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5100 Xizang Glacier Company Limited

5100 藏冰川有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1115)

FURTHER ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

ACQUISITION OF THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

Reference is made to the announcement (the “**Announcement**”) of 5100 Xizang Glacier Company Limited dated 25 June 2026 in relation to the Acquisition. Unless the context otherwise requires, terms defined in the Announcement shall have the same meaning when used in this announcement.

As disclosed in the Announcement, the Company has engaged the Valuer to update its valuation on the fair value of 100% equity interests in the PRC Company. It is also one of the conditions precedent to Completion that the Valuation as stated in the Valuation Report to be issued by the Valuer shall not be less than RMB330,000,000.

The Board wishes to provide the Shareholders and potential investors of the Company with the latest updates on the Valuation.

VALUATION

Subsequent to the publication of the Announcement, the Valuer issued the Valuation Report, according to which the Valuation is RMB336,000,000, which is not less than RMB330,000,000. A summary of the Valuation is set out in Appendix I to this announcement.

The Board has reviewed carefully the reasons for selecting the valuation method adopted in the Valuation, namely the discounted cash flow method under the income approach, and considers that the selection of such valuation method is fair and reasonable.

The Board has conducted due diligence work, including but not limited to the following: (a) discussing with the responsible members of the Vendor; (b) reviewing the relevant permits, business certificates, licenses, legal approvals and project feasibility in relation to the water source; (c) attending on-site visit to the water source; (d) discussing with the Company's PRC legal advisor about the latest regulatory requirement and status of the relevant permits and licenses in relation to the water source; (e) reviewing the business leads and/or sales contracts that the PRC Company has entered into with respect to the sale of products; and (f) considering potential collaboration with the Vendor and/or its business partners/associates. The Board is of the view that the profit forecast in the Valuation has been made after due care and enquiry, and the underlying assumptions are fair, reasonable and represented the management's best estimate by taking into account all relevant information.

As disclosed in the Announcement, the total Consideration is RMB237,600,000, representing 72% (being the percentage of the remaining equity interests in the PRC Company to be indirectly acquired through the Acquisition) of RMB330,000,000 (being the target amount that the Valuation shall meet as one of the conditions precedent to Completion). In view of the bases on which the Consideration was determined as more particularly set out in the Announcement, and given that the actual Valuation exceeds the said target amount by RMB6,000,000, the Board is of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

PROFIT FORECAST

As the discounted cash flow method under the income approach was adopted in the Valuation, the Valuation is regarded as a profit forecast under Rule 14.61 of the Listing Rules.

HLB Hodgson Impey Cheng Limited, the auditor of the Company (the “**Auditor**”), has been engaged to prepare a letter under Rule 14.60A(2) of the Listing Rules. The text of the letter is set out in Appendix II to this announcement.

A report from Astrum Capital Management Limited, the independent financial adviser to the Company in relation to the Acquisition (the “**Independent Financial Adviser**”), as required under Rule 14.60A(3) confirming that they are satisfied that the profit forecast in the Valuation has been made by the Directors after due and careful enquiry, is set out in Appendix III to this announcement.

EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given their opinion or advice which is contained in this announcement:

Name	Qualification
Vincorn Consulting and Appraisal Limited	Relevant qualifications include Fellow of the Hong Kong Institute of Surveyors, Fellow / Member of the Royal Institution of Chartered Surveyors, Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong and Registered Valuer of the Royal Institution of Chartered Surveyors
HLB Hodgson Impey Cheng Limited	Certified Public Accountants, Hong Kong
Astrum Capital Management Limited	A corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

As at the date of this announcement, each of the Valuer, the Auditor and the Independent Financial Adviser:

- (a) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) has given and has not withdrawn its written consent to the issue of this announcement with the inclusion herein of its letter or report and references to its name in the form and context in which they respectively appear.

To the best knowledge, information and belief of the Board, having made all reasonable enquiries, each of the Valuer, the Auditor and the Independent Financial Adviser is a third party independent of the Company and its connected persons.

