
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)

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED ABOLITION OF THE SUPERVISORY COMMITTEE
PROPOSED ADOPTION OF RULES OF THE GENERAL MEETING
PROPOSED ADOPTION OF RULES OF THE BOARD OF DIRECTORS
AND
NOTICE OF 2025 FIRST EXTRAORDINARY GENERAL MEETING**

Notice of convening the 2025 first EGM 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 November 2025 is set out on pages 153 to 154 of this circular. Form of proxy for use at the EGM are also enclosed with this circular. If you intend to attend the EGM 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 EGM (i.e. not later than 9:30 a.m. on Thursday, 27 November 2025) 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 EGM or any adjourned meeting(s) if you so wish.

* For identification purposes only

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DEFINITIONS

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

“EGM”	the extraordinary general meeting of the Company to be held at the meeting room of 16 Baizi Road, Jiangyang District, Luzhou, Sichuan Province, the PRC at 9:30 a.m. on Friday, 28 November 2025 or any adjournment thereof
“Articles of Association”	the articles of the Company as amended, modified or otherwise supplemented from time to time
“CSRC”	China Securities Regulatory Commission
“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
“Company Law”	the Company Law of the People’s Republic of China
“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

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, modified or otherwise supplemented from time to time
“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
“Rules of the Board of Directors”	The Rules of the Board of Directors of the Company governing the operation and proceedings of the Board of Directors may be amended, modified or otherwise supplemented from time to time. Upon approval by the EGM, the current Rules of Procedure for the Board of Directors of the company shall be repealed simultaneously
“Rules of the General Meeting”	The Rules of the General Meeting of the Company governing the operation and proceedings of the General Meeting may be amended, modified or otherwise supplemented from time to time. Upon approval by the EGM, the current Rules of Procedure for the General Meeting shall be repealed simultaneously
“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)

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)

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)

Registered office:

16 Baizi Road
Jiangyang District, Luzhou
Sichuan Province
PRC

Principal place of business in Hong Kong:

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai, Hong Kong

To the Shareholders,

Dear Sir/Madam,

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED ABOLITION OF THE SUPERVISORY COMMITTEE
PROPOSED ADOPTION OF RULES OF THE GENERAL MEETING
PROPOSED ADOPTION OF RULES OF THE BOARD OF DIRECTORS
AND
NOTICE OF 2025 FIRST EXTRAORDINARY GENERAL MEETING**

13 November 2025

* For identification purposes only

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to give you notice of the EGM 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 EGM as described below.

At the EGM, a special resolution will be proposed to consider and approve (i) the proposed amendments to the Articles of Association; and ordinary resolutions will be proposed to consider and approve (i) the proposed abolition of the Supervisory Committee; (ii) the proposed adoption of Rules of the General Meeting; and (iii) the proposed adoption of Rules of the Board of Directors.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the Company's announcement dated 31 October 2025 in relation to, among others, the proposed amendments to the Articles of Association.

In accordance with national laws and regulations and the latest regulatory requirements of supervisory authorities, and in conjunction with the actual circumstances of the Company, the Company proposes to amend its Articles of Association. The amendments include, but are not limited to, the abolition of the Supervisory Committee. Such amendments have been approved by the Board. The Articles of Association are prepared in Chinese. Any English translation is for reference only. In the event of any inconsistency, the Chinese text shall prevail.

A special resolution will be proposed at the EGM to approve the amendments to the Articles of Association. For details of the proposed amendments to the Articles of Association, please refer to Appendix I to this circular. The proposed amendments to the Articles of Association will take effect upon approval by the Shareholders at the EGM.

PROPOSED ABOLITION OF THE SUPERVISORY COMMITTEE

Reference is made to the Company's announcement dated 31 October 2025 in relation to, among others, the proposed abolition of the Supervisory Committee.

Pursuant to the Company Law of the People's Republic of China and relevant laws, regulations, and the latest regulatory requirements, and in conjunction with the actual circumstances of the Company, the Company proposes to abolish the Supervisory Committee, and the Audit Committee of the Board shall exercise the powers of the Supervisory Committee, in accordance with the Company Law, relevant laws, regulations and relevant provisions of national authorities. The Company's "Rules of Procedure for the Supervisory Committee" and other corporate governance-related systems pertaining to the Supervisory Committee or supervisors shall be simultaneously repealed. All supervisors of the Company have confirmed that they have no disagreements with the Board of Directors and that there are no matters concerning the proposed abolition of the Supervisory Committee that require the attention of the Stock Exchange and the Shareholders.

An ordinary resolution will be proposed at the EGM to approve the proposed abolition of the Supervisory Committee. The proposed abolition of the Supervisory Committee will take effect upon approval by the Shareholders at the EGM.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF RULES OF THE GENERAL MEETING

Reference is made to the Company's announcement dated 31 October 2025 in relation to, among others, the proposed adoption of Rules of the General Meeting.

Pursuant to the proposed amendments to the Articles of Association to be approved at the EGM, and in conjunction with the Rules for the General Meetings of Listed Companies and the Corporate Governance Guidelines of Listed Companies issued by the China Securities Regulatory Commission, as well as the actual circumstances of the Company, the Company also proposes to establish the Rules of the General Meeting to regulate the operation and procedural system of the general meetings of the Company, and to repeal the current Rules of Procedure for the General Meetings.

An ordinary resolution will be proposed at the EGM to approve the proposed adoption of the Rules of the General Meeting. For the specific details of the Rules of the General Meeting, please refer to Appendix II to this circular. The proposed adoption of the Rules of the General Meeting will take effect upon approval by Shareholders at the EGM.

PROPOSED ADOPTION OF RULES OF THE BOARD OF DIRECTORS

Reference is made to the Company's announcement dated 31 October 2025 in relation to, among others, the proposed adoption of Rules of the Board of Directors.

Pursuant to the proposed amendments to the Articles of Association to be approved at the EGM, and in conjunction with the Corporate Governance Guidelines of Listed Companies issued by the CSRC, as well as the actual circumstances of the Company, the Company also proposes to establish the Rules of the Board of Directors to regulate the operation and procedural system of the Board of the Company, and to repeal the current Rules of Procedure for the Board of Directors.

An ordinary resolution will be proposed at the EGM to approve the proposed adoption of the Rules of the Board of Directors. For the specific details of the Rules of the Board of Directors, please refer to Appendix III to this circular. The proposed adoption of the Rules of the Board of Directors will take effect upon approval by Shareholders at the EGM.

LETTER FROM THE BOARD

EXTRAORDINARY GENERAL MEETING

The EGM will be held at 9:30 a.m. on Friday, 28 November 2025 at the meeting room of 6th Floor, 16 Baizi Road, Jiangyang District, Luzhou, Sichuan Province, the PRC. The notice of the EGM is set out on pages 153 to 154 of this circular. The form of proxy and reply slip for the EGM are enclosed herewith.

If you intend to attend the EGM 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 EGM (i.e. not later than 9:30 a.m. on Thursday, 27 November 2025) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM, or any adjourned meeting, in person if you so wish.

If you intend to attend the EGM 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 (in respect of H Shareholders) or to the office of the Board (in respect of Domestic Shareholders) on or before Friday, 21 November 2025.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 24 November 2025 to Friday, 28 November 2025 (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 Monday, 24 November 2025 will be entitled to attend and vote at the EGM. In order to be qualified to attend and vote at the EGM, 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 Friday, 21 November 2025.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, the resolutions to be proposed at the EGM as set out in the notice of the EGM contained in this circular must be taken by poll. The chairman of the EGM will therefore demand a poll for every such resolution put to vote at the EGM. 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 EGM 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 EGM which are to be proposed at the EGM.

