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**Luzhou Xinglu Water (Group) Co., Ltd.\***

**瀘州市興瀘水務(集團)股份有限公司**

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

**(Stock code: 2281)**

**CONTINUING CONNECTED TRANSACTIONS  
– CONSTRUCTION SERVICE AGREEMENTS**

**INTRODUCTION**

**Lingang Investment Group Construction Service Agreement**

On 27 June 2022 (after trading hours), the Company entered into the Lingang Investment Group Construction Service Agreement with Lingang Investment Group, pursuant to which, the Company agreed to provide water supply pipelines installation services to Lingang Investment Group with a construction period of 60 calendar days in 2022.

**Luzhou Aviation Development Construction Service Agreement**

On 27 June 2022 (after trading hours), the Company entered into the Luzhou Aviation Development Construction Service Agreement with Luzhou Aviation Development, pursuant to which, the Company agreed to provide water supply pipelines installation services to Luzhou Aviation Development with a construction period of 120 calendar days in 2022.

**Lingang Industrial Development Construction Service Agreement**

On 27 June 2022 (after trading hours), the Company entered into Lingang Industrial Development Construction Service Agreement with Lingang Industrial Development, pursuant to which, the Company agreed to provide water supply pipelines installation services to Lingang Industrial Development with a construction period of 120 calendar days in 2022.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Lingang Investment Group is directly owned by Xinglu Investment, the Controlling Shareholder, as to approximately 66.03%. Accordingly, Lingang Investment Group is a connected person of the Company under the Listing Rules and the transactions contemplated under the Lingang Investment Group Construction Service Agreement constitute continuing connected transactions for the Company pursuant to the Chapter 14A of the Listing Rules.

As at the date of this announcement, Luzhou Aviation Development is directly owned by Xinglu Investment, the Controlling Shareholder, as to approximately 83.78%. Accordingly, Luzhou Aviation Development is a connected person of the Company under the Listing Rules and the transactions contemplated under the Luzhou Aviation Development Construction Service Agreement constitute continuing connected transactions for the Company pursuant to the Chapter 14A of the Listing Rules.

As at the date of this announcement, Lingang Industrial Development is wholly-owned by Lingang Investment Group, which is directly owned by Xinglu Investment, the Controlling Shareholder, as to approximately 66.03%. Accordingly, Lingang Industrial Development is a connected person of the Company under the Listing Rules and the transactions contemplated under the Lingang Industrial Development Construction Service Agreement constitute continuing connected transactions for the Company pursuant to the Chapter 14A of the Listing Rules.

Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, the transactions contemplated under the Construction Service Agreements are required to be aggregated with other transactions contemplated under the Previous Construction Service Agreements. As each of the applicable percentage ratio (other than the profits ratio) in respect of the transactions contemplated under the Construction Service Agreements and the Previous Construction Service Agreements, on an annual and aggregated basis, is more than 0.1% but less than 5%, the transactions thereunder are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement pursuant to Rule 14A.76(2) of the Listing Rules.

## **I. CONSTRUCTION SERVICE AGREEMENTS**

The Company entered into the Construction Service Agreements on 27 June 2022 (after trading hours) with Lingang Investment Group, Luzhou Aviation Development and Lingang Industrial Development, respectively.

## 1. Lingang Investment Group Construction Service Agreement

The main terms of the Lingang Investment Group Construction Service Agreement are set out below:

**Date:** 27 June 2022 (after trading hours)

**Parties:** (1) the Company; and  
(2) Lingang Investment Group

**Project:** The project under the Lingang Investment Group Construction Service Agreement is Water Supply Pipelines Installation Project of Port Building in Luzhou Lingang Industrial Logistics Park (瀘州臨港產業物流園區港口大廈給水管道安裝工程) which is located in Longmatan District of Luzhou City, the PRC.