FURTHER UPDATES

As Completion is subject to the fulfilment of the remaining conditions precedent, the Acquisition may or may not proceed. Further announcement(s) will be made by the Company on the progress of the Acquisition as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
5100 Xizang Glacier Company Limited
CHEN Di
Chairman and Non-Executive Director

Hong Kong, 15 July 2026

As of the date of this announcement, the executive Directors are Mr. CHOW Wai Kit, Mr. CHENG Gwan Sing and Mr. YUE Zhiqiang, the non-executive Directors are Ms. JIANG Xiaohong, Mr. XIE Kun and Mr. CHEN Di (Chairman) and the independent non-executive Directors are Dr. ZHANG Chunlong, Ms. LIN Ting and Ms. ZHENG Jue.

If there is any inconsistency in this announcement between the English version and the Chinese translation, the English version shall prevail.

APPENDIX I — SUMMARY OF THE VALUATION

In this Appendix I, unless the context otherwise requires, (i) references to “the Subject Company” and “the Subject” are to the PRC Company; and (ii) references to “we”, “our” and “us” are to the Valuer.

1. Valuation Date

The valuation date is 31 May 2026 (the “**Valuation Date**”).

2. Valuation Basis

The valuation has been prepared in accordance with the International Valuation Standards effective from 31 January 2025 published by the International Valuation Standards Council, where applicable.

The valuation is conducted on a market value basis.

Market value is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

3. Scope of Work

Our valuation conclusion is based on the assumptions stated herein and on information provided by the management of the Subject Company, and / or its representative (together referred to as the “**Management**”).

In the course of our valuation, the following processes have been conducted to evaluate the information provided by the Management:

- (i) Discussed with the Management and obtained relevant information in respect of the Subject by going through an information checklist;
- (ii) Examined the relevant basis and assumptions of the financial information in respect of the Subject provided by the Management;
- (iii) Conducted appropriate research to obtain sufficient market data and statistical figures and prepared the valuation based on generally accepted valuation procedures and practices; and
- (iv) Arriving at our valuation opinion based on the assumptions stated in the Valuation Report and on information provided by the Management.

No on-site inspection has been made as part of the agreed-upon procedures for this valuation task.

4. Sources of Information

In conducting our valuation of the Subject, we have considered, reviewed and relied upon the following key information which is available to the public or provided by the Management and the public:

- (i) Background information of the Subject Company and relevant corporate information;
- (ii) The financial statements of the Subject Company as of the Valuation Date;
- (iii) 5-year financial forecast provided by the management;
- (iv) Government document “西藏自治區水利廳行政許可決定 - 藏水許可(2023) 26 號” (Administration Decision of the Tibet Autonomous Region Water Resources Department [2023] No. 26*);
- (v) Construction contract of elevated water pipeline;
- (vi) 3 purchase and sale contracts;
- (vii) Original Equipment Manufacturer (“OEM”) commissioned production contract;
- (viii) Government document “西藏自治區人民政府文件 - 藏政發(2022) 11 號” (Document of the People’s Government of the Tibet Autonomous Region [2022] No. 11*); and
- (ix) S&P Capital IQ and other reliable sources.

5. Valuation Assumption and Rationale

For the purpose of determining the equity interest of the Subject, we have considered all the prominent factors affecting the value and assumed, including but not limited to, the following:

- (i) The cooperation between the Subject Company and the customers is sustainable and there will be continuous cooperation and development on bottled water products by way of the renewal of the contracts or any other form of agreements or consensus;

- (ii) We have assumed that there will be no material change in the existing political, taxation, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Subject;
- (iii) We have assumed that the conditions in which the Subject is operated, and which are material to revenue and costs of the businesses of the Subject will have no material change;
- (iv) We have assumed that the information has been prepared on a reasonable basis after due and careful consideration by the Company;
- (v) We have assumed that competent management, key personnel and technical staff will be maintained to support the ongoing operation and development of the Subject;
- (vi) We have assumed that all licenses and permits that are essential for the operation of the Subject can be obtained and are renewable upon expiry; and
- (vii) We have assumed that there are no hidden or unexpected conditions associated with the businesses valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

6. Valuation Methodology

6.1. Selection of Valuation Approach

There are three generally accepted approaches to assess the equity interest of the Subject, namely, Market Approach, Asset-Based Approach and Income Approach. Each of these approaches is appropriate in one or more circumstances. Whether to adopt a particular approach will be determined with reference to the most common adoption when similar subjects are being valued.