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

* *For identification purposes only*

APPENDIX I	COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*
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- Notes:
1. Those marked by way of “~~wordings~~” in the articles before amendments are contents proposed to be deleted; and those marked by way of “wordings” in the articles after amendments are contents proposed to be added.
 2. The term “general meeting” (股東大會) in the Articles before amendments has been uniformly amended to “general meeting” (股東會) in the Articles after amendments;
 3. The comparison table is arranged according to the amended provisions;
 4. The comparison table does not include amendments corresponding solely to changes in the item numbering.

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 1	General Provisions	Chapter 1	General Provisions
Article 1	To safeguard the legitimate rights and interests of Luzhou Xinglu Water (Group) Co., Ltd.* (hereinafter referred to as the “ Company ”), its shareholders and creditors, and to regulate the organization and activities of the Company, the Company formulated this Articles of Association of the Company (the “ Articles of Association ”), in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “ Company Law ”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “ Securities Law ”), the State Council’s Special Regulations on Overseas Offering and Listing of Joint Stock Limited Company (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and other relevant laws of the People’s Republic of China (hereinafter referred to as “ China ”, for the purpose of the Articles of Associations, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan).	Article 1	To safeguard the legitimate rights and interests of Luzhou Xinglu Water (Group) Co., Ltd.* (hereinafter referred to as the “ Company ”), its shareholders, <u>employees and</u> creditors, and to regulate the organization and activities of the Company, <u>to uphold and strengthen the overall leadership of the Party’s guidance, refining the corporate governance structure, setting up a modern enterprise system with Chinese characteristics,</u> the Company formulated this Articles of Association of the Company (the “ Articles of Association ”), in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “ Company Law ”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “ Securities Law ”), <u>the Guidelines for Articles of Association of Listed Companies, the Rules for Corporate Governance of Listed Companies,</u> the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “ Listing Rules ”) and other relevant laws of the People’s Republic of China (hereinafter referred to as “ China ”, for the purpose of the Articles of Associations, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan).

APPENDIX I

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 2	The Company was established by its promoter shareholders with the approval of the Reply to Shareholding Reform Plan of Luzhou Water (Group) Company Limited* (Lu Guo Zi Wei Fa [2015] No. 18) issued by State-owned Assets Supervision and Administration Commission of Luzhou City, the Approval on the Management of State-owned Equity Interests of Luzhou Water (Group) Company Limited* (Chuan Guo Zi Chan Quan [2015] No. 83) issued by State-owned Assets Supervision and Administration Commission of government of Sichuan Province and pursuant to the “Company Law” and other relevant requirements. It was registered with the Administration for Industry and Commerce of Luzhou, Sichuan on 25 December 2015 and obtained business license. The unified social credit code in the business license of the Company is 91510500204702995Y. The promoters of the Company are: Luzhou City Xinglu Investment Group Co., Ltd.* (hereinafter referred to as “Xinglu Group”), Luzhou Laojiao Group Co., Ltd.* (hereinafter referred to as “Luzhou Laojiao”) and Luzhou Infrastructure Investment Co., Ltd.* (hereinafter referred to as “Infrastructure Investment Company”).	Article 2	The Company <u>is a joint stock limited company established</u> with the approval of the Reply to Shareholding Reform Plan of Luzhou Water (Group) Company Limited* (Lu Guo Zi Wei Fa [2015] No. 180) issued by State-owned Assets Supervision and Administration Commission of Luzhou City (<u>hereinafter referred to as “Luzhou SASAC”</u>), the Approval on the Management of State-owned Equity Interests of Luzhou Water (Group) Company Limited* (Chuan Guo Zi Chan Quan [2015] No. 83) issued by State-owned Assets Supervision and Administration Commission of government of Sichuan Province. <u>The Company was established by way of promotion and registered with the Administration for Industry and Commerce of Luzhou, Sichuan on 25 December 2015 and obtained business license with unified social credit code 91510500204702995Y.</u>
—	=	Article 3	<u>The Company was approved by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on 3 November 2016, pursuant to the Reply on Issuing Overseas Listed Foreign Invested Shares of Luzhou Xinglu Water (Group) Company Limited* (Zheng Jian Xu Ke [2016] No. 2530), to issue 214.94 million overseas listed foreign invested shares (hereinafter referred to as “H Shares”) in Hong Kong, which were listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) on 31 March 2017. “H Shares” referred to in the preceding paragraph shall refer to the shares approved by the Hong Kong Stock Exchange for listing, with nominal values denominated in Renminbi, and subscribed and traded in Hong Kong dollars.</u>

APPENDIX I

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 25	At its establishment, the Company had a registered capital of RMB600 million. After the initial public offering of overseas listed foreign shares, the Company shall carry out the procedures for the change of registration with the Administration for Industry and Commerce of Luzhou in respect of the changes of registered capital of the Company.	Article 6	The registered capital of the Company is RMB <u>859.71 million.</u>
Article 5	The Chairman of the Board is the Company's legal representative.	Article 8	The Chairman of the Board is the Company's legal representative. <u>Where the Chairman of the Board resigns, such person shall be deemed to have resigned as the legal representative at the same time.</u>
—	=	Article 9	<u>The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company.</u> <u>The limitation on the functions and powers of the legal representative in the Articles of Association or by the general meeting shall not be asserted against a bona fide counterpart.</u> <u>Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall bear civil liability for such damage. The Company may, after bearing such civil liability, seek indemnification from the legal representative at fault in accordance with laws or the Articles of Association.</u>
Article 11	The assets of the Company shall be divided into shares and each share shall have equal value. The respective liability of the shareholders shall be limited to the shares subscribed for by them. The Company shall be held liable for its debts with all its assets.	Article 10	<u>The Company shall enjoy the property rights of a legal person in accordance with the laws, operate independently, account for its own profits and losses, enjoy civil rights in accordance with the laws, and bear civil liabilities independently.</u> The assets of the Company shall be divided into shares and each share shall have equal value. The respective liability of the shareholders shall be limited to the shares subscribed for by them. The Company shall be held liable for its debts with all its assets.

APPENDIX I

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 8	The Articles of Association shall become effective from the date of trading of overseas listed foreign shares of the Company on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”); The original articles of association of the Company shall automatically expire upon the effective date of the Articles of Association. The Articles of Association shall become a legally binding document that regulates the organization and acts of the Company as well as the rights and obligations between the Company and its shareholders and among the shareholders from the date on which it becomes effective.	Article 11	Since the effective day of the Articles of Association, it shall be a legally binding document which regulates the organization and conduct of the Company, the rights and obligations between the Company and shareholders and among the shareholders. The Articles of Association will be legally binding upon the Company, its shareholders, members of the Party Committee, directors and senior management. According to the Articles of Association, shareholders may initiate legal proceedings against other shareholders; the shareholders may also institute legal proceedings against directors and senior management of the Company; the shareholders may also institute legal proceedings against the Company; and the Company may also initiate legal proceedings against its shareholders, directors and senior management. The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.
Article 9	The Articles of Association shall be binding upon the Company and its shareholders, members of the Party Committee, directors, supervisors, general manager and other senior management. All the aforementioned persons may raise any claims related to the matters of the Company in accordance with the Articles of Association. Without prejudice to the provisions of Article 274 of the Articles of Association, A shareholder may take action against another shareholder in accordance with the Articles of Association. A shareholder may take action against the directors, supervisors, general manager and other senior management of the Company and may take action against the Company. The Company may take action against another shareholder, the directors, supervisors, general manager and other senior management in accordance with the Articles of Association. The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.		
Article 10	“Other senior management” referred to in the Articles of Association shall mean the deputy general manager, chief financial officer and secretary to the board of directors.	Article 12	“Senior management” referred to in the Articles of Association shall mean <u>the general manager, the deputy general manager, the chief financial officer, the secretary to the board of directors and other personnel as stipulated in the Articles of Association.</u>

**APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF
ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.***

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 2	Objectives and Scope of Business	Chapter 2	Objectives and Scope of Business
Article 14	The scope of business of the Company includes: tap water production and supply; sewage treatment and its recycling; building construction; geological survey technical services; professional clean-keeping, cleaning and disinfection services; technical services, technology development, technical consultation, technical exchange, technology transfer, technology promotion; lease of non-residential properties; inspection and testing services. The business scope of the Company is subject to the same being approved by the authority in which the Company registered.	Article 16	The business scope of the Company <u>as legally registered is</u> : tap water production and supply; sewage treatment and its recycling; building construction; geological survey technical services; professional clean-keeping, cleaning and disinfection services; technical services, technology development, technical consultation, technical exchange, technology transfer, technology promotion; lease of non-residential properties; inspection and testing services. The business scope of the Company is subject to the same being approved by the authority in which the Company is registered.
Article 15	Subject to relevant laws , the approval of competent administration authorities for industry and commerce , and changes in registration for industrial and commercial , the Company may adjust its scope of business and set up branches inside and outside the PRC based on the demands of domestic and international markets, the development capability and business requirements of Company itself.	Article 17	Subject to <u>the approval of relevant government departments</u> , the Company may adjust its scope of business and set up branches inside and outside the PRC based on the demands of domestic and international markets, the development capability and business requirements of the Company itself.
Chapter 3	Shares and Registered Capital	Chapter 3	Shares
—	=	Section 1	<u>Issuance of Shares</u>
Article 16	The Company shall have ordinary shares at all time. It may have other classes of shares according to the needs of the Company and subject to the approval of the relevant approval authorities authorized by the State Council. The shares of the Company shall be in the form of share certificates. All classes of shareholders are shareholders of the ordinary shares and shall enjoy the same rights and undertake the same obligations, and shall enjoy the same rights in dividend distribution or distribution made in other form.	Article 18	The Company shall have ordinary shares at all times. It may have other classes of shares according to the needs of the Company and subject to the approval of the relevant approval authorities authorized by the State Council. <u>All classes of shareholders shall enjoy the same rights in dividend distribution or distribution made in other form.</u> The shares of the Company shall be in the form of share certificates.

APPENDIX I

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 20	The shares issued by the Company to investors inside the PRC and other qualified investors and to be subscribed for in RMB shall be referred to as “domestic shares”. Shares issued by the Company to investors outside the PRC and other qualified investors and to be subscribed for in foreign currencies shall be referred to as “foreign shares”. The foreign shares that are listed outside the PRC are referred to as overseas listed foreign shares. Foreign shares that are issued by the Company and listed on the Hong Kong Stock Exchange are referred to as H shares. H shares are those shares listed on the Hong Kong Stock Exchange and denominated in RMB and subscribed for and traded in Hong Kong dollars. “Foreign currencies” referred to in the preceding paragraph are those legal tenders, other than RMB, of other countries or regions that 7 can be used to subscribe shares as recognized by the foreign exchange control authorities of the State.	Article 22	The shares issued by the Company to investors inside the PRC and other qualified investors and to be subscribed for in RMB shall be referred to as “domestic shares”. Shares issued by the Company to investors outside the PRC and other qualified investors and to be subscribed for in foreign currencies shall be referred to as “foreign shares”. The foreign shares that are listed outside the PRC are referred to as “overseas listed foreign shares”. “Foreign currencies” referred to in the preceding paragraph are those legal tenders, other than RMB, of other countries or regions that can be used to subscribe shares as recognized by the foreign exchange control authorities of the State.
Article 21	Subject to the approval of the authorities that are authorized by the State Council, the total number of ordinary shares issued by the Company upon its establishment was 600 million shares, of which Xinglu Group held 527.16 million shares, representing 87.86% of the total share capital; Luzhou Laojiao held 65.52 million shares, representing 10.92% of the total share capital; Infrastructure Investment Company held 7.32 million shares, representing 1.22% of the total share capital. Prior to this offering and listing, the total share capital of the Company was 664.31 million shares, of which Xinglu Group held 527.16 million shares, representing 79.35% of the total share capital; Luzhou Laojiao held 72.54 million shares, representing 10.92% of the total share capital; Infrastructure Investment Company held 64.61 million shares, representing 9.73% of the total share capital.	Article 23	<u>The total number of shares of the Company, upon its incorporation, was 600 million shares. The promoters are Luzhou Xinglu Investment Group Co., Ltd. (hereinafter referred to as “Xinglu Investment Group”), Luzhou Laojiao Co., Ltd. (hereinafter referred to as “Luzhou Laojiao”) and Luzhou Fundamental Infrastructure Construction Investment Co., Ltd. (hereinafter referred to as “Luzhou Infrastructure Construction”), who subscribed for 527.16 million shares (representing 87.86% of the total share capital), 65.52 million shares (representing 10.92% of the total share capital), and 7.32 million shares (representing 1.22% of the total share capital), respectively. Each promoter contributed capital by transferring the audited net assets of Luzhou Xinglu Water (Group) Co., Ltd. that they held as of 31 July 2015.</u> <u>In May 2016, with the approval of the Luzhou SASAC, the Company carried out a capital increase and share expansion. After the capital increase, the total share capital of the Company was 664.31 million shares, of which Xinglu Investment Group held 527.16 million shares, representing 79.35% of the total share capital; Luzhou Laojiao held 72.54 million shares, representing 10.92% of the total share capital; and Luzhou Infrastructure Construction held 64.61 million shares, representing 9.73% of the total share capital.</u>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 22	After establishment of the Company, with the approval of the CSRC, the Company may issue no more than 221.44 million overseas listed foreign shares; In the event that the over-allotment option is exercised in full, the number of overseas listed foreign shares to be issued shall not exceed 254.656 million. Upon the completion of the issuance of the overseas listed foreign shares, the share capital structure of the Company shall be: 859.71 million shares of the ordinary shares, of which Xinglu Group held 511.654127 million shares; Luzhou Laojiao held 70.40631 million shares; Infrastructure Investment Company held 62.709563 million shares; National Council for Social Security Fund of the PRC held 19.54 million shares due to transfer/reduction of state-owned shares; Other shareholders of overseas listed foreign shares held 195.4 million shares.	Article 24	Upon the approval of the CSRC, the Company issued 214.94 million H shares in 2017. <u>Upon the completion of the issuance of H shares, the share capital structure of the Company shall be: 859.71 million ordinary shares, of which 644.77 million are domestic shares, and 214.94 million are H shares.</u>
Article 23	Upon approval of the plan of issuing domestic shares and overseas listed foreign shares of the Company by the CSRC, the board of directors of the Company may issue such shares respectively. The Company may implement its plan of issuing domestic shares and overseas listed foreign shares pursuant to the preceding paragraph within fifteen months from the date of approval by the CSRC.	=	=
Article 24	Where the Company issues domestic shares and overseas listed foreign shares respectively within the total number of shares as stated in the issuance proposal, the respective shares shall be subscribed for in full at one time. If the requirement of subscription in full at one time cannot be met under special circumstances, such issue may be in several tranches subject to the approval by the CSRC.	=	=