**Scope of Construction Services:** The tap water pipelines installation services that the Company agreed to provide to Lingang Investment Group under the Lingang Investment Group Construction Service Agreement include:

- (1) the installation of water pipelines from the municipal water transporting and distributing principal pipelines (市政輸配水管) to the pipelines before the commercials balances meters (貿易結算水錶); and
- (2) the installation of commercials balance meters.

**Construction Period:** 60 calendar days starting from the date notified by Lingang Investment Group in writing after its prepayment of 80% of construction service fee in accordance with the Lingang Investment Group Construction Service Agreement.

**Constructions Services Fee and Payment Terms:** The final construction service fee under the Lingang Investment Group Construction Service Agreement was estimated RMB1.855 million (tax inclusive) and shall be determined by Lingang Investment Group and the Company based on the final mapping report (終測繪報告) and the actual costs and expenses listed by the cost and expenses sheet (費用預核定單).

Payments shall be made in the following manners:

- (1) approximately RMB1.484 million, representing 80% of the estimated construction service fee, shall be paid by Lingang Investment Group within five (5) business days after signing the Lingang Investment Group Construction Service Agreement; and

(2) the balance of the final construction service fee shall be paid by Lingang Investment Group after the completion of the substantial construction works.

**Period of  
Warranty:**

Two (2) years commencing from the examination and acceptance date of construction work of the project under the Lingang Investment Group Construction Service Agreement.

**Pricing Policy:**

The construction service fee was determined by the Company and Lingang Investment Group in accordance with the pricing standard set out in the Company's internal pricing document (Lu Shui Gu Fen [2022] No. 57) which was made based on the documents published by the governmental authorities from time to time, including but not limited to the Notice on Cleaning Up and Standardizing the Charges for Urban Water Supply, Power Supply, Gas Supply and Heating Industry and Promoting the High-Quality Development of the Industries (Guobanhan [2020] No. 129) (關於清理規範城鎮供水供電供氣供暖行業收費促進行業高質量發展意見的通知(國辦函[2020]129號)) issued by General Office of the State Council of the People's Republic of China (國務院辦公廳), the Notice of the Implementation Plan of Sichuan Province on Cleaning Up and Standardizing Charges for Urban Water Supply, Power Supply, Gas Supply and Heating Industry and Promoting High-Quality Development of the Industry (Chuanfagaijiage [2021] No. 354)(四川省清理規範城鎮供水供電供氣供暖行業收費促進行業高質量發展實施方案的通知(川發改價格[2021]354號)) issued by Sichuan Province Development and Reform Commission (四川省發展和改革委員會), the Notice on Forwarding Relaxation of the Price Control of Installation, Inspection and Repairment for Utilities Projects (Chuanfagaijiage [2016] No. 71) (關於轉發放開水電氣工程安裝及檢查維修價格的通知(川發改價格[2016]71號)) issued by Luzhou City Development and Reform Commission (瀘州市發展和改革委員會), and the Sichuan Province Quota of Project Quantities Detailed Pricing List for Engineering Construction (2020 version) (四川省建設工程工程量清單計價定額(2020年版)) issued by Sichuan Province Housing and Urban-Rural Development Department (四川省住房和城鄉建設廳) with their respective ancillary documents or applicable revised versions.

The governmental and Company's pricing standards provide pre-determined mechanism for calculation of construction service fees detailing the fees to be charged for each category of service and the applicable formula for calculation of fees in different scenarios under each category. While determining the construction service fee under the Lingang Investment Group Construction Service Agreement, the Company and Lingang Investment Group calculated in accordance with the pre-determined formulae based on the actual construction area of the project, the specific number of the users, the types of the construction materials and their respective market prices, and in ordinary and usual course of business and on normal commercial terms, and such terms and conditions were negotiated on an arm's length basis and are not more favorable than those offered by the Group to Independent Third Parties.

