 calories, 0 fat, 0 artificial flavors, and 0 instant coffee powder, and transported via a full cold chain, delivering a fresher ready-

to-drink black coffee experience for consumers. Upon launch, this product quickly topped the “New Arrivals Popularity Chart” on the Sam’s Club app. In November, adhering to the high-quality craft principle of “freshly brewed beans”, “TANBING (炭火)” further released 400mL classic coffee series. Leveraging our own coffee roasting factory, the brand manages the entire process from raw beans to self-roasted and brewed coffee, eschewing instant powder to fully preserve the natural aroma and fresh flavor of the coffee beans. This series includes classic black coffee and classic latte, catering to consumers’ demand for high-quality everyday coffee.

## **R&D and Innovation**

The Group remains steadfast in its commitment to natural and healthy products while dynamically adapting to market developments. Through continuous exploration in product innovation and enhancement, as well as the unrelenting refinement of ingredients and manufacturing processes, the Group strives to deliver increasingly healthy and superior products to consumers.

In 2025, “East Leaf (東方樹葉)” continued to take on new flavor of “Chenpi White Tea (陳皮白茶)”. Crafted from selectively sourced premium white tea and complemented by the taste with herbal fragrance of meticulously selected Chenpi, it garnered widespread recognition from consumers after its launch. “Iced Tea (冰茶)”, a new carbonated tea beverage of Nongfu Spring, is made with 100% real natural tea leaf and real lemon, free from tea powder and sucralose. Real tea and real lemon deliver a sparkling and cool tea flavor. “TANBING (炭火)” coffee introduced new flavors of “classic black coffee (經典黑咖)” and “classic latte (經典拿鐵)”. Crafting from raw beans from premium growing regions worldwide, it insists on extracting from raw beans, roasting and extracting in-house without instant coffee powder. This effectively preserves the aroma and flavor of fresh coffee beans, allowing consumers to enjoy good coffee anytime.

## **Information system buildup**

Guided by the Company’s overall strategic goals to “generate profits for distributors and retail partners, and create value for consumers, families, and the nation”, we advanced the transformation of production and supply chain from a “cost centre” to a “value engine”. For IT initiatives in the production and supply chain in 2025, we focused on integration of order, warehousing, and transportation systems, based on the principles of “collaboration, efficiency, transparency, and agility”, and optimized warehouse networks through order orchestration to improve delivery efficiency and reduce logistics costs. Furthermore, the traditional “Open Cap, Win Prize (開蓋贏獎)” campaign has been successfully upgraded into an intelligent marketing platform that integrates user interaction, channel control, and precision marketing, leveraging “One Product, One Code” as the technical link. Building on this, an end-to-end data asset and full-process traceability system has been established, supporting intelligent decision-making, enhancing consumer trust, and significantly boosting our brand’s market competitiveness and responsiveness.

Meanwhile, blockchain technology has been leveraged to establish a digital traceability system spanning the entire agricultural industry chain, achieving closed-loop management with full-chain traceability from fresh leaf cultivation, on-site procurement, primary processing, and fine processing to finished products. By ensuring data transparency and standardization at the source, a solid digital foundation has been laid for food safety and quality control.

## **FINANCIAL REVIEW**

The following financial results are extracted from the audited financial report of the Group prepared in accordance with the IFRS Accounting Standards during the Reporting Period:

### **Revenue and Gross Profit**

The Group recorded a revenue of RMB52,553 million in 2025, representing an increase of 22.5% as compared with RMB42,896 million in 2024. In 2025, gross profit of the Group was RMB31,808 million, representing an increase of 27.7% as compared with RMB24,916 million in 2024. During the Reporting Period, the Group's gross profit margin increased by 2.4 percentage points from 58.1% in the same period of last year to 60.5%, 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. Meanwhile, by regulating the proportion of sales conducted through e-commerce channels, the Company has more effectively maintained price discipline within its distribution network, thereby safeguarding the sustained profitability of the distribution system as a whole and supporting the sound and healthy development of the Group.