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 27	Unless otherwise stipulated in the laws, the shares of the Company may be lawfully and freely transferred free of any lien. The transfer of overseas listed foreign shares listed in Hong Kong shall be registered with a share registrar in Hong Kong appointed by the Company. If the company is granted a right to dispose of shares of a shareholder whom cannot be contacted, the right shall not be exercised unless the following requirements are satisfied: (1) during the 12 year period, dividends in respect of the shares in question have been distributed at least three times and no such dividend has been claimed; and (2) upon expiry of the 12 year period, the Company has given notice of its intention to dispose of such shares by way of an announcement published in newspapers and has informed Hong Kong Stock Exchange of its intention.	=	=
—	=	Article 25	<u>The Company or its subsidiaries (including affiliates of the Company) shall not, by way of gift, advance, guarantee or lending, provide financial assistance for others to acquire shares of the Company or its parent company, except when the Company implements the employee share ownership scheme.</u> <u>For the interests of the Company, by resolution of the general meeting, or by resolution of the board of directors in accordance with the Articles of Association or the authorization of the general meeting, the Company may provide financial assistance for others to acquire shares of the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total issued share capital. Such resolutions made by the board of directors shall be passed by two-thirds or more of all directors.</u>

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 4	Capital Deduction and Repurchase of Shares	<u>Section 2</u>	<u>Increase, Deduction and Repurchase of Shares</u>
Article 26	The Company may, based on its operating and development needs and in accordance with laws and the Articles of Association, increase capital after the approval is obtained at the general meeting. The Company may increase capital by adopting the following means: (I) Issuing new shares to unspecified investors; (II) Placing new shares to existing shareholders; (III) Distributing bonus shares to existing shareholders; (IV) Transferring capital reserve funds into share capital; (V) Other methods permitted by laws and administrative regulations. The Company's increase of capital by issuing new shares shall be handled in accordance with the procedures provided for in the relevant laws and administrative regulations of the State upon approval with the provisions of the Articles of Association.	Article 26	The Company may, based on its operating and development needs and in accordance with the provisions of laws and regulations, <u>and upon a resolution passed by the general meeting,</u> increase capital <u>by adopting the following means:</u> (I) <u>issuing shares to unspecified parties;</u> (II) <u>issuing shares to specific parties;</u> (III) <u>distributing bonus shares to existing shareholders;</u> (IV) <u>conversion of capital reserve into share capital;</u> (V) other methods permitted by laws, administrative regulations <u>and the regulatory authority of the place where the Company's shares are listed.</u> The Company's increase in capital by issuing new shares shall be handled in accordance with the procedures provided for in the relevant laws and administrative regulations of the State, <u>departmental rules, the regulatory authority of the place where the Company's shares are listed, and</u> the provisions of the Articles of Association.
Article 32	The Company, in reducing its registered capital, must prepare a balance sheet and an inventory of property. The Company shall notify its creditor(s) within ten days from the date of adopting the resolution to reduce its registered capital and shall publish announcements in newspapers at least three times within thirty days. The creditor(s) shall, within thirty days after receiving the notice in writing, or within ninety days from the date of the first announcement for those who have not received a written notice, be entitled to require the Company to pay its debts in full or provide a corresponding guarantee for repayment of its debts. The registered capital of the Company after the reduction in capital shall not be less than the minimum amount required by laws.	=	=

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 33	The Company may, in the following circumstances, repurchase its outstanding shares following the procedures stipulated by laws and in the Articles of Association upon the approval of the department authorized by the State Council: (I) cancellation of shares with the view to reduce the Company's registered capital; (II) merger with other companies which hold shares in the Company; (III) granting shares to employees of the Company as incentives; (IV) acquiring shares held by shareholders (upon their request) who vote against any resolution proposed at any general meeting on the merger or division of the Company; (V) other circumstances as permitted by laws and administrative regulations. The Company shall not engage in the trading of its shares save for the circumstances specified above.	Article 28	The Company shall not acquire its own shares, save as <u>under one of the following circumstances:</u> (I) cancellation of shares with the view to reduce the Company's registered capital; (II) merger with other companies which hold <u>shares</u> in the Company; (III) <u>acquiring shares under employee share ownership scheme or as share incentive;</u> (IV) acquiring shares held by shareholders (upon their request) who vote against any resolution proposed at any general meeting on the merger or division of the Company; (V) <u>satisfying the conversion of those corporate bonds convertible into shares issued by the Company with shares;</u> (VI) <u>safeguarding corporate value and the interests of the shareholders as the Company deems necessary;</u> (VII) any other circumstances permitted by requirements such as the laws, administrative regulations, <u>departmental rules, normative documents and the regulatory authority of the place where the Company's shares are listed.</u>
Article 34	The Company may, upon the approval of the department authorized by the State Council, repurchase its shares in any of the following manners: (I) making a pro rata general offer of repurchase to all its shareholders; (II) repurchase of shares through open transactions on a stock exchange; (III) repurchase by an agreement outside a stock exchange.	Article 29	<u>The Company may acquire its own shares through open centralized trading or any other ways permitted by the laws, administrative regulations, departmental rules, normative documents, regulatory authority of the place where the Company's shares are listed.</u> <u>Where the shares of the Company are acquired under any of the circumstances stipulated in item (III), (V) or (VI) of Article 28 of the Articles of Association, it shall be conducted through open centralized trading.</u>

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
—	=	Article 30	Where the shares of the Company are acquired under any of the circumstances stipulated in item (I) or (II) of Article 28 of the Articles of Association, a resolution of the general meeting is required. Where the shares of the Company are acquired under any of the circumstances stipulated in item (III), (V) or (VI) of Article 28 of the Articles of Association, it may do so in accordance with the provisions of the Articles of Association or with the authorization of the general meeting and a resolution of the board of the directors shall be made by more than two-thirds of directors attending the meeting. After the shares of the Company are acquired pursuant to Article 28, the shares acquired by the Company under the circumstance as set out in item (I) shall be cancelled within 10 days from the date of acquisition; the shares acquired by the Company under the circumstance as set out in item (II) and (IV) shall be transferred or cancelled within 6 months; and for the shares acquired by the Company under the circumstance as set out in item (III), (V) and (VI), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and the shares so acquired shall be transferred or cancelled within 3 years.
Article 36	Shares purchased under item (i) of the Article 33 shall be cancelled within ten days from the date of acquisition; for those circumstances described under items (ii) and (iv), the shares shall be transferred or cancelled within six months. For those circumstances described under item (iii) of the Article 33, the purchase shall not exceed 5% of the total number of shares of the Company in issue; the Company's payment for the repurchase shall be made out of the after-tax profit of the Company; and the shares purchased shall be transferred to the employees within one year. If the Company canceled its shares, it shall apply to the original registry of the Company for registration of alteration of the registered capital. The amount of the Company's registered share capital shall be reduced by the aggregate par value of those cancelled shares.	Article 32	If the Company cancels its shares, it shall apply to the original registry of the Company for registration of the alteration of the registered capital. The amount of the Company's registered share capital shall be reduced by the aggregate par value of those cancelled shares.

