
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Luzhou Xinglu Water (Group) Co., Ltd.***, you should at once hand this circular, together with the accompanying form of proxy and reply slip to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2023
REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2023
AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2023
2023 ANNUAL REPORT
DIVIDEND DISTRIBUTION PLAN FOR THE YEAR 2023
THE INVESTMENT PLAN FOR THE YEAR 2024
ANNUAL FINANCIAL BUDGET PLAN FOR THE YEAR 2024
APPOINTMENT OF AUDITOR FOR THE YEAR 2024
AND
NOTICE OF 2023 ANNUAL GENERAL MEETING

Notice of convening the AGM to be held at the meeting room of 6th Floor, 16 Baizi Road, Jiangyang District, Luzhou, Sichuan Province, the PRC at 9:30 a.m. on Friday, 28 June 2024 is set out on pages 8 to 10 of this circular. Form of proxy for use at the AGM are also enclosed with this circular. The notice of AGM and proxy form for use at the AGM were published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (www.lzss.com). If you intend to attend the AGM by proxy, you are required to complete and return the enclosed form(s) of proxy in accordance with the instructions printed thereon to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in respect of H Shareholders), or to the office of the Board located at the Company's registered office in the PRC at 16 Baizi Road, Jiangyang District, Luzhou, Sichuan Province, the PRC (in respect of Domestic Shareholders) as soon as possible but in any event by not later than 24 hours before the time appointed for holding of the AGM (i.e. not later than 9:30 a.m. on Thursday, 27 June 2024) or any adjournment thereof. Completion and return of the form(s) of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting(s) if you so wish.

* For identification purposes only

31 May 2024

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DEFINITIONS

Unless the context otherwise requires, the following expressions in this circular shall have the meanings set out below:

“2023 Annual Report”	the annual report of the Company for the financial year ended 31 December 2023
“AGM”	the annual general meeting of the Company to be held at the meeting room of 6th Floor, 16 Baizi Road, Jiangyang District, Luzhou, Sichuan Province, the PRC at 9:30 a.m. on Friday, 28 June 2024 or any adjournment thereof
“Articles of Association”	the articles of the Company as amended, modified or otherwise supplemental from time to time
“Board”	the board of Directors of the Company
“Chairman”	the chairman of the Board of the Company
“Company”	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 with limited liability incorporated in the PRC, whose H Shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB by PRC nationals and/or PRC legal entities
“Domestic Shareholder(s)”	the holder(s) of Domestic Shares
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign invested ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK\$ and listed on the Stock Exchange
“H Shareholder(s)”	the holder(s) of H Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“PRC”	the People’s Republic of China, for the purposes of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisors”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Zhang Qi (張歧先生)

Mr. Chen Qinan (陳棋楠先生)

Mr. Xu Guanghua (徐光華先生)

Registered office:

16 Baizi Road

Jiangyang District, Luzhou

Sichuan Province

PRC

Non-executive Directors:

Mr. Xu Fei (徐飛先生)

Ms. Zhang Guanghui (張光惠女士)

Ms. Hu Fenfen (胡芬芬女士)

Principal place of business in Hong Kong:

40/F, Dah Sing Financial Centre

248 Queen's Road East

Wanchai, Hong Kong

Independent non-executive Directors:

Ms. Ma Hua (馬樺女士)

Mr. Fu Ji (傅驥先生)

Mr. Liang Youguo (梁有國先生)

31 May 2024

To the Shareholders,

Dear Sir/Madam,

**REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2023
REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2023
AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2023
2023 ANNUAL REPORT
DIVIDEND DISTRIBUTION PLAN FOR THE YEAR 2023
THE INVESTMENT PLAN FOR THE YEAR 2024
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APPOINTMENT OF AUDITOR FOR THE YEAR 2024
AND
NOTICE OF 2023 ANNUAL GENERAL MEETING**

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LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to give you notice of the AGM and to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM as described below.

