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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 2026 INTERIM RESULTS

HIGHLIGHTS OF 2026 INTERIM RESULTS

- Total revenue was RMB29,718 million, representing a year-on-year increase of 16.0%;
- Profit attributable to the owners of the parent was approximately RMB8,887 million, representing a year-on-year increase of 16.6%;
- Basic earnings per share were RMB0.790, representing a year-on-year increase of 16.7%.

The board of directors (the "**Board**") of Nongfu Spring Co., Ltd. (the "**Company**" or "**Nongfu Spring**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the "**Group**" or "**we**") for the six months ended June 30, 2026 (the "**Reporting Period**") prepared in accordance with the International Financial Reporting Standards (the "**IFRSs**") (the "**Results Announcement**"), together with the comparative figures for the corresponding period of 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended June 30, 2026

	Notes	**2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
REVENUE	*4*	**29,718,100**	25,622,201
Cost of sales		**(11,619,525)**	(10,165,771)
Gross profit		**18,098,575**	15,456,430
Other income and gains		**856,954**	807,547
Selling and distribution expenses		**(5,843,355)**	(5,010,696)
Administrative expenses		**(1,124,979)**	(1,067,728)
Other expenses		**(221,547)**	(127,414)
Finance costs		**(28,587)**	(24,563)
PROFIT BEFORE TAX	*5*	**11,737,061**	10,033,576
Income tax expense	*6*	**(2,850,215)**	(2,411,494)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**8,886,846**	7,622,082
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
For profit for the period	*8*	**RMB0.790**	RMB0.677

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2026

	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**8,886,846**	7,622,082
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**283**	(319)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**283**	(319)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**283**	(319)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	**8,887,129**	7,621,763

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	Notes	**June 30, 2026** *RMB'000* **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**27,214,880**	24,719,336
Right-of-use assets		**1,316,960**	1,262,195
Intangible assets		**72,471**	80,894
Deferred tax assets		**1,654,679**	1,346,932
Long-term bank deposits		**5,425,783**	11,087,643
Pledged deposits		**20,000**	20,000
Other non-current assets		**119,518**	88,574
Total non-current assets		**35,824,291**	38,605,574
CURRENT ASSETS			
Inventories		**6,214,455**	5,846,475
Trade and bills receivables	*9*	**900,671**	598,151
Prepayments, other receivables and other assets		**1,434,383**	1,377,874
Restricted cash		**8,087**	8,126
Cash and bank balances		**21,080,386**	11,177,574
Financial assets at fair value through profit or loss ("**FVTPL**")		**11,110,467**	7,555,354
Total current assets		**40,748,449**	26,563,554
CURRENT LIABILITIES			
Trade and bills payables	*10*	**2,076,471**	1,654,233
Other payables and accruals		**25,672,142**	11,961,882
Contract liabilities		**3,439,200**	4,194,560
Interest-bearing borrowings		**5,185,500**	4,390,000
Lease liabilities		**67,733**	61,838
Tax payables		**2,087,102**	2,560,299
Total current liabilities		**38,528,148**	24,822,812
NET CURRENT ASSETS		**2,220,301**	1,740,742
TOTAL ASSETS LESS CURRENT LIABILITIES		**38,044,592**	40,346,316

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at June 30, 2026

	June 30, 2026 *RMB'000* **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
NON-CURRENT LIABILITIES		
Deferred income	**384,395**	359,322
Deferred tax liabilities	**474,172**	476,153
Lease liabilities	**20,050**	40,861
Total non-current liabilities	**878,617**	876,336
NET ASSETS	**37,165,975**	39,469,980
EQUITY		
Equity attributable to owners of the parent		
Share capital	**1,124,647**	1,124,647
Reserves	**36,041,328**	38,345,333
Total equity	**37,165,975**	39,469,980

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2025.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

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

(a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments 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. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(b) Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to IFRS Accounting Standards – Volume 11* set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

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

– the water products segment engages in manufacturing and sale of packaged drinking water and edible ice;

– the ready-to-drink tea products segment engages in manufacturing and sale of ready-to-drink tea beverages;

– the functional drinks products segment engages in manufacturing and sale of functional beverages;

– the juice beverage products segment engages in manufacturing and sale of juice beverage products; and

– the other products segment engages in manufacturing and sale of agricultural products and other beverages.

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

Six months ended June 30, 2026	**Water products** *RMB'000* **(Unaudited)**	**Ready-to-drink tea products** *RMB'000* **(Unaudited)**	**Functional drinks products** *RMB'000* **(Unaudited)**	**Juice beverage products** *RMB'000* **(Unaudited)**	**Other products** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Segment revenue *(note 4)*						
Sales to external customers	**9,640,815**	**13,122,460**	**3,348,468**	**2,922,490**	**683,867**	**29,718,100**
Segment results	**3,256,815**	**6,406,097**	**1,496,723**	**1,054,020**	**209,721**	**12,423,376**
Reconciliation:						
Interest income						**282,951**
Other unallocated income and gains						**574,003**
Corporate and other unallocated expenses						**(1,514,682)**
Finance costs						**(28,587)**
Profit before tax						**11,737,061**
Other segment information						
Depreciation and amortization	**471,270**	**633,901**	**172,042**	**172,772**	**43,144**	**1,493,129**

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

Geographical information

Over 99% of the Group's revenue and operating profits are derived from customers based in the Chinese mainland. Over 97% of the Group's non-current asset excludes deferred tax assets and intangible assets were in the 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 the six-month periods ended June 30, 2026 and 2025.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sales of goods	**29,718,100**	25,622,201