APPENDIX I	COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*
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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 5	Financial Assistance for Share Repurchase	=	=(delete the whole chapter)
—	=	Section 3	<u>Transfer of Shares</u>
—	=	Article 34	<u>The shares of the Company may be transferred in accordance with the laws.</u>
Article 29	Shares of the Company held by the promoters shall not be transferred within one year from the date of the establishment of the Company. The issued shares of the Company prior to the its public issuance of shares shall not be transferred within 1 year from the date the shares of the Company being listed and traded on the stock exchange(s). The Directors, supervisors and senior management of the Company shall report to the Company their shareholdings held by them and changes therein. The shares of the Company held by them shall not be transferred within one year from the date the shares of the Company being listed and traded on the stock exchange(s) and shall not transfer more than 25% per year of the total number of shares of the Company held by them during their tenure. The above personnel shall not transfer their shareholdings in the Company within half year after their resignation.	Article 37	Shares already issued by the Company before the public offering shall not be transferred within 1 year from the date on which the shares of the Company are listed and traded on the stock exchange. Any directors and senior management of the Company shall report to the Company their shareholdings <u>(including preference shares)</u> in the Company and changes therein; during their term of office <u>as determined at the time of their appointment</u> , the shares transferred each year shall not exceed 25% of the total number of shares they held in the Company; <u>the shares they held in the Company shall not be transferred within 1 year from the date on which the shares of the Company are listed and traded.</u> Any of the aforesaid persons shall not transfer the shares of the Company held by him/her within half a year from his/her termination of the office.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 30	Any gains from sale of shares of the Company by any directors, supervisors, senior management or shareholders holding 5% or more of the domestic shares of the Company within six months after their purchase of the same, and any gains from purchase of shares of the Company by any of the aforesaid parties within six (6) months after sale of the same shall be disgorged and paid to the Company. The board of directors of the Company shall forfeit such gains from the above-mentioned parties. However, if a securities company holds 5% or more shares by taking up the remaining shares not subscribed pursuant to an underwriting arrangement, the six (6) month moratorium shall not apply. Where the board of directors of the Company fails to observe the preceding paragraph, the shareholders shall be entitled to request the board of directors to enforce the same within thirty days. If the board of directors of the Company fails to do so within the aforesaid time limit, the shareholders are entitled to directly initiate court proceedings at the court in their own name for the interests of the Company. Where the board of directors of the Company fails to comply with the requirements set out in the first paragraph, the responsible director(s) shall assume joint liabilities under the laws.	Article 38	If the shareholders, directors and senior management of the Company <u>holding more than 5% of the Company's shares</u> sell the shares of the Company <u>or other securities in nature of equity</u> held by them within 6 months after the purchase, or purchase again within 6 months after sale, the proceeds thereon shall be owned by the Company. However, a securities company that holds more than 5% of the shares after purchasing the remaining shares upon public offering due to underwriting, <u>and other circumstances stipulated by the CSRC or the regulatory authority of the stock listing place are excluded.</u> <u>The shares of the Company or other securities in nature of equity held by directors, senior management and natural person shareholders referred to in the preceding paragraph shall include the shares or other securities in nature of equity held by his/her spouse, parents or children, and those held through the accounts of others.</u> Where the board of directors of the Company fails to implement the provisions of the first paragraph of this Article, the shareholders concerned have the right to require the board of directors to implement the provisions within 30 days. Where the board of directors fails to implement the provisions within the aforesaid period, the shareholders shall have the right to directly bring a lawsuit to the people's court in their own names for the interests of the Company. Where the board of directors of the Company fails to implement the provisions of the first paragraph of this Article, the directors responsible shall bear several and joint liabilities according to the laws.
Chapter 6	Share Certificates and Register of Shareholders	Section 4	<u>Share Certificates and Register of Shareholders</u>
Article 43	The Company shall keep a register of shareholders, in which the following particulars shall be recorded: (I) the name (title), address (domicile), profession or nature of each shareholder; (II) the class and number of shares held by each shareholder; (III) the amount paid or payable for the shares held by each shareholder; (IV) the serial number of the shares held by each shareholder; (V) the date on which each shareholder is registered as a shareholder; (VI) the date on which each shareholder ceases to be a shareholder. The register of shareholders shall be the sufficient evidence testifying shareholders' holding of the Company's shares, except otherwise testified by opposite evidence.	Article 41	<u>The Company shall establish a register of shareholders based on the vouchers provided by the securities registration and clearing (or transfer) institution.</u> The register of shareholders shall be sufficient evidence testifying to shareholders' holding of the Company's shares, except otherwise testified by opposite evidence.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 7	Rights and Obligations of Shareholders	Chapter 4	Shareholders and General Meetings
—	=	Section 1	<u>General Provisions for Shareholders</u>
Article 55	The Company's shareholders are persons who lawfully hold shares of the Company and whose names have been registered in the register of shareholders. Shareholders shall enjoy rights and have obligations according to the class and number of shares held. Shareholders holding shares of the same class shall enjoy equal rights and have equal obligations. The sufficient voting rights of shareholders of preference shares (if any) shall be ensured as the priority, as appropriate. No power shall be taken to freeze or otherwise impair any of the rights attaching to any shares by reason only that the persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.	Article 51	The Company's shareholders are persons who lawfully hold shares of the Company and whose names have been registered in the register of shareholders. Shareholders shall enjoy rights and have obligations according to the class and number of shares held. Shareholders holding shares of the same class shall enjoy equal rights and have equal obligations.
Article 56	For the purpose of shareholders of overseas listed foreign shares; when two or more persons registered as joint shareholders of any share, they shall be deemed as joint holders of the Relevant Shares, and shall be subject to the following terms: 	Article 52	When two or more persons registered as joint shareholders of any share, they shall be deemed as joint holders of the relevant shares, and shall be subject to the following terms:
Article 49	The board of directors shall fix a date as the date for the determination of share ownership required to convene a general meeting, distribute dividends, liquidation of the Company and for other acts requiring determination of share ownership. Shareholders whose names are registered in the register of shareholders at the close of business on the date of determination shall be the shareholders of the Company:	Article 53	When the Company convenes a general meeting, distributes dividends, undergoes liquidation and engages in other activities requiring <u>confirmation of shareholders' identities</u>, the board of directors <u>or the convener of the general meeting shall decide the equity registration date</u>. Shareholders whose names appear on the register at the <u>close of trading on the equity registration date shall be the shareholders enjoying relevant rights and interests</u>. If the regulatory rules of the place where the Company's shares are listed has other provisions for the preceding paragraph, such provisions shall prevail.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 57	Shareholders of ordinary shares of the Company shall enjoy the following rights in accordance with the requirements under applicable laws and the Articles of Association: (I) to receive dividends and other forms of profit distribution on the basis of the number of shares held by them; (II) to request, convene, preside over, attend or appoint a proxy to attend general meetings in accordance with the laws and to exercise the corresponding voting rights; (III) to oversee the Company's business activities, and to make recommendations or inquiries; (IV) to transfer, gift or pledge shares held by them in accordance with laws, relevant regulations of the securities regulator of the place where Company's shares are listed and the Articles of Association; (V) to obtain relevant information in accordance with the provisions of the Articles of Association, including: 1. obtaining the Articles of Association upon payment of charges at cost; 2. being entitled to access and make copies, upon payment of reasonable charges, of: (1) all parts of the registers of shareholders; (2) personal information on the directors, supervisors, general manager and other senior management of the Company, including: (a) current and previous names and aliases; (b) main address (domicile); (c) nationality; (d) full-time and all other part-time occupations and duties; (e) identification documents and their numbers;	Article 54	Shareholders of ordinary shares of the Company shall enjoy the following rights in accordance with the requirements under applicable laws and the Articles of Association: (I) to receive dividends and other forms of profit distribution on the basis of the number of shares held by them; (II) to request, convene, preside over, attend or appoint a proxy to attend general meetings in accordance with the laws and to exercise the corresponding voting rights; (III) to oversee the Company's business activities, and to make recommendations or inquiries; (IV) to transfer, make a gift or charge of the shares held in accordance with the laws, <u>administrative regulations, departmental rules, normative documents, the regulatory rules of the place where the Company's shares are listed</u> and the Articles of Association; (V) <u>to review and copy the Articles of Association, register of shareholders, minutes of general meetings, resolutions made at meetings of the board of directors, financial and accounting reports. A qualified shareholder may inspect the accounting books and vouchers of the Company;</u> (VI) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining properties of the Company in accordance with the number of shares held by them; (VII) to request that the Company purchase their shares when they oppose a resolution on the merger or division of the Company adopted at a general meeting; (VIII) other rights conferred by the laws, <u>administrative regulations, departmental rules, normative documents, the regulatory rules of the place where the Company's shares are listed</u> and the Articles of Association.