At the AGM, ordinary resolutions will be proposed to consider and approve (i) the report of the Board for the year 2023; (ii) the report of the Supervisory Committee for the year 2023; (iii) the audited financial statements for the year 2023; (iv) the 2023 Annual Report; (v) the dividend distribution plan for the year 2023; (vi) the investment plan for the year 2024; (vii) the annual financial budget plan for the year 2024; and (viii) the appointment of auditor for the year 2024.

REPORT OF THE BOARD FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to approve the report of the Board for the year 2023. Please refer to the Directors' Report as set out in the 2023 Annual Report.

REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to approve the report of the Supervisory Committee for the year 2023. Please refer to the Supervisory Committee's Report as set out in the 2023 Annual Report.

AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to approve the Company's audited financial statements for the year 2023. Please refer to the audited financial statements as set out in the 2023 Annual Report.

2023 ANNUAL REPORT

An ordinary resolution will be proposed at the AGM to approve the 2023 Annual Report. Please refer to the 2023 Annual Report published on the websites of the Stock Exchange and the Company on 25 April 2024.

DIVIDEND DISTRIBUTION PLAN FOR THE YEAR 2023

The Board proposed to distribute final dividends of RMB0.05 per Share (tax inclusive) for the year ended 31 December 2023, with the total amount being approximately RMB42,985,500. The proposed distribution of the final dividend is subject to the approval of the Shareholders at the AGM. Upon approval at the AGM, the final dividends are expected to be paid on or before Wednesday, 31 July 2024 to the Shareholders whose names appear on the register of members of the Company on Friday, 12 July 2024.

Such proposed dividends will be dominated in RMB. Dividends for Domestic Shares will be paid in RMB, while dividend for H Shares will be paid in HK\$. The relevant exchange rate for conversion shall be calculated by the average central parity rate of the relevant foreign exchange posted by China Foreign Exchange Trading Centre for one calendar week immediately preceding the date of declaration of such dividend at the AGM.

LETTER FROM THE BOARD

Under the relevant tax rules and regulations of the PRC (collectively, the “**PRC Tax Law**”), the Company is required to withhold and pay enterprise income tax at the rate of 10% when distributing final dividends to non-resident enterprises (such term shall have the meaning as defined under the PRC Tax Law) whose names appear on the H Shares register of members of the Company.

In accordance with the PRC Tax Law, the Company is also required to withhold and pay individual income tax when distributing final dividends to individual Shareholders whose names appeared on the H Shares register of members of the Company on behalf of them. The Company will determine the country of domicile of the individual H Shareholders based on the registered addresses as recorded in the H Shares register of members of the Company on the Record Date (as defined below) with details as follows:

For individual H Shareholders who are Hong Kong and Macau residents and those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them.

For individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them. If such individual H Shareholders would like to apply for a refund of the additional amount of tax withheld and paid, the Company would make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the tax treaties.

For individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of higher than 10% but lower than 20%, the Company will withhold and pay the individual income tax at the agreed-upon effective tax rate on behalf of them.

For individual H Shareholders who are residents of those countries without any tax treaties with the PRC or having tax treaties with the PRC stipulating a dividend tax rate of 20% or more and other situations, the Company will withhold and pay the individual income tax at a tax rate of 20% on behalf of them.

Should H Shareholders have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for relevant tax implications in Mainland China, Hong Kong and other countries (regions) on the possession and disposal of the H Shares of the Company.

THE INVESTMENT PLAN FOR THE YEAR 2024

The Board proposed an investment plan for the year 2024 to be approved by the Shareholders at the AGM. The proposed investment plan will have a total budget for investments of RMB863 million, covering (i) investments for tap water supply projects of approximately RMB172 million, (ii) investments for the wastewater treatment projects of approximately RMB491 million, and (iii) investments for the equity acquisitions and other projects of approximately RMB200 million.

The investment plan for the year 2024 will be proposed as an ordinary resolution at the AGM for the Shareholders’ approval, excluding any investments that are subject to the Shareholders’ approvals in accordance with the Listing Rules and other applicable laws and regulations as amended from time to time. The specific investment projects under such investment plan shall be approved and executed by the Board as they materialize from time to time during the relevant period.