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

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

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

5. PROFIT BEFORE TAX

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

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold*	**11,619,525**	10,165,771
Depreciation of property, plant and equipment	**1,758,649**	1,555,401
Depreciation of right-of-use assets	**77,704**	63,665
Amortisation of intangible assets**	**10,399**	6,207
Loss on disposal of items of property, plant and equipment	**4,304**	9,507
Employee benefit expenses (including directors' and chief executive's remuneration):		
Wages and salaries	**2,068,986**	1,827,548
Pension scheme contributions, social welfare and other welfare***	**450,133**	334,106
Equity-settled share-based payment expense	**37,578**	25,417
Research and development costs****	**144,006**	118,673
Expenses relating to short-term leases, variable leases and leases of low-value assets	**80,963**	96,565
Impairment of inventories	**8,951**	–
Impairment of trade receivables	**20,773**	16,197
Impairment of financial assets included in prepayments, other receivables and other assets	**81**	3,919
Fair value gains on financial assets at FVTPL	**(55,037)**	(21,046)
Gains on disposal of financial assets at FVTPL	**(72,964)**	(29,751)

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

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

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

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

6. INCOME TAX

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current		
Charge for the period	**3,129,391**	2,644,267
Under-provision in prior periods	**30,552**	3,663
Deferred	**(309,728)**	(236,436)
Total	**2,850,215**	2,411,494

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 preferential income tax policies set out below.

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

In addition, pursuant to the Notice on Several Policy Measures to Promote the Construction of China-ASEAN Industrial Cooperation Zones (Gui Zheng Fa [2023] No. 68), newly established enterprises that align with the key industries of the Guangxi Pilot Free Trade Zone 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 are entitled to an income tax rate of 9% for the reporting periods. 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 subsidiaries established in Xizang are entitled to an income tax rate of 9% for the period ended June 30, 2026.

The Group's certain PRC subsidiary is accredited as "High and New Technology Enterprise" and is therefore entitled to a preferential income tax rate of 15% for the reporting periods. Such qualification is 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 reporting periods on the estimated assessable profits arising in Hong Kong.

Singapore corporate income tax

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

Malaysia corporate income tax

The statutory corporate income tax rate in Malaysia was 24% for the reporting periods, based on the estimated chargeable income arising in Malaysia.

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 reporting periods. 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 for the reporting periods.

7. DIVIDENDS

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Dividends declared by the Company	**11,134,002**	8,547,314

On May 19, 2026, the Company's shareholders approved 2025 final dividend of RMB0.99 for every share of the Company's 11,246,466,400 ordinary shares, in an aggregate amount of RMB11,134,002,000, which was included in "other payables and accruals". Except for dividend attributable to the shares held by the trustee in relation to employee share incentive scheme that would be paid no earlier than the unlocking date, the rest of the dividend was paid in August 2026.

On May 20, 2025, the Company's shareholders approved 2024 final dividend of RMB0.76 for every share of the Company's 11,246,466,400 ordinary shares, in an aggregate amount of RMB8,547,314,000, which was included in "other payables and accruals". The dividend was paid in August 2025.

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

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 11,239,398,308 (June 30, 2025: 11,246,218,693), which has taken into account the effect of the shares granted to employees for the purpose of Employee Share Incentive Scheme.

The impact of shares granted to employees in relation to employee share incentive scheme was included in the computation of dilutive earnings per share for the period ended June 30, 2026 and 2025. A calculation was done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the period) based on the monetary value of the subscription rights.

9. TRADE AND BILLS RECEIVABLES

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

	June 30, 2026 *RMB'000* **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
Within 90 days	**801,179**	543,190
91 to 180 days	**85,473**	46,705
181 days to 1 year	**14,019**	8,256
Total	**900,671**	598,151

10. TRADE AND BILLS PAYABLES

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

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

	June 30, 2026 *RMB'000* **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
Within 90 days	**1,991,766**	1,533,827
91 to 180 days	**40,890**	68,185
181 days to 1 year	**26,818**	27,107
Over 1 year	**16,997**	25,114
Total	**2,076,471**	1,654,233

11. EVENTS AFTER THE REPORTING PERIODS

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2026. The interim condensed consolidated financial information is unaudited, but has been reviewed by the audit committee of the Board (the "**Audit Committee**") and Ernst & Young, the independent auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

ECONOMIC ENVIRONMENT

In the first half of 2026, the international situation was complex and volatile. Global economic growth generally slowed along with sluggish expansion in world trade, while inflationary pressures rose markedly in most countries. Amid a complex external environment, the Chinese economy has withstood pressure and maintained a generally stable, innovation-driven and quality-oriented trajectory of development, demonstrating strong resilience and vitality. According to data from the National Bureau of Statistics, China's gross domestic product (GDP) reached RMB69.6 trillion in the first half of 2026, representing a year-over-year increase of 4.7%; the GDP increment hit RMB3.6 trillion, a record high for the same period in the past five years. In the first half of this year, total retail sales of consumer goods stood at nearly RMB25 trillion, rising 1.3% year-on-year.

Against the backdrop of a complex and ever-changing macro environment and continuously upgrading consumer demand, the competitive landscape of China's beverage industry has been characterized by leading players staying ahead and new entrants making breakthroughs, with both the vitality of the sector and the intensity of competition increasing. Meanwhile, sub-categories have further differentiated at an accelerated pace, and the trends toward health, functionality and diversification have become increasingly pronounced. Consumers were more concerned about beverage ingredient transparency and clean labels, driving the market towards cleaner formulations with fewer additives and more functionalities. Sectors such as sugar-free tea and functional beverages maintained robust growth momentum.