Market Approach

Market Approach values assets based on comparison with recent market transactions of selling similar assets. Although this approach is widely used, the main difficulties with this approach are the lack of financial information and full details regarding the sale of similar assets.

We have considered but decided against Market Approach as there are no similar assets in the market for comparison purpose. Therefore, Market Approach is not appropriate to estimate the equity interest of the Subject and is not adopted in our valuation.

Asset-Based Approach

Asset-Based Approach values assets with reference to the accumulating costs that would incur in order to replace or reproduce the assets in its current condition. This approach is not considered to be an appropriate approach to valuing income-generating assets as it generally does not capture the future expected returns to the asset.

We have considered but decided against Asset-Based Approach as this approach disregards the future profit potentials of the Subject. Therefore, Asset-Based Approach is not appropriate to estimate the equity interest of the Subject and is not adopted in our valuation.

Income Approach

Income Approach values assets with reference to the capitalized value of income, cash flows or cost savings that could hypothetically be earned or achieved by a market participant owning the assets.

We consider Income Approach to be appropriate to value the Subject because it can fully reflect the Subject Company's future plan of its business which as a result, can better illustrate the future earnings potential in the valuation. The principle of this approach is that the value of the asset can be measured by the present worth of the economic benefits to be received over the asset life. This approach estimates the future economic benefits and discounts these benefits to their present value using an appropriate discount rate for all risks associated with realizing those benefits.

6.2. Valuation of the Subject

To determine the valuation of the Subject, we have conducted our valuation based on discounted cash flow within Income Approach.

The discounted cash flow should incorporate assumptions that market participants would use in estimating the asset's equity interest. The following is a discussion of the assumptions used to derive the cash flows attributable to the Subject Company.

Discounted Cash Flow

The discounted cash flow method is a method used to value the Subject Company incorporating the concept of time value of money. All future cash flows are estimated and discounted to give them a present value. The discount rate used is the required rate of return of the comparable companies. The present value of the free cash flows was calculated via the following formula:

$$PVCF = CF_1/(1+R)^1 + CF_2/(1+R)^2 + CF_3/(1+R)^3 + ... + CF_n/(1+R)^n$$

Where:

PVCF = Present value of cash flows

CF_n = Cash flow at time n

R = Discount rate

N = Time period

Free Cash Flow

In the course of our valuation, the cash flows were determined as free cash flows, which were calculated using the following formula:

$$FCF = NI + AD - WC - CAPEX$$

Where:

FCF = Free cash flow

NI = Net income

AD = Amortization and depreciation

WC = Change in Working Capital

CAPEX = Capital expenditures

Discount Rate

Weighted average cost of capital (“**WACC**”) is adopted as the discount rate. WACC represents investors’ expectations and for any given investment is a combination of three basic factors, namely the risk-free rate, the expected return and a premium for risk. WACC was computed with the following formula:

$$WACC = (E/V) * Re + (D/V) * Rd * (1-Tc)$$

Where:

Re = Cost of equity

Rd = Cost of debt

E = Market value of the firm’s equity

D = Market value of the firm's debt

$V = E + D$

E/V = Percentage of financing due to equity

D/V = Percentage of financing due to debt

T_c = Corporate Tax rate

The Comparable Companies for Discount Rate

Due care was exercised in the selection of the Comparable Companies by using reasonable criteria in deciding whether or not a particular company is relevant. In selecting the Comparable Companies, we started with the description of the potential companies, in terms of lines of business, financial results and other criteria. In order to comprise a representative set of guideline public companies to derive the valuation result, certain criteria have to be set to ensure similarity between the Comparable Companies and the Subject Company.

Firstly, our focus is to identify listed companies which are engaged in the production and sales of drinking water in Hong Kong and the People's Republic of China (the "PRC") and these companies should be listed on the stock exchange. We consider the list of Comparable Companies an exhaustive list; we consider this selection basis is reasonable and the sample list is fair and representative. As a result, the Comparable Companies were selected with reference to the criteria as follows:

- (i) The comparable companies are listed in The Stock Exchange of Hong Kong Ltd., Shanghai Stock Exchange or Shenzhen Stock Exchange;
- (ii) The comparable companies have sufficient operating histories;
- (iii) The comparable companies are engaged in the production and sales of beverage related products business including bottled water and mainly operate and generate their revenue in Hong Kong and the PRC; and
- (iv) The financial information of the comparable companies is available to the public.