### **Selling and Distribution Expenses**

In 2025, sales and distribution expenses of the Group were RMB9,800 million, representing an increase of 6.8% as compared with RMB9,173 million in 2024. Selling and distribution expenses accounted for 18.6% of the total revenue, representing a decrease of 2.8 percentage points as compared with 21.4% in 2024, which was mainly due to the decrease of advertising and promotion expenses after the Olympic year of 2024 as compared to the same period of last year and the logistics costs decline due to the change of segment sales structure during the Reporting Period.

### **Administrative Expenses**

In 2025, the administrative expenses of the Group amounted to RMB2,452 million, representing an increase of 25.0% as compared with RMB1,962 million in 2024. Administrative expenses accounted for 4.7% of the total revenue, remaining generally flat to 4.6% in 2024.

### **Other Income and Gains**

In 2025, other income and gains of the Group amounted to RMB1,720 million, accounting for 3.3% of the total revenue, representing a decrease of 19.2% as compared with RMB2,129 million in 2024, which was mainly due to lower interest income from deposits as affected by interest rate reduction.

## **Other Expenses**

During the Reporting Period, other expenses amounted to approximately RMB291 million, representing an increase of 870.0% as compared with RMB30 million in 2024, and accounting for 0.6% of the total revenue, which mainly comprised donations of RMB68 million and exchange losses of RMB199 million. As of December 31, 2025, the Group held HK\$1,647 million, US\$606 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 discount rate decreased as compared with the same period of last year. During the Reporting Period, the finance costs of the Group decreased from RMB91 million in the same period of last year to RMB67 million.

## **Profit for the Year**

As a result of the aforementioned changes, profit of the Group for the year increased by 30.9% from RMB12,123 million in 2024 to RMB15,868 million in 2025.

## **Dividends**

Based on the Group's overall performance in 2025, and having accounted for, including but not limited to, the Group's surplus, overall financial condition and capital expenditures, the Board proposed to declare a final cash dividend of RMB0.99 per share (inclusive of tax, amounting to a total dividend of approximately RMB11,134 million) for the year ended December 31, 2025 at the forthcoming 2025 AGM of the Company.

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

As of December 31, 2025, the sum of long-term bank deposits, restricted cash, pledged deposits, cash, and bank balances of the Group amounted to RMB22,293 million, representing an increase of 4.4% as compared with RMB21,361 million as of December 31, 2024. The total credit facility of the Group was RMB19,866 million and interest-bearing borrowings amounted to RMB4,390 million as of December 31, 2025, representing an increase of 21.1% as compared with RMB3,625 million as of December 31, 2024, with due repayment of a total amount of RMB16,841 million as of December 31, 2025. All of the borrowings are denominated in RMB. Among the total borrowings as of December 31, 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 production stocking and the increase in raw materials inventory at the end of the period resulting from the construction of the entire industrial chain of tea ingredients, inventories of the Group increased from RMB5,013 million as at December 31, 2024 to RMB5,846 million as at December 31, 2025. Inventory turnover days increased from 82.3 days as at December 31, 2024 to 95.5 days as at December 31, 2025.

## **Trade and Bills Receivables**

Trade and bills receivables of the Group increased from RMB581 million as of December 31, 2024 to RMB598 million as of December 31, 2025. The turnover days of trade and bills receivables decreased from 4.8 days as at December 31, 2024 to 4.1 days as at December 31, 2025.

## **Trade and Bills Payables**

As of December 31, 2025, the trade and bills payables of the Group were RMB1,654 million, representing an increase as compared with RMB1,499 million as of December 31, 2024. The turnover days of trade and bills payables decreased from 33.2 days as at December 31, 2024 to 27.7 days as at December 31, 2025.