In parallel, the food safety regulatory system has been continuously improved, marking new progress in the standardized development of the industry. The Measures for the Supervision and Administration of Entrusted Food Production and the newly-revised Measures for the Administration of Food Recalls were issued and will officially take effect on December 1, 2026. The two regulatory measures generated synergistic effects by clarifying the rights and obligations of all production-related parties across the whole chain from production sources to risk disposal, and driving the transformation of food safety supervision from ex-post accountability to proactive prevention and in-process control. In May 2026, the Provisions on the Supervision and Administration of the Implementation of Primary Responsibility for Food Safety by Online Food Sales Operators officially came into force. It established management principles covering food-safety risk prevention for online sales, bottom-line compliance, integrated supervision and collaborative governance, and consolidated the primary responsibilities of online food sellers. Against the backdrop of increasingly refined and transparent supervision, enterprises with forward-looking compliance arrangements, solid R&D capabilities and precise supply-chain control will demonstrate more prominent compliance advantages and market competitiveness.

BUSINESS REVIEW

In the first half of 2026, the Group recorded a revenue of RMB29,718 million, representing an increase of 16.0% as compared with the corresponding period of last year, of which the revenue from packaged drinking water products increased by 2.1% as compared with the same period of last year, accounting for 32.4% of the total revenue. The revenue from beverage products increased by 24.1% as compared with the same period of last year, accounting for 67.1% of the total revenue. The following table sets forth a breakdown of the Group's revenue from each product category and their percentage of total revenue for the periods indicated:

	Six Months Ended June 30,					
	2026		2025		Change	
Product Category	**Revenue** *(RMB million)*	**Percentage of total revenue**	Revenue *(RMB million)*	Percentage of total revenue	Revenue *(RMB million)*	Percentage of total revenue
Packaged drinking water products	**9,641**	**32.4%**	9,443	36.9%	198	2.1%
Tea beverage products	**13,122**	**44.2%**	10,089	39.4%	3,033	30.1%
Functional beverage products	**3,348**	**11.3%**	2,898	11.3%	450	15.5%
Juice beverage products	**2,922**	**9.8%**	2,564	10.0%	358	14.0%
Other products *(Note)*	**684**	**2.3%**	629	2.4%	55	8.7%
Total	**29,718**	**100.0%**	25,622	100.0%	4,096	16.0%

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.

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

The 30th Anniversary of the Company's Founding: Steadier, Slower and Further

"Distance tests the endurance of a horse and time reveals the heart of a person". In 2026, Nongfu Spring reached an important milestone of the 30th anniversary since its founding. Since 1996, the Group has consistently adhered to its product philosophy of "natural and healthy". With extraordinary strategic focus, it has for three decades consistently upheld its reverence for nature, its ultimate pursuit of product innovation, and its respect for consumers. This has not only safeguarded the long-term stable development of the Group's business, but also earned the trust and confidence of hundreds of millions of consumers.

Nongfu Spring has always followed the principle of building production bases at water sources and bottling at the sources. It has carefully deployed 17 premium natural water sources across the country, including Qiandao Lake in Zhejiang, Wanlv Lake in Guangdong, Danjiangkou in Hubei, Manas in Tianshan, Xinjiang, Mount Emei in Sichuan, Mount Taibai in Shaanxi, Changbai Mountain in Jilin, Wuling Mountains in Guizhou, the Greater Khingan Mountains in Heilongjiang, Wuyishan in Fujian, Damingshan in Guangxi, Huangshan in Anhui, Badagong Mountain in Zhangjiajie, Hunan, Longmen Mountain in Sichuan, Nyainqêntanglha Mountains in Xizang, Jiaozi Snow Mountain in Yunnan and Leiqiong Haikou Volcanic Cluster in Hainan Province. These water sources encompass diverse and unique geological formations, including deep volcanic rock cold springs, alpine glacier snowmelt water, deep lake water and underground natural springs. The source of water determines its quality, and every drop of Nongfu Spring has a source. The Group's ultimate commitment to premium natural water sources has built irreplicable physical and quality barriers in the industry and reinforced the brand's health foundation.

Building on its continuously strengthened water source advantages, the Group has gained deep insight into consumers' segmented needs across different scenarios. Taking daily drinking for the general public as its solid cornerstone, it has further targeted diverse specific uses such as babies, tea brewing, meetings, dining and outdoor sports, and created a strategic product matrix layout in the packaged drinking water sector with the richest categories and the broadest applications. With strong R&D capabilities and professional expertise, the packaged drinking water business has formed dual drivers with the diversified innovation of its beverage business.

The Group has always adhered to the philosophy that "making products has always been about giving consumers one more choice, rather than adding one more brand to the shelf". With a highly forward-looking R&D vision and category deployment capabilities, it has led the direction of industry development. Beverage products represented by sugar-free tea under "East Leaf (東方樹葉)" are well aligned with consumers' growing demand for natural and healthy beverages and have maintained favorable growth momentum over the long term. Moreover, the limited-time return campaign for classic products specially planned by the Group on the occasion of its 30th anniversary was a perfect practice of resonating with consumers through nostalgia by combining the Group's long-accumulated forward-looking R&D achievements with consumer co-creation. The campaign invited consumers to vote online, and within 15 days received over 3 million votes and more than 20,000 comments, sparking extensive discussion across the internet. Based on the voting results and consumer feedback, the following classic products made a successful return: "Nongfu Orchard (農夫果園)" Tomato Mixed Fruit and Vegetable Juice Drink, China's first high-concentration mixed fruit and vegetable juice launched in 2004; "Water Grape (水葡萄)" Fruit-flavored Water Beverage launched in 2016; "Sparkling Tea Drink (汽茶)" Wampee Jasmine Flavor Drink, a crossover combination of tea, fruit and carbonation launched in 2022; and the red "Scream (尖叫)" Botanical Ginseng Flavor Drink launched in 2003. The enduring popularity and return of these products spanning different categories profoundly validated the Group's forward-looking judgment across cycles.

In addition, the Group launched a nationwide "Open Cap, Win Prize (開蓋贏獎)" campaign across its beverage products to share the joy of its 30th anniversary with the public and reward consumers. By expanding the campaign coverage, extending the campaign period and enriching the interactive mechanisms, the Group further strengthened the interaction and connection between the brand and consumers. While effectively enhancing brand vitality, this also demonstrated the Group's marketing capabilities in multi-category coordinated development.