## 2. Luzhou Aviation Development Construction Service Agreement

The main terms of Luzhou Aviation Development Construction Service Agreement are set out below:

**Date:** 27 June 2022 (after trading hours)

**Parties:** (1) the Company; and  
(2) Luzhou Aviation Development

**Project:** The project under the Luzhou Aviation Development Construction Service Agreement is Water Supply Pipelines Installation Project for Kongtian Expert Sales Department and Kindergarten (空天專家售房部及幼兒園給水安裝工程) which is located in Longmatan District of Luzhou City, the PRC.

**Scope of Construction Services:** The tap water pipelines installation services that the Company agreed to provide to Luzhou Aviation Development under the Luzhou Aviation Development Construction Service Agreement include:

- (1) the installation of water pipelines from the municipal water transporting and distributing principal pipelines (市政輸配水管) to the pipelines before the commercials balances meters (貿易結算水錶);
- (2) the installation of commercials balance meters; and
- (3) the installation of second supply equipment and supporting equipment.

<b>Construction Period:</b>	120 calendar days starting from the date notified by Luzhou Aviation Development in writing after its full payment of construction service fee in accordance with the Luzhou Aviation Development Construction Service Agreement.
<b>Constructions Services Fee and Payment Terms:</b>	<p>The final construction service fee under the Luzhou Aviation Development Construction Service Agreement was estimated RMB0.183 million (tax inclusive) and shall be determined by Luzhou Aviation Development and the Company based on the final mapping report (終測繪報告) and the actual costs and expenses listed by the cost and expenses sheet (費用預核定單).</p> <p>The estimated construction service fee of approximately RMB0.183 million shall be paid by Luzhou Aviation Development within five (5) business days after signing the Luzhou Aviation Development Construction Service Agreement.</p>
<b>Period of Warranty:</b>	Two (2) years commencing from the examination and acceptance date of construction work of the project under the Luzhou Aviation Development Construction Service Agreement.
<b>Pricing Policy:</b>	<p>The construction service fee was determined by the Company and Luzhou Aviation Development in accordance with the pricing standard set out in the Company's internal pricing document (Lu Shui Gu Fen [2022] No. 57) which was made based on the documents published by the governmental authorities from time to time, including but not limited to the Notice on Cleaning Up and Standardizing the Charges for Urban Water Supply, Power Supply, Gas Supply and Heating Industry and Promoting the High-Quality Development of the Industries (Guobanhan [2020] No. 129) (關於清理規範城鎮供水供電供氣供暖行業收費促進行業高質量發展意見的通知(國辦函[2020]129號)) issued by General Office of the State Council of the People's Republic of China (國務院辦公廳), the Notice of the Implementation Plan of Sichuan Province on Cleaning Up and Standardizing Charges for Urban Water Supply, Power Supply, Gas Supply and Heating Industry and Promoting High-Quality Development of the Industry (Chuanfagaijiage [2021] No. 354)(四川省清理規範城鎮供水供電供氣供暖行業收費促進行業高質量發展實施方案的通知(川發改價格[2021]354號)) issued by Sichuan Province Development and Reform Commission (四川省發展和改革委員會), the Notice on Forwarding Relaxation of the Price Control of Installation, Inspection and Repairment for Utilities Projects (Chuanfagaijiage [2016] No. 71) (關於轉發放開水電氣工程安裝及檢查維修價格的通知(川發改價格[2016]71號)) issued by Luzhou City Development and Reform Commission (瀘州市發展和改革委員會), and the Sichuan Province Quota of Project Quantities Detailed Pricing List for Engineering Construction (2020 version) (四川省建設工程工程量清單計價定額(2020年版)) issued by Sichuan Province Housing and Urban-Rural Development Department(四川省住房和城鄉建設廳) with their respective ancillary documents or applicable revised versions.</p>

The governmental and Company's pricing standards provide pre-determined mechanism for calculation of construction service fees detailing the fees to be charged for each category of service and the applicable formula for calculation of fees in different scenarios under each category. While determining the construction service fee under the Luzhou Aviation Development Construction Service Agreement, the Company and Luzhou Aviation Development calculated in accordance with the pre-determined formulae based on the actual construction area of the project, the specific number of the users, the types of the construction materials and their respective market prices, and in ordinary and usual course of business and on normal commercial terms, and such terms and conditions were negotiated on an arm's length basis and are not more favorable than those offered by the Group to Independent Third Parties.