We have then identified 3 comparable companies which are comparable to the Subject Company with the aforesaid criteria and calculated the unlevered beta and D/E ratio of each Comparable Company.

The following is the exhaustive list of the Comparable Companies that we have selected in connection with the valuation of the 100% equity interest.

Details of the Comparable Companies:

Company Name	Ticker	Business Description
China Foods Limited	SEHK:506	China Foods Limited, an investment holding company, manufactures, distributes, markets, and sells Coca-Cola series products in the People's Republic of China. The company offers sparkling drinks, juices, water, milk drinks, energy drinks, tea, coffee, functional nutrition drinks, and sports and plant-based protein drinks. It is also involved in the production, sale, and distribution of beverage bottles; wholesale and retail of prepackaged foods, and raw and auxiliary materials; provision of supply chain information consultation, management, and other services; and wholesale of packaged foods. The company was formerly known as COFCO International Limited. China Foods Limited was incorporated in 1990 and is headquartered in Causeway Bay, Hong Kong. China Foods Limited is a subsidiary of China Foods (Holdings) Limited.
5100 Xizang Glacier Company Limited	SEHK:1115	5100 Xizang Glacier Company Limited, an investment holding company, manufactures beverages in the People's Republic of China. It operates in two segments, Water and Beer. The Water segment manufactures and sells a range of water products through wholesales under the 5100 Glacial Water, Highland Barley Beer, Zhuoma Spring, and Gesang Spring brand names. The company was formerly known as Tibet Water Resources Ltd. and changed its name to 5100 Xizang Glacier Company Limited in October 2025. 5100 Xizang Glacier Company Limited was incorporated in 2010, and its operational business traces its roots back to 2006. It is headquartered in Admiralty, Hong Kong.

Company Name	Ticker	Business Description
Nongfu Spring Co., Ltd.	SEHK:9633	Nongfu Spring Co., Ltd. produces and markets packaged drinking water and beverage products primarily in Mainland China. It operates through five segments: Water Products, Ready-To-Drink Tea Products, Functional Drinks Products, Juice Beverage Products, and Other Products. The company also offers tea beverage products; functional drink products; fruit juice products; and other beverage products, such as soda water, sparkling flavored, and coffee beverages, as well as agricultural products comprising fresh fruits. The company was founded in 1996 and is headquartered in Hangzhou, China. Nongfu Spring Co., Ltd. operates as a subsidiary of Yangshengtang Co., Ltd.

Source: S&P Capital IQ and Financial Reports of the Comparable Companies

Cost of Equity

As shown in the above formula, the WACC has two components: the cost of equity and the cost of debt. The modified Capital Asset Pricing Model (the “**Modified CAPM**”) was used for determining the cost of equity. The modified CAPM states that an investor requires excess returns to compensate for any risk that is correlated to the risk in the return from the stock market as a whole but requires no excess return for other risks. Risks that are correlated to the risk in the return from the stock market as a whole are referred to as systematic and measured with a parameter, beta, whereas other risks are referred to as a non-systematic. It is calculated as follows:

$$Re = Rf + \beta * (Rm - Rf) + SCRP + CSRP$$

Where:

Re = Cost of equity

Rf = Risk-free rate

β = Beta coefficient

Rm = Expected market return

$(R_m - R_f) = \text{Market risk premium}$

SCRIP = Small company risk premium

CSRP = Company specific risk premium

In our valuation, the following parameters were adopted:

Parameters Adopted	Value
Risk-free rate (10-yr) ¹	1.73%
Beta coefficient ²	0.70
Market risk premium ³	5.14%
Company Specific risk premium ⁴	4.00%
Small company risk premium ⁵	4.47%
Cost of equity	13.78%
Pre-tax cost of debt ⁶	3.50%
Tax rate ⁷	25.00%
Debt to equity ratio ⁸	8.86%
WACC	12.87%

Remarks:

1. The risk-free rate is the yield of 10-Year China Government Bond as at the Valuation Date.
2. The beta of the Subject Company is determined as the re-levered beta based on the average unlevered beta of the Comparable Companies. The unlevered beta of each Comparable Company is calculated by unlevering its respective levered beta obtained from S&P Capital IQ using the formula as below:

$$\text{Leveraged beta} = \text{Unlevered beta} * [1 + (1 - \text{Tax Rate}) * (D/E)]$$