The 30th anniversary is an important milestone and also a new starting point. Looking ahead, the Group will continue to forge ahead with innovation, "steadier, slower and further (穩一點、慢一點、遠一點)".

Packaged drinking water products

During the Reporting Period, the Group continued to expand its water sources and, while consolidating its market leadership, remained committed to fulfilling social responsibilities. The packaged drinking water business recorded revenue of RMB9,641 million, representing an increase of 2.1% compared to the same period of last year, accounting for 32.4% of total revenue.

In the first half of 2026, Nongfu Spring continued to expand its water sources and strengthen brand building. In terms of water sources, we added two new water sources, namely Jiaozi Snow Mountain in Yunnan Province and Leiqiong Haikou Volcanic Cluster in Hainan Province, bringing the total number of our major water sources across the country to seventeen. In terms of brand promotion, we kept rolling out water-source exploration campaign themed "the deeper the mountains, the better the water quality" (越往山裏去，水質就越好). World-champion athletes, industry experts, employees and their family members were invited to visit the water sources in person to experience the natural ecology at the water sources and the advanced modern production technologies at manufacturing plants. Omnichannel promotion was concurrently carried out via mainstream media and influencer networks, continuously deepening consumers' trust in and support for the Nongfu Spring brand.

In spring 2026, the Group launched a comprehensive promotional campaign centred around the premium water source in Nyingchi, Xizang. Starting from March, the Group initiated a free water distribution campaign along National Highway G318, precisely reaching long-distance travel scenarios in the high-altitude region and providing services to approximately 5,000 self-driving travelers in total. Through sincere services and word-of-mouth communication, the Group enhanced brand reputation while actively practising its corporate public welfare commitments. In April, the Group collaborated with its brand ambassador, world swimming champion Pan Zhanle to release the advertisement "Water Source: Nyingchi Edition", establishing an omnichannel marketing matrix covering authoritative media, mainstream social media platforms and key offline hubs, vividly interpreting the brand philosophy that "every drop of Nongfu Spring has its source"(每一滴農夫山泉都有源頭), deepening consumers' recognition of and trust in the health value of natural drinking water.

For the 2026 Lunar New Year, we continued to launch the commemorative glass-bottled mineral water featuring the zodiac signs, with the theme of "Horse", and rolled out an animated advertisement themed Steadier, Slower and Further (穩一點、慢一點、遠一點) to celebrate the New Year of the Horse, which not only conveyed our New Year's blessings to consumers nationwide but also reflected the brand's long-term philosophy of "forging ahead steadily toward long-term success". Alongside online communication, multi-dimensional offline advertising placements were executed in core scenarios including subways, high-speed railway stations and office buildings across main cities nationwide, effectively boosting our brand awareness and market reach.

The Group has always been committed to fulfilling its social responsibilities and has continuously improved its emergency disaster relief mechanism. In the first half of 2026, in response to natural disasters such as floods and torrential rains in certain regions, Nongfu Spring's front-line teams and local distributors responded swiftly, promptly allocated and delivered drinking water and other supplies to affected areas, and made every effort to assist in the resettlement of affected residents.

In July 2026, Hengzhou, Guangxi experienced sustained heavy rainfall and a reservoir dam breach emergency. The Group immediately activated a special emergency relief mechanism: it fully opened all drinking water inventory in the Nanning region with no upper limit on allocation, and coordinated its employees and distributors across various regions to deliver drinking water and related supplies to the front line of disaster relief. At the same time, the Group opened its newly completed Hengzhou jasmine production facility as a temporary shelter, providing affected residents with necessary daily necessities. In addition to the continuous supply of emergency drinking water and related supplies, the Group also donated RMB10 million, specifically earmarked for post-disaster home reconstruction and agricultural production recovery in the disaster-stricken areas of Guangxi.

From emergency water supply and opening its facilities to supporting post-disaster reconstruction, the Group aims to fully leverage its advantages in supply chain, production bases and channel network to provide timely support when society needs it. Going forward, the Group will continue to uphold its public welfare philosophy of green development and gratitude, integrate social responsibility into its long-term corporate development, and give back to society through concrete actions.

Tea beverage products

In the first half of 2026, the Group's tea beverage business continued to advance its multi-variant, multi-pack product matrix and health-oriented formula upgrades, actively responding to consumers' diversified and health-conscious drinking needs, further consolidating its leading position in the ready-to-drink tea market. During the Reporting Period, revenue of RMB13,122 million was recorded, representing an increase of 30.1% compared to the same period of last year, accounting for 44.2% of the total revenue.

During the Reporting Period, "East Leaf (東方樹葉)" continued to enrich its product matrix and penetrate various consumption scenarios. The white tea product launched new 335ml and 900ml pack size, further improving the product line-up layout and providing consumers with more diverse and flexible beverage choices. Through diversified specification innovation and festive marketing synergy, the brand has further deepened its multi-scenario connection with consumers, continuing to lead the healthy development of the sugar-free tea industry.

In April, the spring limited-edition product "Longjing Spring Tea (龍井新茶)" from "East Leaf (東方樹葉)" was launched on schedule for the fifth consecutive year. The product continued to use 100% current-year pre-Qingming super-grade Longjing tea leaves, and through stable raw material standards and product quality, further deepened consumers' recognition of "East Leaf (東方樹葉)" as a high-quality tea beverage.