### 3. Lingang Industrial Development Construction Service Agreement

The main terms of Lingang Industrial Development Construction Service Agreement are set out below:

**Date:** 27 June 2022 (after trading hours)

**Parties:** (1) the Company; and  
(2) Lingang Industrial Development

**Project:** The project under the Lingang Industrial Development Construction Service Agreement is Water Supply and Installation Project of Yueying Dongfang Phase IV(月映東方四期給水安裝工程) which is located in Longmatan District of Luzhou City, the PRC.

**Scope of Construction Services:** The tap water pipelines installation services that the Company agreed to provide to Lingang Industrial Development under the Lingang Industrial Development Construction Service Agreement include:

- (1) the installation of water pipelines from the municipal water transporting and distributing principal pipelines (市政輸配水管) to the pipelines before the commercials balances meters (貿易結算水錶);
- (2) the installation of commercials balance meters; and
- (3) the installation of second supply equipment and supporting equipment.

**Construction Period:** 120 calendar days starting from the date notified by Lingang Industrial Development in writing after its prepayment of 80% construction service fee in accordance with the Lingang Industrial Development Construction Service Agreement.

**Constructions Services Fee and Payment Terms:** The final construction service fee under the Lingang Industrial Development Construction Service Agreement was estimated RMB2.361 million (tax inclusive) and shall be determined by Lingang Industrial Development and the Company based on the final mapping report (終測繪報告) and the actual costs and expenses listed by the cost and expenses sheet (費用預核定單).

Payments shall be made in the following manners:

- (1) approximately RMB1.889 million, representing 80% of the estimated construction service fee, shall be paid by Lingang Industrial Development within five (5) business days after signing the Lingang Industrial Development Construction Service Agreement; and
- (2) the balance of the final construction service fee shall be paid by Lingang Industrial Development after the completion of the substantial construction works.

**Period of Warranty:** Two (2) years commencing from the examination and acceptance date of construction work of the project under the Lingang Industrial Development Construction Service Agreement.



**Pricing Policy:**

The construction service fee was determined by the Company and Lingang Industrial Development in accordance with the pricing standard set out in the Company's internal pricing document (Lu Shui Gu Fen [2022] No. 57) which was made based on the documents published by the governmental authorities from time to time, including but not limited to the Notice on Cleaning Up and Standardizing the Charges for Urban Water Supply, Power Supply, Gas Supply and Heating Industry and Promoting the High-Quality Development of the Industries (Guobanhan [2020] No. 129) (關於清理規範城鎮供水供電供氣供暖行業收費促進行業高質量發展意見的通知(國辦函[2020]129號)) issued by General Office of the State Council of the People's Republic of China (國務院辦公廳), the Notice of the Implementation Plan of Sichuan Province on Cleaning Up and Standardizing Charges for Urban Water Supply, Power Supply, Gas Supply and Heating Industry and Promoting High-Quality Development of the Industry (Chuanfagaijiage [2021] No. 354)(四川省清理規範城鎮供水供電供氣供暖行業收費促進行業高質量發展實施方案的通知(川發改價格[2021]354號)) issued by Sichuan Province Development and Reform Commission (四川省發展和改革委員會), the Notice on Forwarding Relaxation of the Price Control of Installation, Inspection and Repairment for Utilities Projects (Chuanfagaijiage [2016] No. 71) (關於轉發放開水電氣工程安裝及檢查維修價格的通知(川發改價格[2016]71號)) issued by Luzhou City Development and Reform Commission (瀘州市發展和改革委員會), and the Sichuan Province Quota of Project Quantities Detailed Pricing List for Engineering Construction (2020 version) (四川省建設工程工程量清單計價定額(2020年版)) issued by Sichuan Province Housing and Urban-Rural Development Department (四川省住房和城鄉建設廳) with their respective ancillary documents or applicable revised versions.