## **Gearing Ratio**

As at December 31, 2025, the gearing ratio of the Group (equaling (interest-bearing borrowings + lease liabilities)/equity) was 11.4% (during the Reporting Period, the Group has no minority equity), remaining flat to the gearing ratio of the Group as at December 31, 2024 being 11.6%.

## **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**

Save as disclosed in this announcement, there have been no material events of the Group from December 31, 2025 until the date of this announcement.

## **FOREIGN EXCHANGE RISK**

As of December 31, 2025, the Group held HK\$1,647 million, US\$606 million and a small amount of other foreign currencies. In 2025, exchange losses amounted to approximately RMB199 million. 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 December 31, 2025, the Group did not have any significant contingent liabilities.

## **CAPITAL COMMITMENTS**

Capital commitments of the Group amounted to approximately RMB4,906 million as at December 31, 2025, mainly used for construction of production plants and purchase of production equipment.

## **PLEDGE OF ASSETS**

As at December 31, 2025, no assets of the Group were pledged by the Group.

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

As of December 31, 2025, 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 latest practicable date, save for the “Use of Proceeds from the Listing” disclosed in this announcement, the Group did not have any existing plan for acquiring other material investments or capital assets.

## **USE OF PROCEEDS FROM THE LISTING**

From September 8, 2020 (the “**Listing Date**”) to December 31, 2025, the Group has gradually utilized the proceeds from the initial public offering for the intended purposes set out in the prospectus (the “**Prospectus**”) published by the Company.

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 December 31, 2025, the Group has utilized approximately HK\$5,080 million of the proceeds for the intended purposes set out in the Prospectus, accounting for 54.2% of all raised funds, and the remaining unutilized proceeds are approximately HK\$4,297 million. From September 8, 2020 (the “**Listing Date**”) to December 31, 2025, the Group has gradually utilized the proceeds from the listing for the intended purposes set out in the Prospectus.

Taking into account the reasons as set out in the section headed “Reasons for and Benefits of the Changes to the Use of Proceeds from the Listing and Extension of the Utilization Period” below, the Board resolved to reallocate the net proceeds on March 24, 2026 by transferring the unutilized net proceeds originally designated for “strengthening fundamental capabilities” to “purchasing production facilities and building new factories”, including the purchase of production facilities and building new factories for the relevant production bases disclosed in the Prospectus and other production bases of the Group, and updated the expected timetable for the unutilized proceeds. As of December 31, 2025, the proposed changes to the use of the net proceeds from the listing, the use of unutilized net proceeds and the expected timetable for utilizing the remaining unutilized net proceeds are as follows:

	Actual net amount utilized up to December 31, 2025 (HK\$ million)	Utilized net amount during the Reporting Period (2025) (HK\$ million)	Unutilized net amount up to December 31, 2025 (HK\$ million)	The amount of the changes to the use of the net proceeds from the listing (HK\$ million)	The allocation of the unutilized net proceeds following the changes (HK\$ million)	Updated timetable for the use of unutilized net proceeds
Brand building	2,344	1,104	101	1,240	-	December 31, 2027
Purchasing sales equipment	2,344	371	0	1,973	-	December 31, 2027
Purchasing production facilities and building new factories	1,875	1,517	78	358	+726	December 31, 2027
Strengthening fundamental capabilities	938	212	0	726	-726	December 31, 2027
Repaying loans	938	938	0	0	-	Fully utilized
Working capital and other general corporate purposes	938	938	0	0	-	Fully utilized
<b>Total</b>	<b>9,377</b>	<b>5,080</b>	<b>179</b>	<b>4,297</b>	<b>-</b>	<b>4,297</b>

## **REASONS FOR AND BENEFITS OF THE CHANGES TO THE USE OF PROCEEDS FROM THE LISTING AND EXTENSION OF THE UTILIZATION PERIOD**

Due to the steady and continuous expansion of the business scale of the Company, additional production equipment and facilities are required, some of which are imported equipment. To reduce exchange losses arising from the purchase of imported equipment and enhance the efficiency of fund utilization, after a comprehensive assessment, the Company proposes to transfer the unutilized net proceeds of HK\$726 million (equivalent to approximately RMB656 million) from overseas listing, originally designated for “strengthening fundamental capabilities”, to “purchasing production facilities and building new factories”, so as to be utilized for the purchase of production facilities and building new factories for the relevant production bases set out in the Prospectus and other production bases of the Group. The original fundamental capabilities building projects will continue to proceed as planned, with the Company’s own funds. The implementation progress and effectiveness of these projects will not be affected by the abovementioned changes.