LETTER FROM THE BOARD

ANNUAL FINANCIAL BUDGET PLAN FOR THE YEAR 2024

An ordinary resolution will be proposed at the AGM to approve the annual financial budget plan for the year 2024. The annual financial budget for the year 2024, including operating costs, marketing expenses, management expenses and financial expenses, will be expected to be controlled at approximately RMB1,163 million.

APPOINTMENT OF AUDITOR FOR THE YEAR 2024

An ordinary resolution will be proposed at the AGM to approve the appointment of ShineWing Certified Public Accountants LLP as the auditor of the Company for the year 2024 for a term of office until the conclusion of the next annual general meeting of the Company, and authorise the Board to fix its remuneration.

ANNUAL GENERAL MEETING

The AGM will be held at 9:30 a.m. on Friday, 28 June 2024 at the meeting room of 6th Floor, 16 Baizi Road, Jiangyang District, Luzhou, Sichuan Province, the PRC. The notice of the AGM is set out on pages 8 to 10 of this circular. The form of proxy and reply slip for the AGM are enclosed herewith.

If you intend to attend the AGM by proxy, you are required to complete and return as soon as possible the enclosed form of proxy in accordance with the instructions indicated thereon. The form of proxy for H Shareholders should be returned to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and the form of proxy for Domestic Shareholders should be returned to the office of the Board located at the Company's registered office in the PRC at 16 Baizi Road, Jiangyang District, Luzhou, Sichuan Province, the PRC by no later than 24 hours before the time appointed for convening the AGM (i.e. not later than 9:30 a.m. on Thursday, 27 June 2024) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM, or any adjourned meeting, in person if you so wish.

If you intend to attend the AGM in person, you are required to complete and return the reply slip to the Company's H share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) or to the office of the Board (for Domestic Shareholders) on or before Thursday, 20 June 2024 for the Company to assess whether or not it is necessary to announce the notice of AGM again.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 21 June 2024 to Friday, 28 June 2024 (both days inclusive), during which period no transfer of Shares will be effected. Shareholders whose names appeared on the register of members of the Company on Friday, 21 June 2024 will be entitled to attend and vote at the AGM. In order to be qualified to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai,

LETTER FROM THE BOARD

Hong Kong (in respect of H Shareholders), or to the Company's registered office in the PRC at 16 Baizi Road, Jiangyang District, Luzhou, Sichuan Province, the PRC (in respect of Domestic Shareholders) no later than 4:30 p.m. on Thursday, 20 June 2024.

In order to determine the list of Domestic Shareholders and H Shareholders who shall be entitled to obtain final dividends, subject to the approval of the Shareholders at the AGM, the register of members of the Company will be closed from Tuesday, 9 July 2024 to Friday, 12 July 2024 (both days inclusive), during which period no transfer of Shares of the Company will be effected. The Company will distribute final dividends to Domestic Shareholders and H Shareholders which are on the register of members of the Company on Friday, 12 July 2024 (the "**Record Date**"). In order to be qualified to obtain final dividends, all transfers accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in respect of H Shareholders), or to the Company's registered office in the PRC at 16 Baizi Road, Jiangyang District, Luzhou, Sichuan Province, the PRC (in respect of Domestic Shareholders) no later than 4:30 p.m. on Monday, 8 July 2024.

If there is any change in the above expected timing and distribution, the Company will make the necessary announcement in a timely manner.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, the resolutions to be proposed at the AGM as set out in the notice of the AGM contained in this circular must be taken by poll. The chairman of the AGM will therefore demand a poll for every such resolution put to vote at the AGM. On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each Share registered in his or her name in the register of Shareholders. A Shareholder entitled to more than one vote need not use all his or her votes or cast all the votes he or she uses in the same way.

RECOMMENDATION

The Board considers that all resolutions set out in the notice of the AGM for Shareholders' consideration and approval are in the best interests of the Company and its Shareholders. As such, the Board recommends the Shareholders to vote in favor of the resolutions set out in the notice of the AGM which are to be proposed at the AGM.