The detailed calculation is summarized in the table below:

Stock Ticker	Levered Beta	Effective Tax Rate	Debt to Equity Ratio	Unlevered Beta
SEHK:506	0.54	27.83%	0.77%	0.54
SEHK:1115	0.62	8.25%	24.77%	0.50
SEHK:9633	0.92	24.14%	1.04%	0.91
			Average	0.65

The beta of the Subject Company is then determined as the re-levered beta based on the average unlevered beta of the Comparable Companies (i.e. 0.65) as well as 25% China standard corporate profit tax rate and 8.86% expected debt to equity ratio of the Subject Company using the above-mentioned formula.

The resulting beta coefficient applicable to the Subject Company based on the Comparable Companies is determined as 0.70.

3. The market risk premium is the implied risk premium expected from the market using forecast growth rates, earnings, dividends, payout ratios and current values. It represents the additional return required by an investor as the compensation for investing in equities rather than a risk-free instrument. The adopted risk premium is made reference to the total equity risk premium in the research published by Professor Aswath Damodaran from New York University on 1 Jan 2026.
4. The company specific risk premium is the risk premium added to the cost of equity to reflect the additional risk factors specific to the Subject Company. The company specific risk factors may include the following:
 - (i) Start-up risk
 - (ii) Level of diversification
 - (iii) Customer concentration
 - (iv) Ease of access to capital
 - (v) Distribution channel
 - (vi) Competence of management
 - (vii) Competition from industry peers
5. Small company risk premium is the additional return required by small company investors to compensate the higher perceived risks of small companies. The small company risk premium is made reference to 2024 Valuation Handbook — Guide to Cost of Capital (“**Handbook**”). The Handbook is the study of historical capital markets data in the United States. Commonly used by valuers, consultants, and analysts to analyze asset class performance, the yearbook contains the CRSP Decile Size Premia Study. The premia in the Handbook were calculated using the data sources: (i) Standard and Poor’s, (ii) the Center for Research in Security Prices (CRSP) at the University of Chicago Booth School of Business and (iii) Morningstar — the actual “SBBI” data series in the Handbook.

6. Cost of debt is determined with reference to the 5-year best lending rate in China as at the Valuation Date.
7. Current China standard corporate profit tax rate.
8. The average debt-to-equity ratio of the comparable companies.

Prospective Financial Information (“PFI”)

The valuation is based on a PFI over the period from 2027 to 2031 (“**Projection Period**”) which was prepared in RMB by the management as of the Valuation Date. Given the Subject Company is expected to enter a stable growth stage in 2031 as well as the common practice for valuation by discounted cash flow method, a 5-year financial projection over the Projection Period is adopted so that the growth and development of the Subject Company from the Valuation Date to its stable stage can reasonably and sufficiently be reflected. The details of the PFI are summarized as follows:

RMB’000	2027	2028	2029	2030	2031	Terminal
Revenue	147,411	179,998	212,629	216,882	221,219	225,644
Cost of Goods Sold	(55,780)	(66,580)	(77,380)	(78,928)	(80,506)	(82,116)
Gross Profit	91,631	113,418	135,249	137,954	140,713	143,528
Operating Expenses (excluded Depreciation)	(50,933)	(58,907)	(67,180)	(68,524)	(69,894)	(71,292)
Depreciation Expenses	(59)	(62)	(65)	(68)	(71)	(74)
Profit before Tax	40,639	54,449	68,004	69,363	70,748	72,161
Tax Expenses	(3,658)	(8,167)	(10,201)	(10,404)	(17,687)	(18,040)
Profit after Tax	36,982	46,282	57,804	58,958	53,061	54,121

Revenue

The revenue of the Subject Company is projected to increase from RMB147.4 million in 2027 to RMB221.2million in 2031 after excluding the value-added tax, implying a revenue CAGR of 10.68%. The growth is contributed by the revenue from three existing sales contracts and the expansion of customer base over the Projection Period. The revenue forecast assumes the full execution and performance of the three sales contracts which are expected to provide a visible and recurring revenue stream, forming a stable baseline for the operations. Besides, it is assumed that the Subject Company will successfully expand its customer base by capturing incremental demand of high quality drinking water and synergistic channel expansion through the parent company 5100 Xizang Glacier Company Limited, thereby generating additional revenue growth beyond the existing contract base.