Furthermore, according to the 2024 annual report of the Company published on April 25, 2025, the Board had approved an extension of the expected timetable for the utilization of proceeds from the listing on August 27, 2024 to the gradual utilization prior to December 31, 2026. Taking into account the aforementioned changes and the Group's continued implementation of a prudent business strategy, and following the principle that is in the best interest of the Company and shareholders as a whole, the Board has approved a further extension of the expected timetable for the utilization of proceeds from the listing and the gradual utilization of proceeds from the listing by the Company prior to December 31, 2027, subject to market conditions and in accordance with the use of proceeds following the abovementioned changes.

Based on the above considerations, the Board considers that the aforementioned changes to the use of proceeds from the listing and the further extension of the expected timetable for utilizing such proceeds will enhance the utilization efficiency of the proceeds, facilitate more effective deployment of financial resources for the Company, and are in the interests of the Company and its shareholders as a whole.

The relevant resolution will be proposed as an ordinary resolution at the AGM for shareholders' consideration and approval.

## **GOING CONCERN**

On the basis of current financial projections and facilities available, the Group has adequate financial resources to continue its operation in the foreseeable future. Accordingly, the financial statements are prepared on a going concern basis.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

The Group's operations are carried out primarily in the PRC, while the shares of the Company are listed on the Hong Kong Stock Exchange. The businesses operated by the Group are subject to the laws of jurisdictions such as the PRC and Hong Kong. During the year ended December 31, 2025 and as of the date of this announcement, the Group has complied with relevant laws and regulations that have a significant impact on the Group in the applicable jurisdictions. Specifically, as a manufacturer of packaged water and beverages, the Group's current operations are mainly subject to the relevant laws and regulations in the fields of food safety and environmental protection in the PRC. In 2025, the Group did not have any material non-compliance with such laws and regulations.

## **HUMAN RESOURCES AND EMOLUMENT POLICY**

As at December 31, 2025, the total number of employees of the Group (including the Company and its subsidiaries) exceeded 28,000. During the Reporting Period, the total employee benefit expenses (including directors' remuneration) amounted to RMB5,100 million.

The Group firmly believes that our long-term sustainable growth depends on the expertise, comprehensive capabilities and career development of our employees. The Group has always regarded talent development as the driving force of corporate development, continuously refining our tiered talent cultivation system and creating a mechanism to improve the value of talent and the long-term values of the Company at the same time. The remuneration and benefits system for employees of the Group are determined with comprehensive reference to the market pay rate, individual qualification and experience, performance bonus and other incentive systems are established. Performance bonuses are determined and paid based on the Group's overall operational efficiency (including key indicators such as revenue and profit), the performance of the organization in which the employee works and the performance appraisal result of the individual employee, and are continuously optimized in line with business development. For organizations and individuals making outstanding contribution to the Group's business development, diversified incentives such as equity-based incentives and the annual honors system are offered. The overall remuneration and benefits policy is highly competitive, effectively ensuring the value of employees are enhanced with the corporate development.

In order to improve the Company's incentive mechanism, retain key employees and promote sustainable growth of the Company's business, 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 scheme participants shall obtain their incentive awards by contributing their own funds, with the grant price to be determined by the Board as thirty percent of the average closing price of the Company's H Shares in the 120 Hong Kong trading days before the grant date. Apart from payment of the grant price, employees are not required to make additional payment to acquire the incentive awards. The Board, acting pursuant to the authorization of the general meeting, serves as the executive management body responsible for the implementation and administration of the employee share incentive scheme. This includes, but not limited to, the discretionary power to establish appropriate grant conditions, payment terms for the grant price, vesting conditions, vesting period arrangements and other relevant terms for the purpose of achieving long-term incentives. 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 6 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 Co., Ltd. (養生堂有限公司) and its subsidiaries (“**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.