During the Reporting Period, the Group further expanded the innovation boundaries of its tea beverage products, launched the first low-temperature tea product "Cold Extracted Longjing (冷萃龍井)" under the "East Leaf (東方樹葉)" brand, and rolled it out at Sam's Club on April 25. Drawing on the Group's years of sustained presence in Longjing tea raw material production areas, the product carefully selected spring Longjing tea leaves from geographical indication production areas and adopted a low-temperature cold extraction process to better preserve the fresh, brisk taste and delicate aroma characteristic of spring tea. Meanwhile, through end-to-end cold-chain distribution and sales, the impact of temperature fluctuations on the product's flavor and color was minimized, presenting the bright, tender-green liquor color and the fresh, delicate aroma and flavor characteristic of Longjing tea. After its launch, the product received a positive market response. For several consecutive months, it ranked among the top of Sam's Club's bestseller and new product recommendation lists in the water and beverage category, and consistently held the No. 1 position on Sam's Club's sugar-free beverage bestseller list, further enriching the product matrix of "East Leaf (東方樹葉)" and reflecting the Group's comprehensive product capabilities spanning premium industrial raw materials, process innovation and supply chain assurance.

During the Reporting Period, the Company continued to drive the innovation and upgrade of the "Tea π (茶π)" series. In terms of product research and development, all products in the series achieved a sugar reduction of more than 25%, giving greater prominence to the tea taste and delivering a lighter and less burdensome drinking experience. While optimising flavours, the Company actively advanced healthier formulations. In terms of product image, the Company refreshed and upgraded the packaging labels, enhancing the visual recognisability of the flavours while preserving the classic illustration style.

Functional beverage products

During the Reporting Period, the Group's functional beverage business achieved structural optimisation of its business segment and enhanced its presence across diversified scenarios through category innovation and upgrades to existing products. The business recorded revenue of RMB3,348 million during the Reporting Period, representing an increase of 15.5% as compared with the same period of last year, accounting for 11.3% of the total revenue.

During the Reporting Period, in response to consumers' growing demand for health-oriented and functional beverages, the Group further enriched its product matrix and launched the new "Nongfu Spring" electrolyte beverage series. The new product offers two flavors, lemon and grapefruit, and is available in two packaging sizes, 550ml and 950ml. Each bottle contains over 350 mg and 600 mg of electrolytes, respectively, and is also fortified with nutrients including niacin and vitamin B_6, providing more beverage options for sports, outdoor activities and daily perspiration scenarios. In terms of product development, the new product was developed under the "low-sugar and light-burden" R&D philosophy, ensuring premium taste while aligning with consumers' growing focus on sugar control and health. Following the product launch, the Group continued to carry out consumer communication around the theme of "Drink Electrolytes, Replenish Electrolytes (喝電解質，補電解質)". In conjunction with the 2026 FIFA World Cup, the Group placed advertisements on authoritative media platforms such as China Central Television (CCTV), and through multiple offline scenarios including sports venues and campus activities, focused on reaching sports enthusiasts and young consumers, continuously enhancing the new product's market awareness and channel coverage.

Juice beverage products

During the Reporting Period, the Group's juice beverage business effectively addressed diversified market demands and the pursuit of clean labels and precision nutrition through multi-specification product matrix and high-quality products, recording a revenue of RMB2,922 million, representing an increase of 14.0% as compared with the same period of last year, accounting for 9.8% of the total revenue.

In the first half of 2026, the Group's juice beverage business focused on naturalness and scenario-based extension, with multiple brands working together to drive growth. In the premium pure juice, "17.5°" and "NFC" juices continued to leverage the supply chain advantage in direct source extraction, while precisely penetrating diverse home consumption scenarios through the expansion of family-size specifications. In terms of mass-market juice and fruit and vegetable juice, the "Water Soluble C100 (水溶C100)" series continued to strengthen consumers' awareness of vitamin C supplementation, while "Farmer's Orchard (農夫果園)" launched the upgrade and return of its classic 100% tomato mixed juice beverage product.

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 RMB684 million, representing an increase of 8.7% compared with the same period of last year, accounting for 2.3% of the total revenue.

In the first half of 2026, the Group continued to focus on deepening its efforts in health-oriented and mass-market strategies. "TANBING (炭仌)" coffee continued to reinforce consumers' perception of premium quality by leveraging the Company's self-developed green coffee bean roasting facilities and low-temperature cold extraction technology. In terms of plant beverages, following the launch of "Birch Juice (樺樹汁)" beverage, the new "Lily and Ophiopogon Soup (百合麥冬湯)" herbal beverage was launched at Sam's Club in March 2026. The product draws on traditional classic formulations and the concept of "medicine and food sharing the same origin(藥食同源)", while adopting modern processing technologies to ensure product quality. Featuring innovative packaging inspired by traditional Chinese bamboo joint, the product integrates traditional dietary wellness concepts with modern aesthetics. While adhering to the Company's "natural and healthy (天然、健康)" brand philosophy, it further enriched the Group's sugar-free product portfolio. In terms of agricultural products, the Company, leveraging agricultural product bases in Jiangxi, Guangxi, Yunnan, and other regions, continued to develop the high-quality agricultural products industry chain including 17.5° fresh oranges, jasmine and tea leaves. The Company ensured source quality through standardised and contractual agricultural models, and actively practising rural revitalisation and social responsibility while securing the supply of high-quality raw materials for beverage products and providing consumers with high-quality fresh fruit products.

Outlook

Against the backdrop of a complex and ever-changing macro environment and continuously upgrading consumer demand, China's beverage industry remains in a state of ongoing transformation. As consumer health awareness continues to rise, consumption concepts such as natural, healthy and low-sugar have become increasingly prevalent. Beverage consumption scenarios and demands have become more diverse, and the trends toward health, functionality and diversification have become increasingly pronounced, bringing new space for continuous innovation and high-quality development of the industry.

Looking ahead, the Group will continue to adhere to its long-term development philosophy and its product philosophy of "natural and healthy (天然、健康)". Leveraged on the resource advantages of its 17 premium water sources across China, the Group will continue to strengthen product innovation, supply chain development and channel capabilities, continuously improve its entire industry chain layout, and satisfy consumers' evolving needs with richer and higher-quality products.