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

NOTICE OF THE AGM



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)

NOTICE OF 2023 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of Luzhou Xinglu Water (Group) Co., Ltd.* (the “**Company**”) will be held at 9:30 a.m. on Friday, 28 June 2024 at the meeting room of 6th Floor, 16 Baizi Road, Jiangyang District, Luzhou, Sichuan Province, the People's Republic of China (the “**PRC**”) to consider and, if thought fit, approve the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors of the Company (the “**Board**”) for the year ended 31 December 2023;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2023;
3. To consider and approve the audited financial statements of the Company for the year ended 31 December 2023;
4. To consider and approve the annual report of the Company for the year ended 31 December 2023;
5. To consider and approve the dividend distribution plan of the Company for the year ended 31 December 2023;
6. To consider and approve the investment plan of the Company for the year ending 31 December 2024;
7. To consider and approve the annual financial budget plan of the Company for the year ending 31 December 2024; and

NOTICE OF THE AGM

8. To consider and approve the appointment of ShineWing Certified Public Accountants LLP as the auditor of the Company for the year 2024 to hold office until the conclusion of the next annual general meeting of the Company and to authorize the Board to fix its remuneration.

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

Luzhou, Sichuan Province, the PRC
31 May 2024

Notes:

1. Pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), voting on all resolutions at a general meeting shall be by way of poll. The poll results of the AGM will be published on the websites of the Stock Exchange and the Company in accordance with the requirements of the Listing Rules.
2. For the purpose of ascertaining eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 21 June 2024 to Friday, 28 June 2024 (both days inclusive) during which registration for transfer of shares will be suspended. Holders of H shares of the Company who intend to attend and vote at the AGM shall deliver all transfer forms together with the relevant share certificates to the Company’s H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Thursday, 20 June 2024.
3. Any shareholder of the Company (the “**Shareholder**”) who is entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not be a Shareholder. If the Shareholder appoints more than one proxy, his/her proxies may only vote by poll.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorized in writing. If the Shareholder is a legal entity, then the relevant appointing document must be either under seal or under the hand of its director or attorney duly authorized. If the instrument appointing a proxy is signed by a person duly authorized by the Shareholder, the powers of attorney or other instruments of authorization shall be notarized.
5. The form of proxy together with the power of attorney or other authorization documents, if any, must be delivered to the office of the Board located at the registered office of the Company in the PRC (for Domestic Shareholders) or the Company’s H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for H Shareholders) not later than 24 hours before the time appointed for the holding of the AGM (i.e. not later than 9:30 a.m. on Thursday, 27 June 2024) or any adjourned meeting thereof (as the case may be) in order to be effective.
6. Any Shareholder who wishes to attend the AGM in person or by proxy is required to complete and return the reply slip to the registered office of the Company in the PRC (for Domestic Shareholders) or to the Company’s H share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders), by hand or by post, on or before Thursday, 20 June 2024.
7. The H share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited and its address and contact information are as follows:

NOTICE OF THE AGM

Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Tel: +852 2862 8555

Fax: +852 2865 0990

8. The address and contact information of the office of the Board located at the registered office of the Company in the PRC are as follows:

16 Baizi Road,
Jiangyang District, Luzhou
Sichuan Province
the PRC

Contact person: Zhang Hailiang (張海良)

Tel: +86 830 319 4768

Fax: +86 830 258 0239

9. Pursuant to the articles of association of the Company, for joint registered Shareholders consisting of two or more persons, only the Shareholder whose name appears first on the register of members of the Company is entitled to receive this notice, attend the AGM and exercise the entire voting rights conferred by the relevant shares of the Company, and this notice shall be deemed to have served all such joint registered Shareholders.
10. The AGM is expected to last for no more than half a day. Shareholders who attend the AGM in person or their proxies shall be responsible for their own travelling and accommodation expenses. Shareholders or their proxies who attend the AGM must produce their identity documents for identification.

As at the date of this notice, the Board comprises of (i) three executive Directors, namely Mr. Zhang Qi, Mr. Chen Qinan and Mr. Xu Guanghua; (ii) three non-executive Directors, namely Mr. Xu Fei, Ms. Zhang Guanghui 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*