The details of the revenue streams are summarized as follows:

RMB'000	2027	2028	2029	2030	2031	Terminal
Contract 1	100,800	134,400	168,000	171,360	174,787	178,283
Contract 2	30,000	30,600	31,212	31,836	32,473	33,122
Contract 3	15,000	15,300	15,606	15,918	16,236	16,561
Potential customers	10,320	10,526	10,737	10,952	11,171	11,394
Less: Total taxes and surcharges ¹	(8,709)	(10,828)	(12,926)	(13,184)	(13,448)	(13,717)
Total	147,411	179,998	212,629	216,882	221,219	225,644

Note 1: Total taxes and surcharges are determined by the output value-added tax minus the input value-added tax. The output value-added tax rate for sales of products is 13%. The input value-added tax rates for the OEM fees and Transportation costs are 13% and 9% respectively.

Cost of revenue

The cost of revenue is assumed to consist exclusively of OEM fees. These fees are calculated on a per-unit basis directly linked to the volume of bottled water produced, as stipulated in the supply contracts provided by the customers. Accordingly, total cost of revenue will vary proportionally with production output, and no other significant costs are anticipated over the Projection Period.

Operating expenses (excluding depreciation expenses on fixed assets)

The Subject Company's operating expenses mainly consisted of salary and welfare expenses, transportation costs, marketing and promotion expenses, and other expenses like water, electricity, and other miscellaneous expenses. The operating expenses as a percentage of revenue are expected to decrease from 34.55% in 2027 to 31.59% in 2031 due to the increased revenue from expanding customer base.

(i) Salary and welfare expenses

According to the management, the Subject Company assumes a stable headcount of 20 employees throughout the Projection Period, with an average monthly salary and welfare of RMB15,000 per person (equivalent to an annual payroll of RMB3.6 million) with the China long term growth rate of 2.0% which is referenced to the long-term inflation rate forecast based on the annual percent change of average consumer prices sourced from International Monetary Fund ("IMF") in April 2026 over the Projection Period.

(ii) Transportation costs

The transportation costs are assumed at RMB600 per ton, which is derived from quotations received from logistics providers for various destinations and includes a provision for transit losses with the China long-term growth rate of 2.0% which is referenced to the long-term inflation rate forecast based on the annual percent change of average consumer prices sourced from International Monetary Fund (“IMF”) in April 2026 over the Projection Period.

(iii) Marketing and promotion expenses

As advised by the management, the distributors will bear the majority of market-related expenditures, the Subject Company nevertheless assumes a fixed annual advertising and promotional budget of RMB10 million for brand building and targeted consumer initiatives with the China long-term growth rate of 2.0% which is referenced to the long-term inflation rate forecast based on the annual percent change of average consumer prices sourced from International Monetary Fund (“IMF”) in April 2026 over the Projection Period

(iv) Other expenses

As advised by the management, other expenses include water, electricity, and other miscellaneous expenses, it is assumed an annual budget of RMB3 million, representing fixed utility and administrative costs necessary for ongoing operations with the China long-term growth rate of 2.0% which is referenced to the long-term inflation rate forecast based on the annual percent change of average consumer prices sourced from International Monetary Fund (“IMF”) in April 2026 over the Projection Period.

Depreciation expenses on fixed assets

The depreciation expenses on fixed assets range from RMB0.059 million to RMB0.074 million over the Projection Period. Given the Subject Company’s light-asset OEM operating model, fixed assets only include elevated water transmission pipelines and office equipment. Depreciation is calculated using the straight-line method, with estimated useful lives of 20 years for pipelines and 10 years for office equipment, and a residual value of 5%.

Income tax

The Subject Company has its operations in Tibet and is eligible for preferential tax rates under the Western Development Policy. Based on the discussion with management and current applicable policies, the forecast assumes the following corporate income tax rates of 9% for the fiscal year 2027, 15% from 2028 to 2030, and 25% from 2031 onwards.