Over the past three decades, the market has continued to change and consumer needs have continued to evolve, yet the pursuit of good products has remained unchanged. The Group will continue to take a long-term perspective, focus on products and serve consumers, steadily accumulate dependable capabilities in a changing market, create long-term value for consumers, and drive the Company toward stable and sustainable development.

FINANCIAL REVIEW

Revenue and Gross Profit

During the Reporting Period, the Group recorded a revenue of RMB29,718 million, representing an increase of 16.0% as compared with RMB25,622 million in the first half of last year; gross profit was RMB18,099 million, representing an increase of 17.1% as compared with RMB15,456 million in the first half of last year. During the Reporting Period, the Group's gross profit margin was 60.9%, representing an increase of 0.6 percentage points as compared with 60.3% for the same period of last year. The key influencing factors were: changes in product category structure; a decline in the procurement prices of raw materials such as juice and sugar compared with the same period of last year; but at the same time, an increase in the procurement price of PET raw materials.

Selling and Distribution Expenses

During the Reporting Period, the selling and distribution expenses of the Group amounted to RMB5,843 million, representing an increase of 16.6% as compared with RMB5,011 million in the first half of last year. Selling and distribution expenses accounted for 19.7% of the total revenue, remaining generally flat to 19.6% in the first half of last year. Although advertising and promotion expenses increased compared to the corresponding period of last year, the logistics cost declined due to the change of segment sales structure during the Reporting Period.

Administrative Expenses

During the Reporting Period, the administrative expenses of the Group amounted to RMB1,125 million, representing an increase of 5.3% as compared with RMB1,068 million in the first half of last year. Administrative expenses accounted for 3.8% of the total revenue, representing a decrease of 0.4 percentage points as compared with 4.2% in the first half of last year, which was mainly due to the increase in income.

Other Income and Gains

During the Reporting Period, other income and gains of the Group amounted to RMB857 million, representing an increase of 6.1% as compared with RMB808 million in the first half of last year, and accounting for 2.9% of the total revenue, which was mainly due to the increase in investment gains from wealth management compared with the same period.

Other Expenses

During the Reporting Period, other expenses of the Group amounted to RMB222 million, representing an increase of 74.8% as compared with RMB127 million in the first half of last year, and accounting for 0.7% of the total revenue, which mainly was the exchange losses of RMB180 million. As of June 30, 2026, the Group held HK$1,115 million, US$617 million and a small amount of other foreign currencies, which slightly decreased as compared with HK$1,647 million, US$606 million and a small amount of other foreign currencies held on December 31, 2025.

Finance Costs

During the Reporting Period, the finance costs of the Group amounted to RMB29 million, representing a slight increase as compared to RMB25 million in the same period of last year.

Profit for the Period

As a result of the aforementioned changes, the profit of the Group during the Reporting Period increased by 16.6% from RMB7,622 million in the first half of last year to RMB8,887 million.

Dividends

The distribution of a final cash dividend of RMB0.99 per share (tax inclusive, totaling approximately RMB11,134 million) for the year ended December 31, 2025 was approved at the 2025 annual general meeting of the Company on May 19, 2026, which was distributed on August 19, 2026 to shareholders whose names appear on the register of members of the Company on Saturday, May 23, 2026.

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

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

As of June 30, 2026, the sum of long-term bank deposits, restricted cash, pledged deposits, cash, and bank balances of the Group amounted to RMB26,534 million, representing an increase of 19.0% as compared with RMB22,293 million as of December 31, 2025. The total credit facility of the Group was RMB22,033 million and interest-bearing borrowings amounted to RMB5,186 million as of June 30, 2026, representing an increase of 18.1% as compared with RMB4,390 million as of December 31, 2025, with due repayment of a total amount of RMB9,845 million as of June 30, 2026. All of the borrowings are denominated in RMB. Among the total borrowings as of June 30, 2026, 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

Inventories of the Group increased from RMB5,846 million as at December 31, 2025 to RMB6,214 million as at June 30, 2026. Inventory turnover days decreased from 95.5 days as at December 31, 2025 to 94.7 days as at June 30, 2026.

Trade and Bills Receivables

Trade and bills receivables of the Group increased from RMB598 million as of December 31,2025 to RMB901 million as of June 30, 2026. The turnover days of trade and bills receivables increased from 4.1 days in 2025 to 4.5 days in the first half of 2026.

Trade and Bills Payables

Trade and bills payables of the Group increased from RMB1,654 million as of December 31,2025 to RMB2,076 million as of June 30, 2026. The turnover days of trade and bills payables increased from 27.7 days in 2025 to 29.3 days in the first half of 2026.

Gearing Ratio

As at June 30, 2026, the gearing ratio of the Group (equaling (interest-bearing borrowings+ lease liabilities)/equity) was 14.2% (during the Reporting Period, the Group has no minority equity), representing an increase as compared with the gearing ratio of the Group as at December 31, 2025 being 11.4%, mainly due to our increased use of bills receivable financing.

Treasury Policy

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

MATERIAL EVENTS AFTER THE REPORTING PERIOD

There have been no material events of the Group from June 30, 2026 until the date of this announcement.

FOREIGN EXCHANGE RISK

As of June 30, 2026, the Group held HK$1,115 million, US$617 million and a small amount of other foreign currencies. The Group will closely monitor our foreign exchange risks and will utilize appropriate financial instruments for hedging purposes when necessary to help reduce foreign exchange risks.

CONTINGENT LIABILITIES

As of June 30, 2026, the Group did not have any significant contingent liabilities.

CAPITAL COMMITMENTS

Capital commitments of the Group amounted to approximately RMB3,970 million as at June 30, 2026, mainly used for construction of production plants and purchase of production equipment.