The governmental and Company's pricing standards provide pre-determined mechanism for calculation of construction service fees detailing the fees to be charged for each category of service and the applicable formula for calculation of fees in different scenarios under each category. While determining the construction service fee under the Lingang Industrial Development Construction Service Agreement, the Company and Lingang Industrial Development calculated in accordance with the pre-determined formulae based on the actual construction area of the project, the specific number of the users, the types of the construction materials and their respective market prices, and in ordinary and usual course of business and on normal commercial terms, and such terms and conditions were negotiated on an arm's length basis and are not more favorable than those offered by the Group to Independent Third Parties.

#### 4. Historical Figures

The table below sets out the actual transaction amounts, being construction service fees paid by Lingang Investment Group, Luzhou Aviation Development and Lingang Industrial Development to the Group for the years ended 31 December 2019, 2020 and 2021 respectively.

<b>Actual transaction amounts</b>	<b>For the year ended 31 December</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>(RMB in million)</i>	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Lingang Investment Group	13.23	8.95	1.67
Luzhou Aviation Development	Nil <sup>(1)</sup>	Nil <sup>(2)</sup>	15.75
Lingang Industrial Development	Nil <sup>(3)</sup>	Nil <sup>(3)</sup>	10.72

(1) There is no construction service transaction occurred between the Group and Luzhou Aviation Development during the year ended 31 December 2019.

(2) Luzhou Aviation Development paid nil construction service fee to the Company and the Company did not provide any tap water pipelines installation service to Luzhou Aviation Development during the year ended 31 December 2020 due to the change of municipal planning and the outbreak of COVID-19 pandemic.

(3) There is no construction service transaction occurred between the Group and Lingang Industrial Development during the year ended 31 December 2019 and 2020.

## 5. Annual Caps

The table below set out the annual caps for the transactions under each of the Lingang Investment Group Construction Service Agreement, Luzhou Aviation Development Construction Service Agreement and Lingang Industrial Development Construction Service Agreement and the aggregate annual caps of them, which are the estimated largest construction service fees determined in accordance with the aforementioned pricing policies.

<b>Annual caps</b>	<b>For the year ending 31 December 2022 (RMB in million)</b>
Lingang Investment Group Construction Service Agreement	<b>2.0</b>
Luzhou Aviation Development Construction Service Agreement	<b>0.2</b>
Lingang Industrial Development Construction Service Agreement	<b>2.4</b>
Previous Construction Service Agreements	<b>12.5</b>
<b>Aggregate Annual Cap</b>	<b>17.1</b>

## II. INTERNAL CONTROL MEASURES FOR THE CONSTRUCTION SERVICE AGREEMENTS

In order to ensure the terms of the Construction Service Agreements are on normal commercial terms and fair and reasonable to the Company and the Shareholders and are no more favorable than those offered by the Group to Independent Third Parties, the Company has formulated the following internal control policies and adopted the following internal control measures:

- (i) the legal department and finance department of the Company will closely monitor the transactions under the Construction Service Agreements to ensure that the transactions amounts will not exceed the annual cap for each of the Construction Service Agreements;
- (ii) the legal department of the Company will conduct regular random checks to review and assess whether the transactions contemplated under the Construction Service Agreements are conducted on normal commercial terms, in accordance with the terms set out in the Construction Service Agreements and whether the construction service fees and relevant contract terms are in the interest of the Company and the Shareholders as a whole;
- (iii) the Company's external auditors will conduct an annual review of the transactions under the Construction Service Agreements to ensure that the transactions amounts are within the annual cap and the transactions are in accordance with the terms set out in the Construction Service Agreements; and

(iv) the Company's independent non-executive Directors will conduct regular reviews of the status of the transactions under the Construction Service Agreements to ensure that the Company has complied with its internal approval process, the terms of the Construction Service Agreements and the relevant requirements under the Listing Rules.