Capital expenditure

The Subject Company is asset-light and did not have significant fixed assets other than the elevated water transmission pipelines. In the second half of 2026, according to the construction contract of elevated water pipeline, initial capital expenditure of RMB1 million will be invested in the construction. Besides, management estimates a budget of RMB0.1 million for the purchase of office equipment. It is expected the capital expenditure will maintain at a low level. The capital expenditure is expected to range from RMB0.057 million to RMB0.074 million over the Projection Period. The purpose of the capital expenditure is mainly used for maintenance of fixed assets and purchase of office equipment.

Working capital

The working capital of the Subject Company includes accounts receivable, inventory, prepayment, accounts payable and receipt in advance. Based on the estimation from the management, the turnover days of accounts receivable, inventory, prepayment, accounts payable and receipt in advance are assumed to be 90 days, 90 days, 75 days, 120 days and 50 days respectively.

Terminal growth rate

The terminal growth rate adopted is 2.0% which is referenced to the long-term inflation rate forecast based on the annual percent change of average consumer prices sourced from International Monetary Fund (“IMF”) in April 2026.

Discount for Lack of Marketability (“DLOM”)

The concept of marketability deals with the liquidity of an ownership interest, that is how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount reflects the fact that there is no ready market for shares in privately held companies which are typically not readily marketable compared to similar interest in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company.

In the valuation, discounts for lack of marketability are reference to the research of “Stout Restricted Stock Study Companion Guide 2025 Edition”. A discount for lack of marketability of 15.70% was adopted.

Summary of the Subject Valuation

Details of the 100% equity interest of the Subject Company as at the Valuation Date are as follows:

Valuation Conclusion	RMB' 000
100% Enterprise Value derived from Discounted Cash Flow model	408,388
Add: Cash	112
Less: Debt	—
Add: Non-operating Assets	580
Less: Non-operating Liabilities	<u>(9,941)</u>
 100% Equity Value of the Subject Company (before DLOM)	 399,139
Less: DLOM (15.70%)	<u>(62,665)</u>
 100% Equity Value of the Subject Company (after DLOM)	 336,474
100% Equity Interest of the Subject Company (rounded):	336,000

* The figures may not add up due to rounding.

7. Valuation Conclusion

In our opinion, on the basis of the assumptions and information made available to us, the valuation of 100% equity interest of the Subject Company as at 31 May 2026 is reasonably estimated at:

RMB 336,000,000

(RENMINBI THREE HUNDRED AND THIRTY SIX MILLION)

APPENDIX II — LETTER FROM THE AUDITOR REGARDING PROFIT FORECAST

The following is the text of the letter from HLB Hodgson Impey Cheng Limited for the purpose of inclusion in this announcement.

15 July 2026

The Board of Directors
5100 Xizang Glacier Company Limited
Unit D, 23rd Floor, United Centre
95 Queensway, Admiralty
Hong Kong

Dear Sirs,

5100 Xizang Glacier Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”)

Comfort letter on discounted cash flow forecasts in respect of the valuation on 100% equity interest of Xizang Life Water Development Co., Ltd. (西藏生命之水發展有限公司) (the “PRC Company”) in connection with the discloseable transaction of acquisition of the entire issued share capital of Nyenchen Tanglha Investment Co., Limited (念青唐古拉投資有限公司) (the “Target Company”)

We have examined the arithmetical calculations of the discounted future cash flow forecasts on which the valuation report dated 15 July 2026 prepared by Vincorn Consulting and Appraisal Limited (泓亮諮詢及評估有限公司) in respect of the valuation on 100% equity interest of the PRC Company as at 31 May 2026 (“the **Valuation**”) in connection with the discloseable transaction in relation to the acquisition of the entire issued share capital of the Target Company as disclosed in the Company’s announcement dated 25 June 2026 (“the **Announcement**”) and further announcement dated 15 July 2026 is based. Capitalised terms used in this letter have the same meanings as defined in the Announcement unless the context otherwise requires.