PLEDGE OF ASSETS

As at June 30, 2026, no assets of the Group were pledged by the Group.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

As of June 30, 2026 and the date of this announcement, the Group did not have any significant investments held, or any material acquisition or disposal of any relevant subsidiaries, associates and joint ventures.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at the date of this announcement, save for the events disclosed in the (i) "Future Plans and Use of Proceeds" section of the prospectus issued by the Company on August 25, 2020 (the "**Prospectus**") and (ii) "Proposed Changes to the Use of Proceeds from the Listing and Extension of Utilization Period" as disclosed in the announcement of the Company dated March 24, 2026 and the circular of the Company dated April 17, 2026, the Group did not have any existing plan for acquiring other material investments or capital assets.

HUMAN RESOURCES AND EMOLUMENT POLICY

As at June 30, 2026, the total number of employees of the Group (including the Company and its subsidiaries) exceeded 30,000. During the Reporting Period, the total employee benefit expenses (including directors' remuneration) amounted to RMB2,557 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 is 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 in line 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 purchase the incentive shares with their own funds, and the grant price to be determined by the Board based on 30% of the average closing price of the H Shares in the 120 Hong Kong trading days immediately prior to the grant date. Apart from the payment of the grant price, employees are not required to pay any additional amount to acquire the incentive shares. The Board, as the executive body and pursuant to the authorization of the shareholders' general meeting, is responsible for the implementation and management of the employee share incentive scheme, including but not limited to, determining at its discretion the appropriate grant conditions, payment terms for the grant price, vesting conditions, and vesting schedule arrangements, so as to achieve the purpose of long-term incentives. The employee share incentive scheme is valid for 10 years, and as of the date of this announcement, the remaining validity period of the employee share incentive scheme was about 6 years.

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 former 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 the grant of 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.

During the Reporting Period, 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.

Mr. Zhao Li (趙利), a scheme participant, passed away in 2025. 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 of 8,070,800 H Shares granted to the remaining 143 scheme participants mentioned above shall be subject to the performance assessment results of the individual scheme participants and the Company, and shall be vested according to the following timetable (for the avoidance of ambiguity, the "trading day" in the following table refers to the common trading day of the Hong Kong Stock Exchange, the Shanghai Stock Exchange and the Shenzhen Stock Exchange):

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

On April 30, 2026, among the incentive shares granted, 2,441,000 shares had satisfied the first-phase vesting conditions and vested to the corresponding scheme participants; 47,600 shares had completed accelerated vesting due to the death of the scheme participants; 233,232 shares failed to meet the vesting conditions and became forfeited shares; 88,400 shares became forfeited shares due to exit events such as resignation or demotion of the relevant employees.

Grant of Awards and Vesting Arrangement in 2026

In March 2026, pursuant to the employee share incentive scheme, the Company has made additional grants to 22 employees based on the incentive plan. The incentive shares granted in this batch correspond to 452,400 H shares of the Company, accounting for 0.0040% of the current total issued Shares of the Company. 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$14.71 per award share, which has been fully paid by each of the scheme participants before April 15, 2026. The 22 scheme participants of this grant exclude directors, supervisors and other connected persons of the Company. Subject to the performance assessment results of the individual scheme participants and the Company, the incentive shares granted will vest in two tranches, with 50% vesting on the last common trading day of the Hong Kong Stock Exchange, the Shanghai Stock Exchange, and the Shenzhen Stock Exchange in April 2027, and the remaining 50% vesting on the last common trading day of those exchanges in April 2028.

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 granted and vested award shares are set out below:

Name/Class of scheme participants	Date of grant *(note 1)*	Price of grant *(HK$)* *(note 1)*	Number of award shares granted *(shares)*	Vested date	Weighted average closing price prior to vesting date during the Reporting Period *(HK$)* *(note 2)*	Remaining vesting date	Number of awards shares unvested as at January 1, 2026 *(shares)*	Number of shares vested during the Reporting Period *(shares)*	Number of shares cancelled during the Reporting Period *(shares)* *(note 3)*	Number of awards shares unvested as at June 30, 2026 *(shares)*
Wu Limin (Director)	April 15, 2025	10.20	326,000	April 30, 2026	43.26	Last trading day in April 2027, last trading day in April 2028	326,000	0	108,667	217,333
Xiang Xiansong (Director)	April 15, 2025	10.20	181,600	April 30, 2026	43.26		181,600	60,600	0	121,000
Rao Minghong (Director)	April 15, 2025	10.20	181,600	April 30, 2026	43.26		181,600	60,600	0	121,000
Han Linyou (Director)	April 15, 2025	10.20	90,800	April 30, 2026	43.26		90,800	30,200	0	60,600
Wang Yuan (Former supervisor)	April 15, 2025	10.20	69,800	April 30, 2026	43.26		69,800	23,200	0	46,600
Jiang Xiaodong (Former supervisor)	April 15, 2025	10.20	59,200	April 30, 2026	43.26		59,200	17,800	1,973	39,427
Five individuals with highest emoluments during the Reporting Period *(note 4)*	April 15, 2025	10.20	717,000	April 30, 2026	43.26		717,000	130,200	108,667	478,133
Connected entity participants *(note 5)*	April 15, 2025	10.20	636,000	April 30, 2026	43.26		636,000	205,600	44,241	386,159
Other employee participants granted in 2025 in aggregate	April 15, 2025	10.20	6,433,800	April 30, 2026	43.26		6,386,200	1,996,600	166,751	4,222,849
Total			**8,118,400** *(note 6)*				**8,070,800** *(note 6)*	**2,441,000**	**321,632**	**5,308,168**
Other employee participants newly granted in 2026 in aggregate	March 31, 2026	14.71	452,400	–	–	Last trading day in April 2027, last trading day in April 2028	–	–	–	452,400
Total			**452,400**				**0**	**0**	**0**	**452,400**

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, 2025, 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. On March 31, 2026, the grant price for the new grants awarded in 2026 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$14.71 per award share, which has been fully paid by each of the scheme participants before April 15, 2026. The closing price of the shares on the day immediately preceding the date of grant of the award shares on March 31, 2025 (i.e. March 28, 2025) was HK$33.75 per share; and the closing price of the shares on the day immediately preceding the date of grant of the award shares on March 31, 2026 (i.e. March 30, 2026) was HK$45.20 per Share.