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Provisions	Content of the Provisions	Provisions	Content of the Provision
	(3) the status of the Company's issued share capital; (4) reports of the aggregate par value, number of shares, and highest and lowest prices of each class of shares repurchased by the Company since the last fiscal year as well as all the expenses paid by the Company therefor; (5) the minutes of general meetings; (VI) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining properties of the Company in accordance with the number of shares held by them; (VII) to request that the Company purchase their shares when they oppose a resolution on the merger or division of the Company adopted at a general meeting; (VIII) other rights conferred by laws, administrative regulations and the Articles of Association.		
Article 58	If a shareholder asks to review the information mentioned in Article 57 or makes a request for information, he or she shall submit to the Company written documents evidencing the class and number of shares he or she holds. The Company shall provide the same as requested by the shareholder after authenticating his or her identity.	Article 55	If a shareholder asks to review the information mentioned in Article 54 or makes a request for information, he or she shall submit to the Company written documents evidencing the class and number of shares he or she holds <u>and pay reasonable fees</u> . The Company shall provide the same as requested by the shareholder after authenticating his or her identity.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 59	Where the content of the resolution adopted by the general meeting or the board of directors of the Company is in violation of laws or administrative regulations, the shareholders shall have the right to request the court to declare the resolution invalid. Where the convening procedures or voting methods in respect of the general meeting or the meeting of the board of directors of the Company are in violation of laws, administrative regulations or the Articles of Association, or the content of the resolution adopted is in violation of the Articles of Association, the shareholders shall have the right to, within sixty days from the date the resolution is adopted, request the court to rescind the resolution.	Article 56	Where the content of the resolution adopted by the general meeting or the board of directors of the Company is in violation of laws or administrative regulations, the shareholders shall have the right to request the court to declare the resolution invalid. Where the convening procedures or voting methods in respect of the general meeting or <u>the meeting of the board of directors</u> of the Company are in violation of laws, administrative regulations or the Articles of Association, or the content of the resolution adopted is in violation of the Articles of Association, the shareholders shall have the right to, within sixty days from the date the resolution is adopted, request the court to rescind the resolution, <u>except where there are only minor defects in the procedures for convening or voting of general meeting and the meeting of the board of directors, which do not materially affect the resolutions.</u> <u>Where the relevant parties such as the Board, the shareholders etc., dispute over the validity of a resolution passed by the general meeting, they shall promptly file a lawsuit with a people's court. Before the people's court makes a judgment or ruling on the revocation of the resolution, the relevant parties shall implement the resolution passed by the general meeting. The Company, its directors and senior management personnel shall perform their duties pragmatically and ensure normal operations of the Company.</u> <u>Where the people's court has made a judgment or ruling on the relevant matter, the Company shall perform its information disclosure obligation pursuant to the provisions of laws, administrative regulations, the CSRC and the stock exchanges, provide adequate explanation on the impact and actively cooperate in the enforcement of the judgment or ruling upon its validity. Where a correction of preliminary matter is involved, the correction shall be promptly made, and the corresponding information disclosure obligation shall be performed.</u>
—	=	Article 57	<u>Under any of the following circumstances, a resolution passed by a general meeting or a meeting of the board of directors is not valid:</u> <u>(I) the resolution is passed without holding a general meeting or a meeting of the board of directors;</u> <u>(II) the resolution is not voted on at a general meeting or a meeting of the board of directors;</u> <u>(III) the number of persons present at the meeting or the number of votes held does not attain the number stipulated in the Company Law or the Articles of Association, or the number of votes held;</u> <u>(IV) the number of persons who consent to the resolution or the number of votes held does not attain the number stipulated in the Company Law or the Articles of Association, or the number of votes held.</u>

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 60	Without prejudice to the provisions of Article 268 of the Articles of Association, if directors or senior management violate laws or breach the Articles of Association in performing their Company duties, thereby causing the Company to sustain a loss, a shareholder who alone has held or shareholders who together have held at least 1 percent of the Company's shares for at least 180 days in succession have the right to request in writing that the supervisory committee institute a legal action in a People's Court. If the supervisory committee violates a law or breaches the Articles of Association in performing its Company's duties, thereby causing the Company to sustain a loss, shareholders may request in writing that the board of directors institute a legal action in a people's court. Where the supervisory committee or the board of directors refuses to take legal proceedings after receiving the written request from the shareholders as specified in the preceding paragraph, or fails to take legal proceedings within thirty days from the date it receives such request, or under emergency situations, failure in taking legal proceedings immediately results in irreparable damage to the interests of the Company, the shareholders specified in the preceding paragraph shall have the right, in their own names, to directly bring a lawsuit to a people's court in the interests of the Company. Where another person infringes the lawful rights and interests of the Company and thus causes losses to the Company, the shareholders specified in the first paragraph of this article may bring a lawsuit to a people's court in accordance with the provisions of the preceding two paragraphs.	Article 58	If a director or a senior management member <u>other than members of the Audit Committee</u> contravenes the provisions of laws, <u>administrative regulations</u> or the Articles of Association when carrying out his/her duties in the Company and results in losses to the Company, shareholders individually or collectively holding 1% or more of shares of the Company for over 180 consecutive days, have the right to request the <u>Audit Committee</u> in writing to commence litigation at the people's court. If the <u>Audit Committee</u> contravenes the provisions of laws, <u>administrative regulations</u> and the Articles of Association when carrying out its duties in the Company and results in losses to the Company, shareholders can request the board of directors in writing to commence litigation at the people's court. If the <u>Audit Committee</u> or the board of directors refuses to commence litigation after receiving the shareholders' written request in the preceding paragraph or fails to commence litigation within 30 days of receiving the request, or the situation is so urgent that no immediate commencement of litigation will cause irreparable losses to the Company, the shareholders under the previous paragraph shall have the right to directly commence litigation in their own names at the people's court in the interest of the Company. If any other person contravenes the legal interests of the Company and leads to losses of the Company, a shareholder under the first paragraph of this Article may commence litigation at the people's court in accordance with the two preceding paragraphs. <u>Where a director or senior management personnel of a wholly-owned subsidiary of the Company when performing his/her duties contravenes the laws, administrative regulations, or the Articles of Association, resulting in losses to the Company, or another person infringes upon the legal rights and interests of a wholly-owned subsidiary of the Company, resulting in losses, a shareholder individually or jointly holding 1% or more of the shares of the Company for more than 180 consecutive days may, according to the first three paragraphs of Article 189 of the Company Law, request in writing the board of directors of the wholly-owned subsidiary to file a lawsuit with a people's court or may directly file a lawsuit with the people's court in his/her own name.</u>
—	=	Article 59	<u>If a director or a senior management personnel contravenes the provisions of laws, administrative regulations and the Articles of Association, results in losses to shareholders, shareholders may commence litigation at the people's court.</u>

