

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**SUPPLEMENTAL ANNOUNCEMENT  
DISCLOSEABLE TRANSACTION  
TRANSFER OF EQUITY INTEREST IN THE TARGET COMPANY**

Reference is made to the announcement of the Company dated 19 September 2023 in relation to the discloseable transaction on transfer of equity interest in the target company (the “**Announcement**”). Unless otherwise stated, capitalised terms shall have the same meaning as adopted in the Announcement.

The Board wishes to supplement the following information in relation to the Announcement:

1. The expected gain of RMB292,100 by the Group from the transfer of equity interest in the Target Company as disclosed in the Announcement is calculated based on the initial investment cost of the equity interest (i.e. RMB52.53 million). The Company will record a loss of approximately RMB3.0445 million upon the completion of the transfer of equity interest in the Target Company with reference to the carrying value of the assets in the accounts (i.e. approximately RMB55.8666 million).
2. The consideration under the Equity Transfer Agreement of RMB52.8221 million was determined at arm's length negotiation and with reference to valuation of the Target Company prepared with the asset-based method. Based on the valuation report issued by an independent valuer, the total net asset of the Target Company was approximately RMB4,125.1 million as of 31 December 2022. Although the Company agreed to subscribed for 6.43% in the equity interest of the Target Company, the actual capital contribution made by the Company as of the date of the Equity Transfer Agreement amounted to approximately 1.28% of the total paid-up capital of the Target Company. Therefore, the corresponding valuation in respect of the actual equity interest held by the Company was approximately RMB52.80 million.

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

Luzhou, Sichuan Province, the PRC  
5 October 2023

*As at the date of this announcement, the Board comprises of (i) three executive directors, namely Mr. Zhang Qi, Mr. Liao Xingyue and Mr. Xu Guanghua; (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. Fu Ji and Mr. Liang Youguo.*

\* *For identification purposes only*