### **III. INFORMATION OF THE PARTIES**

#### **Xinglu Investment**

Xinglu Investment is a limited liability company established in the PRC on 28 January 2003, which is the Controlling Shareholder of the Company. As at the date of this announcement, Xinglu Investment is directly held as to 90% by Luzhou State-owned Assets Supervision and Administration Commission (瀘州市國有資產監督管理委員會) and is primarily engaged in investment and assets management.

#### **Lingang Investment Group**

Lingang Investment Group is a limited liability company established in the PRC on 26 June 2013, which as at the date of this announcement is directly owned by Xinglu Investment, the Controlling Shareholder, as to approximately 66.03%. Lingang Investment is primarily engaged in investment and financing business.

#### **Luzhou Aviation Development**

Luzhou Aviation Development is a limited liability company established in the PRC on 9 January 2017, which as at the date of this announcement is directly owned by Xinglu Investment, the Controlling Shareholder, as to approximately 83.78%. Luzhou Aviation Development Company is primarily engaged in the investment business; aviation, spacecraft and equipment manufacturing, technology development, technology transfer and technical services; assets management and consulting business and non-performing assets disposal and their earnings management business, among others.

#### **Lingang Industrial Development**

Lingang Industrial Development is a limited liability company established in the PRC on 15 November 2013, which as at the date of this announcement is wholly owned by Lingang Investment Group. Lingang Investment Group is directly held by Xinglu Investment, the Controlling Shareholder, as to approximately 66.03%. Lingang Industrial Development is primarily engaged in project construction of real estate development.

#### **The Group**

The Group is mainly engaged in the provision of tap water supply and related installation and maintenance services and wastewater treatment and related infrastructure construction services.

#### **IV. BENEFITS OF AND REASONS FOR ENTERING INTO THE CONSTRUCTION SERVICE AGREEMENTS**

The Company has been providing installation and maintenance services in its ordinary and usual course of business to companies in Luzhou City, the PRC, and therefore, the Company is familiar with the requirements and the specifications for the installation and maintenance services required by local government and companies. The Directors believe that entering into Construction Service Agreements is beneficial for the long-term business relationship between the Company and Xinglu Investment and its controlled companies. By entering into the Construction Service Agreements, the Group can further expand its principal business. The Directors are of the view that entering into the Construction Service Agreements is in line with the Group's goal to enhance the Company's position in the industry and its influence in the region.

The Directors (including the independent non-executive Directors) are of the view that the terms of the transactions under the Construction Service Agreements are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

The Construction Service Agreements and the transactions contemplated thereunder have been approved by the Board. None of the Directors has material interest in the Construction Service Agreements and the transactions contemplated thereunder and hence no Director is required to abstain from voting on the relevant resolution of the Board approving the same.

#### **V. LISTING RULES IMPLICATIONS**

As at the date of this announcement, Lingang Investment Group is directly owned by Xinglu Investment, the Controlling Shareholder, as to approximately 66.03%. Accordingly, Lingang Investment Group is a connected person of the Company under the Listing Rules and the transactions contemplated under the Lingang Investment Group Construction Service Agreement constitute continuing connected transactions for the Company pursuant to the Chapter 14A of the Listing Rules.

As at the date of this announcement, Luzhou Aviation Development is directly owned by Xinglu Investment, the Controlling Shareholder, as to approximately 83.78%. Accordingly, Luzhou Aviation Development is a connected person of the Company under the Listing Rules and the transactions contemplated under the Luzhou Aviation Development Construction Service Agreement constitute continuing connected transactions for the Company pursuant to the Chapter 14A of the Listing Rules.