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Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 61	The shareholders of ordinary shares of the Company shall undertake the following obligations: (I) to abide by laws and the Articles of Association; (II) to pay subscription funds according to the number of shares subscribed and the method of subscription; (III) not to return their shares except in circumstances specified in laws; (IV) not to abuse the shareholder's rights to prejudice the interests of the Company or other shareholders, and not to misuse the independent status of the Company as a legal entity and the limited liability of shareholders to prejudice the interests of the Company's creditors; Where a shareholder of the Company abuses the rights of shareholder and thus causes losses to the Company or other shareholders, he or she shall be liable for compensation according to laws; Where a shareholder abuses the Company's independent legal person status or shareholders' limited liability to evade a debt, thereby materially harming the interests of a creditor of the Company, he or she shall bear joint and several liability for the debt of the Company; (V) other obligations imposed by laws, administrative regulations and the Articles of Association. Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscriber of the shares on subscription.	Article 60	The shareholders of ordinary shares of the Company shall undertake the following obligations: (I) to observe the laws, <u>administrative regulations, departmental rules, normative documents, securities regulatory rules of the place where the Company's shares are listed</u> and the Articles of Association; (II) to pay subscription funds according to the number of shares subscribed and the method of subscription; (III) not to <u>withdraw share capital</u> except in circumstances specified in laws; (IV) not to abuse the shareholder's rights to prejudice the interests of the Company or other shareholders, and not to misuse the independent status of the Company as a legal entity and the limited liability of shareholders to prejudice the interests of the Company's creditors; (V) to fulfill other obligations stipulated by the laws, administrative regulations, <u>departmental rules, normative documents, securities regulatory rules of the place where the Company's shares are listed</u> and the Articles of Association.
—	=	Article 61	<u>If any shareholder of the Company abuses his/her shareholder's right, thereby causing any loss to the Company or other shareholders, the said shareholder shall be liable for compensation. If any shareholder of the Company abuses the Company's position as an independent legal person or the shareholder's limited liability protection for the purpose of evading repayment of debts, thereby seriously damaging the interests of the creditors of the Company, the said shareholder shall bear joint liabilities for the Company's debts.</u>
—	=	Article 62	The shareholders holding more than 5% of the Company's voting rights shall, in the event of a pledge of the shares held by them, report to the Company in writing from the date of occurrence of such fact.
—	=	Section 2	<u>Controlling Shareholder and Actual Controller</u>
—	=	Article 63	<u>Controlling shareholders and actual controllers of the Company shall exercise their rights and perform their obligations in accordance with the laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the place where the Company's shares are listed to protect the interests of the listed company.</u>

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Article 62	The controlling shareholder or de facto controller of the Company shall not take advantage of its affiliated relationships to damage the interests of the Company. The controlling shareholder or de facto controller, who in violation of the provisions of the preceding sentence, causes losses to the Company, shall be liable for compensation. The controlling shareholder or de facto controller of the Company shall bear fiduciary duty to the Company and shareholders of the public shares of the society. The controlling shareholder shall exercise the rights of contributor strictly in accordance with laws. The controlling shareholder shall not use any means, such as distribution of profits, asset restructuring, external investment, capital appropriation or loan guarantees, to damage the legitimate rights and interests of the Company and shareholders of the public shares of the society, nor shall it take advantage of its controlling position to damage the interests of the Company and shareholders of the public shares of the society. In addition to obligations imposed by laws or required by the listing rules of the stock exchange on which the shares of the Company are listed, the controlling shareholder of the Company, when exercising its shareholders' rights, shall not exercise his/her voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders: (I) to relieve a director or supervisor of his/her duty to act honestly in the best interests of the Company; (II) to approve the expropriation by a director or supervisor for his/her own benefit or for the benefit of another person, in any form, of the Company's property, including but not limited to any opportunities beneficial to the Company; (III) to approve the expropriation by a director or supervisor for his/her own benefit or for the benefit of another person of the individual rights or interests of other shareholders, including but not limited to rights to distributions and voting rights, but excluding a restructuring of the Company submitted to the general meeting for approval in accordance with the Articles of Association.	Article 64	Controlling shareholders and actual controllers of the Company shall comply with the following provisions: (I) exercising shareholder's rights in accordance with the law, not abusing the controlling right or making use of related-party relationships to damage the legitimate rights and interests of the Company or other shareholders; (II) strictly performing the declarations and various commitments made, without unauthorized alteration or exemption; (III) performing information disclosure obligations strictly in accordance with the relevant provisions, taking the initiative to cooperate with the Company in information disclosure and notifying the Company promptly of material events which have occurred or will occur; (IV) not occupying the Company's funds in any way; (V) not compelling, instigating or requesting the Company and its relevant personnel to provide guarantee in violation of laws and regulations; (VI) not making use of the Company's undisclosed material information to seek gains, not divulging undisclosed material information relating to the Company in any way, and not engaging in insider trading, short-swing trading and market manipulation or other acts in violation of laws and regulations; (VII) not impairing the legitimate rights and interests of the Company and other shareholders through unfair related-party transactions, profit distribution, asset restructuring, outbound investment or other means; (VIII) ensuring the integrity of the Company's assets, staff independence, financial independence, organizational independence and business independence, and not affecting the Company's independence in any way; (IX) other provisions of laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. Where the controlling shareholders and actual controllers of the Company instruct the directors and senior management personnel to damage the interests of the Company or shareholders, they shall bear joint and several liability with the directors and senior management personnel.

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—	=	Article 65	<u>Where controlling shareholders and actual controllers pledge the Company's shares held or actually controlled by them, they shall maintain the control of the Company and the stability of production and operation.</u>
—	=	Article 66	<u>Any controlling shareholder or actual controller that transfers the Company's shares held by it shall abide by any restrictive provisions on share transfers set forth in laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the place where the Company's shares are listed and any commitment it makes with respect to the restricted share transfers.</u>
Article 63	The term “controlling shareholder” referred to in the preceding article means a person who satisfies any one of the following conditions: (I) it alone, or acting in concert with others, has the power to elect more than half of members of the board of directors; (II) it alone, or acting in concert with others, has the power to exercise or to control the exercise of thirty percent or more of the voting rights in the Company; (III) it alone, or acting in concert with others, holds thirty percent or more of the outstanding shares of the Company; (IV) it alone, or acting in concert with others, has de facto control of the Company in any other manner.	Article 67	<u>The term “controlling shareholder” referred to in this section means a shareholder whose shareholding exceeds fifty percent of the total share capital of the Company; or a shareholder whose shareholding, though not exceeding fifty percent, carries sufficient voting rights to exert a significant influence over resolutions of the general meeting.</u>
Chapter 8	General Meetings	—	(Deleted due to structural adjustments)
—	—	Section 3	General Provisions for General Meetings
Article 64	The general meeting is the Company's authoritative organization, which exercises its functions and powers in accordance with laws.	—	