During the Reporting Period, Mr. Zhao Li (趙利), a scheme participant, passed away. Taking into account his contributions to the Company, the awards granted to him corresponding to 47,600 H Shares were fully vested by the Company in one lump sum in advance on July 11, 2025. Save for this, the awards granted to the remaining 143 scheme participants mentioned above 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):

<b>Vesting arrangement</b>	<b>Vesting time</b>	<b>Vesting percentage</b>
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 (note 1)	Price of grant (HKD) (note 1)	Number of award shares granted (shares)	Remaining vesting date	Number of		
					Number of award shares vested during the Reporting Period (shares) (note 2)	awards shares forfeited during the Reporting Period (shares)	Number of awards shares unvested as at December 31, 2025 (shares)
Wu Limin (Director)	April 15, 2025	10.20	326,000	Last trading	0	0	326,000
Xiang Xiansong (Director)	April 15, 2025	10.20	181,600	day in	0	0	181,600
Rao Minghong (Director)	April 15, 2025	10.20	181,600	April 2026,	0	0	181,600
Han Linyou (Director)	April 15, 2025	10.20	90,800	last trading	0	0	90,800
Wang Yuan (Supervisor)	April 15, 2025	10.20	69,800	day in	0	0	69,800
Jiang Xiaodong (Supervisor)	April 15, 2025	10.20	59,200	April 2027, last trading	0	0	59,200
Five individuals with highest emoluments during the Reporting Period (note 3)	April 15, 2025	10.20	717,000	day in April 2028	0	0	717,000
Connected entity participants (note 4)	April 15, 2025	10.20	636,000		0	0	636,000
Other employee participants in aggregate	April 15, 2025	10.20	6,364,000		47,600 (note 2)	0	588,800
Total			8,118,400 (note 5)		47,600	0	8,070,800 (note 5)

*Notes:*

- (1) On March 31, 2025, the Company issued share incentive grant letters to the scheme participants. The grant price was determined as 30% of the average closing price of the Company's H Shares in the 120 Hong Kong trading days before that date, being HK\$10.20 per award share. On April 15, the subscription prices for all of the awards granted were fully paid by each of the scheme participants, with no grant being waived by any participant.
- (2) During the Reporting Period, Mr. Zhao Li, a scheme participant, passed away. Taking into account his contributions to the Company, the awards granted to him corresponding to 47,600 H Shares were fully vested by the Company in one lump sum in advance on July 11, 2025. The weighted average closing price (being the closing price on July 10, 2025) of the Company's shares before the vesting date was HK\$39.15.
- (3) Including the director(s) or supervisor(s) of the Company.
- (4) Being 9 employees of Yangshengtang Group.
- (5) 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.

## **OUTLOOK**

The year 2026 marks the 30th anniversary of Nongfu Spring. Facing the ever-changing consumer market and intense industry competition, we will consistently adhere to long-termism, remain steadfast in our commitment to quality and innovation in pursuit of “Stabler, Slower, and Farther (穩一點、慢一點、遠一點)”.

Starting from Thousand-island Lake, Nongfu Spring insists on building its factories at the source of its water supply and bottling at water source areas. Over the past three decades, we have established sixteen major water sources nationwide, covering multiple types of water sources including mountain spring water, deep lake and reservoir water, and natural artesian spring water. Every investment is made on a long-term, stable and sustainable basis. From water source exploration and water diversion pipeline construction to factory construction, we prioritize steady and solid progress over speed. In the future, we will continue to delve into the water sources layout, providing consumers with high-quality products while reducing production costs, enhancing supply efficiency, and strengthening the Group's core competitive advantages.