As at the date of this announcement, Lingang Industrial Development is wholly-owned by Lingang Investment Group, which is directly owned by Xinglu Investment, the Controlling Shareholder, as to approximately 66.03%. Accordingly, Lingang Industrial Development is a connected person of the Company under the Listing Rules and the transactions contemplated under the Lingang Industrial Development Construction Service Agreement constitute continuing connected transactions for the Company pursuant to the Chapter 14A of the Listing Rules.

Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, the transactions contemplated under the Construction Service Agreements are required to be aggregated with other transactions contemplated under the Previous Construction Service Agreements. As each of the applicable percentage ratio (other than the profits ratio) in respect of the transactions contemplated under the Construction Service Agreements and the Previous Construction Service Agreements, on an annual and aggregated basis, is more than 0.1% but less than 5%, the transactions thereunder are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement pursuant to Rule 14A.76(2) of the Listing Rules.

## VI. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Company”	Luzhou Xinglu Water (Group) Co., Ltd.* (瀘州市興瀘水務(集團)股份有限公司)
“Construction Service Agreements”	including the Lingang Investment Group Construction Service Agreement, Luzhou Aviation Development Construction Service Agreement and Lingang Industrial Development Construction Service Agreement
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules, and in the context of this announcement, refers to the controlling shareholder of the Company, being Xinglu Investment
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	person(s) or company(ies) which is(are) not a connected person(s) (as defined in the Listing Rules) of the Company
“Lingang Industrial Development”	Luzhou Lingang Industrial Development Co., Ltd.* (瀘州臨港產業開發有限公司)
“Lingang Industrial Development Construction Service Agreement”	the construction agreement entered into between the Company and Lingang Industrial Development on 27 June 2022

“Lingang Investment Group”	Luzhou Lingang Investment Group Co., Ltd.* (瀘州臨港投資集團有限公司)
“Lingang Investment Group Construction Service Agreement”	the construction agreement entered into between the Company and Lingang Investment Group on 27 June 2022
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Luzhou Aviation Development”	Luzhou Aviation Development Investment Group Co., Ltd.* (瀘州航空發展投資集團有限公司)
“Luzhou Aviation Development Construction Service Agreement”	the construction agreement entered into between the Company and Luzhou Aviation Development on 27 June 2022
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Construction Service Agreements”	the construction service agreement dated 30 June 2021 entered into between the Company and Lingang Industrial Development, the construction service agreement dated 27 August 2021 entered into between the Company and Luzhou Jiaotou Group Car Station Construction Co., Ltd.* (瀘州交投集團汽車站點建設有限公司), the construction service agreement dated 27 August 2021 entered into between the Company and Luzhou Xinglu Jutai Construction Company Limited* (瀘州興瀘居泰建設有限公司), and the construction service agreement dated 31 August 2021 entered into between the Company and Lingang Industrial Development
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Xinglu Investment”

Luzhou City Xinglu Investment Group Co., Ltd.\* (瀘州市興瀘投資集團有限公司), the Controlling Shareholder of the Company, a PRC limited liability company established on 28 January 2003 and owned as to 90% by the State-owned Assets Supervision and Administration Commission of Luzhou (瀘州市國有資產監督管理委員會)

By order of the Board  
**Luzhou Xinglu Water (Group) Co., Ltd.\***  
**Zhang Qi**  
*Chairman*

Luzhou, Sichuan Province, the PRC  
27 June 2022

*As at the date of this announcement, the Board comprises of (i) three executive Directors, namely Mr. Zhang Qi, Mr. Liao Xingyue and Ms. Huang Mei; (ii) three non-executive Directors, namely Mr. Chen Bing, Mr. Yu Long and Ms. Hu Fenfen; and (iii) three independent non-executive Directors, namely Ms. Ma Hua, Mr. Liang Youguo and Mr. Fu Ji.*

\* *For identification purposes only*