The Valuation is prepared based on the discounted future cash flow forecasts and is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors' Responsibilities

The Directors are responsible for the preparation of the discounted future cash flow forecasts in accordance with the bases and assumptions (the “**Assumptions**”) determined by the Directors and as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted cash flow for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The Directors are solely responsible for the discounted future cash flow forecasts.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (“**HKSQM**”) 1 *“Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion on whether the arithmetical calculations of the discounted future cash flow forecasts have been properly compiled, in all material respects, in accordance with the assumptions on which the Valuation is based and to report solely to you, as a body, as required by Rules 14.60A(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical calculations are concerned, the Directors have properly compiled the discounted cash flows forecast in accordance with the Assumptions. We performed procedures on the arithmetical calculations and the compilations of the discounted cash flow forecasts in accordance with the Assumptions. Our work does not constitute any valuation of Target Company.

Because the Valuation related to discounted future cash flow forecasts, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future event and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, so far as the arithmetical calculations are concerned, the discounted future cash flow forecasts have been properly compiled in all material respects in accordance with the Assumptions as set out in the Valuation.

Yours faithfully,
HLB Hodgson Impey Cheng Limited
Certified Public Accountants
Hong Kong

APPENDIX III — REPORT FROM THE INDEPENDENT FINANCIAL ADVISER REGARDING PROFIT FORECAST

The following is the text of the report from Astrum Capital Management Limited for the purpose of inclusion in this announcement.

15 July 2026

5100 Xizang Glacier Company Limited

Unit D, 23rd Floor, United Centre
95 Queensway, Admiralty
Hong Kong

Attention: The Board of Directors

Dear Sirs,

We refer to (i) the announcements of 5100 Xizang Glacier Company Limited (the “**Company**”) dated 25 June 2026 and 15 July 2026 (the “**Announcement**” and the “**Further Announcement**”, respectively) in connection with the proposed acquisition (the “**Acquisition**”) of the entire issued share capital of Nyenchen Tanglha Investment Co., Limited (念青唐古拉投資有限公司) (the “**Target Company**”); and (ii) the valuation report (the “**Valuation Report**”) prepared by Vincorn Consulting and Appraisal Limited (the “**Valuer**”) in respect of the valuation on 100% equity interest of Xizang Life Water Development Co., Ltd.* (西藏生命之水發展有限公司) (the “**PRC Company**”) as at 31 May 2026. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Announcement.

The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast (the “**Profit Forecast**”) for the purpose of Rule 14.61 of the Listing Rules and, accordingly, the requirements under Rule 14.60A of the Listing Rules are applicable.

We, as the independent financial adviser to the Company, have reviewed the Profit Forecast, for which the Directors are solely responsible, and have discussed with the management of the Company and the Valuer regarding the bases and assumptions of the Valuation, and have reviewed the letter dated 15 July 2026 from HLB Hodgson Impey Cheng Limited (“**HLB**”), the reporting accountant of the Company, as set out in Appendix II to the Further Announcement. HLB is of the opinion that so far as the arithmetical calculations are concerned, the Profit Forecast has been properly compiled in all material respects in accordance with the bases and assumptions determined by the Directors as set out in the Valuation.

On the basis of the foregoing and the calculations reviewed by HLB, without giving any opinion on the reasonableness of the valuation methods, bases and assumptions adopted by the Valuer on the Valuation, for which the Valuer and the Company are responsible, we are of the opinion that the Profit Forecast underlying the Valuation, for which the Directors are solely responsible, has been made after due and careful enquiry. The Directors are responsible for the preparation of the Profit Forecast in accordance with the bases and assumptions determined by the Directors and as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the Profit Forecast for the Valuation and applying appropriate basis of preparation, and making estimates that are reasonable in the circumstances. For the avoidance of doubt, this letter does not constitute an independent valuation or fairness opinion and is expressly limited to the matters described herein.

The work undertaken by us has been undertaken for the purpose of reporting solely to you under Rule 14.60A of the Listing Rules and for no other purpose. We have not independently verified the assumptions or computations leading to the Valuation. We have had no role or involvement and have not provided and will not provide any assessment of the value on the Target Group to the Company. We have assumed that all information, materials and representations provided to us by the Company and the Valuer, including all information, materials, and representations referred to or contained in the Announcement and the Further Announcement, were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of this letter and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, whether expressed or implied, is made by us on the accuracy, truth or completeness of such information, materials or representations. Accordingly, we accept no responsibility to any other person in respect of, arising out of or in connection with our work or this letter.

Yours faithfully,
For and on behalf of
Astrum Capital Management Limited
Hidulf Kwan
Managing Director