As we stand at the historical juncture of the 30th anniversary, we systematically promote our core products to the global market and continuously explore paths to international development by adopting a holistic brand strategy integrating “channels, products and culture”. In June 2025, the three core products being “Nongfu Spring” natural drinking water, “East 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 and in November entered the Singapore market, achieving another significant breakthrough in the brand internationalization process. Looking ahead, we will continue to explore additional overseas markets and actively expand our international presence, thereby unlocking new growth potential for the Group.

## **DIVIDENDS**

Relevant resolution has been passed at a meeting of the Board held on March 24, 2026, and the Board proposed the distribution of a final dividend (the “**Final Dividend**”) of RMB0.99 per share (tax inclusive) for the year ended December 31, 2025, with a total amount of approximately RMB11,134 million. If such profit distribution plan is reviewed and approved by shareholders at the 2025 AGM, the Final Dividend will be distributed no later than August 19, 2026 to the shareholders whose names appear on the register of members of the Company on Saturday, May 23, 2026.

The Company will not be liable for any claim or dispute over the withholding mechanism arising from any delay in, or inaccurate determination of the status of the shareholders.

The Board is not aware of any shareholders who have waived or agreed to waive any dividend.

## **DIVIDEND POLICY**

The Company currently does not have a pre-determined dividend payout ratio. The Board may declare and pay dividends after taking into account results of operations, financial condition, cash flow, operating and capital expenditure requirements, future business development strategies and estimates of the Group and other factors as it may deem relevant. Historical declarations of dividends of the Company may not reflect our future declarations of dividends.

The allocations to the statutory common reserve are currently determined to be 10% of the Company’s after-tax profit attributable to equity holders of the Company for the fiscal year determined in accordance with PRC accounting rules and regulations. When the accumulated allocations to the statutory common reserve reach 50% of the registered capital of the Company, it will no longer be required to make allowances for allocation to the statutory common reserve.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, May 14, 2026 to Tuesday, May 19, 2026 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify to attend the annual general meeting and to vote at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, May 13, 2026.

The register of members of the Company will also be closed from Saturday, May 23, 2026 to Thursday, May 28, 2026 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify to receive the Final Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, May 22, 2026.

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

During the year ended December 31, 2025, 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 December 31, 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

## **AUDIT COMMITTEE**

The primary responsibilities of the audit committee of the Company are to inspect, review and supervise financial information and reporting process for financial information of the Company. The audit committee has reviewed the consolidated annual results of the Group for the year ended December 31, 2025.

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in this results announcement have been agreed by the Company's independent auditor, Ernst & Young, based on the amounts set out in the Group's consolidated financial statements for the year.

The work performed by Ernst & Young in this announcement did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this results announcement.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (THE "CG CODE") SET OUT IN APPENDIX C1 TO THE LISTING RULES**

The Company has adopted all code provisions of the CG Code as the code of corporate governance of the Company. The Company had complied with the code provisions as set out in the CG Code during the year ended December 31, 2025, save for the deviations from the code provision C.2.1 under Section II of the CG 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 THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”) SET OUT IN APPENDIX C3 TO THE LISTING RULES**

The Board has adopted the Model Code as the code of practice for directors and supervisors in respect of their trading in the listed securities of the Company. After making specific enquiries with the directors and supervisors, all of them confirmed that they had complied with the requirements for securities trading of directors and supervisors set out in the Model Code during the year ended December 31, 2025.

### **DISCLOSURE OF INFORMATION**

This announcement is published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.nongfuspring.com>), and the 2025 annual report of the Company will be dispatched to the shareholders of the Company (if requested) in due course and published on the aforementioned websites.

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

Hangzhou, PRC, March 24, 2026

*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 a non-executive director; Mr. Yang, Lei Bob, Mr. Lu Yuan and Mr. Gu Zhaoyang as independent non-executive directors.*