(2) The closing price of the Company's shares immediately prior to April 30, 2026, i.e. on April 29, 2026.

(3) Being the forfeit shares during the Reporting Period, which will be cancelled and disposed at the market price in the open market by the trustee under the instructions of the Company. The proceeds from the disposal of the forfeit shares, after repaying the self-owned capital contribution paid by the employees when subscribing for the granted shares, will be retained by the trustee and incorporated into the trust fund pool for further purchase of award shares during the implementation of the employee share incentive scheme in the future, or used for new grants. There were no awards lapsed during the Reporting Period.

(4) Including the director(s) or (former) supervisor(s) of the Company.

(5) Being 9 employees of Yangshengtang Group.

(6) The award shares held by the five individuals with highest emoluments during the Reporting Period include those held by the director(s)/(former) supervisor(s) of the Company. Since the award shares held by the director(s)/(former) supervisor(s) of the Company are also separately listed in this table, they are excluded from the aggregate total to prevent double-counting.

USE OF PROCEEDS FROM THE LISTING

From September 8, 2020 (the "**Listing Date**") to June 30, 2026, the Group has gradually utilized the proceeds from the initial public offering for the intended purposes set out in the Prospectus and as amended following the approval at the general meeting of the Company on May 19, 2026.

The sum of initial public offering proceeds from the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") and the net proceeds from the full exercise of the over-allotment option (after deducting underwriting fees and other related expenses) is approximately HK$9,377 million. As of June 30, 2026, the Group has utilized approximately HK$6,405 million of the proceeds, accounting for 68.3% of all raised funds, and the remaining unutilized proceeds are approximately HK$2,972 million. At the Company's general meeting held on May 19, 2026, the reallocation of net proceeds was approved by transferring the unutilized net proceeds of HK$726 million 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. For details, please refer to the Company's announcement dated March 24, 2026, the circular dated April 17, 2026 and the 2025 annual report. Pursuant to the prospectus and as approved by the general meeting of the Company on May 19, 2026, details of the use of net proceeds from the listing and the expected timetable are set out in the table below:

	Net proceeds from the listing available *(HK$ million)*	Actual net amount utilized up to June 30, 2026 *(HK$ million)*	Unutilized net amount up to June 30, 2026 *(HK$ million)*	Expected timeline for fully utilizing unutilized net amount *(note)*
Brand building	2,344	1,345	999	December 31, 2027
Purchasing sales equipment	2,344	371	1,973	December 31, 2027
Purchasing production facilities and building new factories	2,601 (note)	2,601	0	Fully utilized
Strengthening fundamental capabilities	212 (note)	212	0	Fully utilized
Repaying loans	938	938	0	Fully utilized
Working capital and other general corporate purposes	938	938	0	Fully utilized
Total	9,377	6,405	2,972	

Note: At the Company's general meeting held on May 19, 2026, the reallocation of net proceeds was approved by transferring the unutilized net proceeds of HK$726 million 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. For details, please refer to the Company's announcement dated March 24, 2026, the circular dated April 17, 2026 and the 2025 annual report.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, none of the Company and its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including the sale of treasury shares (as defined under the Listing Rules)). As at June 30, 2026, the Company did not hold any treasury shares (as defined under the Listing Rules).

AUDIT COMMITTEE

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

During the Reporting Period, following approval at the 2025 annual general meeting held on May 19, 2026, the Board of the Company held elections. At the Board meeting held immediately after the annual general meeting, the Board passed the resolution regarding the appointment of the members of each special committee of the Company effective from May 19, 2026 and ending on the date of expiry of the ninth session of the Board. The Audit Committee currently consists of three independent non-executive directors of the Company (Mr. Gu Zhaoyang, Ms. Wen Ming, and Mr. Wang Yingzhe), with Mr. Gu Zhaoyang serving as the convener of the Audit Committee. For details, please refer to the relevant content in the Company's announcement dated May 19, 2026.

The Audit Committee has reviewed the Group's unaudited condensed consolidated interim results for the six months ended June 30, 2026, and confirms that the applicable accounting principles, standards and requirements have been complied with, and adequate disclosures have been made. The interim results for the six months ended June 30, 2026 are unaudited, but have been reviewed by Ernst & Young, the independent auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

Pursuant to code provision C.2.1 under Section II of the Corporate Governance 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 maximizes effectiveness of its operation.

COMPLIANCE WITH CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") under Appendix C3 to the Listing Rules to work out the Regulations on Securities Transactions by Directors, Supervisors and Related Employees (following the cancellation of the supervisory committee approved on the general meeting in May 2026, the regulation was amended accordingly as the Regulations on Securities Transactions by Directors and Related Employees). All directors and (former) supervisors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the requirements for securities transactions of directors and supervisors set out in the Model Code during the Reporting Period.

DISCLOSURE OF INFORMATION

This announcement is published on the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (http://www.nongfuspring.com), and the interim report for the six months ended June 30, 2026 of the Company will be published on the aforementioned websites and dispatched to the shareholders of the Company who wish to receive a printed communication in due course.

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

Hong Kong, August 25, 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. Gu Zhaoyang, Ms. Wen Ming and Mr. Wang Yingzhe as independent non-executive directors.