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Article 65	The general meeting shall exercise the following functions and powers: (I) to decide on the Company's business policies and investment plans; (II) to elect and replace directors and supervisors who are not representatives of the staff, and decide on matters relating to the remuneration of directors and supervisors; (III) to consider and approve reports of the board of directors; (IV) to consider and approve reports of the supervisory committee; (V) to consider and approve the Company's annual financial budgets and final accounts proposals; (VI) to consider and approve the Company's profit distribution plan and plan for recovery of losses; (VII) to pass resolutions concerning the increase or reduction of the Company's registered capital; (VIII) to pass resolution on the issuance of bonds, securities by the Company and listing of the Company; (IX) to pass resolution on matters such as the merger, division, dissolution, liquidation or change in corporate form of the Company; (X) to draw up and amend the Articles of Association; (XI) to pass resolution on the appointment, dismissal or termination of appointment of an accounting firm; (XII) to consider on the proposals put forward by shareholders who individually or jointly representing more than three percent shares with voting rights; (XIII) to consider and approve matters relating to the purchases, disposals of the Company's material assets within one year, which exceed thirty percent of the Company's latest audited total assets; (XIV) to consider and approve the change of use of raised proceeds; (XV) to examine and approve the share incentive plan; (XVI) to examine and approve external guarantees stipulated in the Articles of Association; (XVII) to consider the connected transaction that laws and the securities regulatory rules of the place where Company's shares are listed require the consideration and approval of the general meeting; (XVIII) To consider other matters that laws, administrative regulations, relevant regulations of the securities authorities of the place where the Company's shares are listed and the Articles of Association require to be resolved by the general meeting.	Article 68	The general meeting <u>is composed of all shareholders. The general meeting shall be the authority of power of the Company and</u> shall exercise the following functions and powers <u>according to law</u>: (I) to elect and replace directors who are not representatives of the staff, and decide on matters relating to the remuneration of directors; (II) to consider and approve reports of the board of directors; (III) to consider and approve the Company's profit distribution plan and plan for recovery of losses; (IV) to pass resolutions concerning the increase or reduction of the Company's registered capital; (V) to pass resolution on the issuance of bonds, securities by the Company and listing of the Company; (VI) to pass resolution on matters such as the merger, division, dissolution, liquidation or change in corporate form of the Company; (VII) to draw up and amend the Articles of Association; (VIII) to pass resolution on the appointment or dismissal of accounting firms <u>undertaking the Company's financial audit business</u>; (IX) <u>to consider and approve the guarantees specified in Article 69 of the Articles of Association</u>; (X) to consider and approve matters relating to the purchases, disposals of the Company's material assets within one year, which exceed thirty percent of the Company's latest audited total assets; (XI) to consider and approve the change of use of raised proceeds; (XII) to consider and approve equity incentives plan and employee stock ownership plan; (XIII) to consider the connected transaction that laws and the securities regulatory rules of the place where Company's shares are listed require the consideration and approval of the general meeting; (XIV) to consider other matters that laws, administrative regulations, relevant regulations of the securities <u>regulatory rules</u> of the place where the Company's shares are listed and the Articles of Association require to be resolved by the general meeting. <u>The general meeting may authorize the board of directors to make a resolution on the issuance of corporate bonds.</u>

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Article 66	The guarantees provided by the Company as set forth below (excluding the guarantee provided by the Company for the Company and/or its controlling subsidiaries) shall be subject to consideration and approval of the general meeting: (I) the guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlling subsidiaries has reached or exceeded 50% of the Company's latest audited net assets; (II) any guarantee provided after the total amount of guarantee to third parties provided by the Company has reached or exceeded 30% of the Company's latest audited total assets; (III) a guarantee to be provided to a party which has an asset-liability ratio in excess of 70%; (IV) a single guarantee amount in excess of 10% of the Company's latest audited net assets; (V) the guarantee to be provided in favor of shareholders, de facto controllers and their related parties; (VI) any guarantee provided after the amount of guarantee exceeding 50% of the Company's latest audited net assets, with an absolute amount exceeding RMB30 million for 12 consecutive months; (VII) any guarantee which shall be approved by the general meeting under the laws and the Articles of Association of the Company. The guarantees other than those listed in this article shall be considered and approved by the board of directors. If the director, the general manager, deputy general manager and other senior management violate a provision on the approval authority or consideration procedure for the provision of guarantees to third parties as specified in laws or the Articles of Association, thereby causing the Company to sustain a loss, he or she shall be liable for damages and the Company may institute a legal action against him or her in accordance with the laws.	Article 69	The guarantees provided by the Company as set forth below (excluding the guarantee provided by the Company for the Company and/or its controlling subsidiaries) shall be subject to consideration and approval of the general meeting: (I) the guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlling subsidiaries has reached or exceeded 50% of the Company's latest audited net assets; (II) any guarantee provided after the total amount of guarantee to third parties provided by the Company has reached or exceeded 30% of the Company's latest audited total assets; <u>(III) guarantees provided by the Company to others with a total amount within one year that exceeds 30% of the Company's latest audited total assets;</u> (IV) a guarantee to be provided to a party which has an asset-liability ratio in excess of 70%; (V) a single guarantee amount in excess of 10% of the Company's latest audited net assets; (VI) the guarantee to be provided in favor of shareholders, actual controllers and their related parties; <u>(VII) any other guarantees requiring the approval of the general meeting pursuant to laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.</u> The guarantees other than those listed in this article shall be considered and approved by the board of directors. If the director and senior management violate a provision on the approval authority or consideration procedure for the provision of guarantees to third parties as specified in laws or the Articles of Association, thereby causing the Company to sustain a loss, he or she shall be liable for damages and the Company may institute a legal action against him or her in accordance with the laws.

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	When the General Meeting considers the resolution in relation to the provision of guarantees to the shareholders, the de facto controller and their related parties, such shareholders or the shareholders controlled by the de facto controller shall refrain from the voting, and this voting shall be passed by more than half of other shareholders attending the general meeting.		When the general meeting considers the resolution in relation to the provision of guarantees to the shareholders, the actual controller and their related parties, such shareholders or the shareholders controlled by the actual controller shall refrain from voting, and this voting shall be passed by more than half of the other shareholders attending the general meeting.
Article 68	The general meetings consist of annual general meetings and extraordinary general meetings and shall be convened by the board of directors. An annual general meeting of shareholders shall be convened once a year, and shall be held within six months after the end of every fiscal year. Under any of the following circumstances, the board of directors shall convene an extraordinary general meeting within two months from the date of occurrence: (I) the number of directors is less than the number provided by the Company Law or less than two-thirds (six persons) prescribed by the Articles of Association; (II) the losses of the Company that have not been made up reach one third of the total share capital; (III) when shareholder(s), individually or in the aggregate, holding ten percent or more of the Company's shares request(s) the convening of an extraordinary general meeting (The number of shares held shall be calculated according to the number of shares held on the day when the written request is made by the shareholders); (IV) when deemed necessary by the board of directors; (V) as proposed by the supervisory committee; (VI) when more than one-half of all the independent non-executive directors of the Company agree to hold the meeting; (VII) other circumstances as provided for by laws and the Articles of Association.	Article 71	The general meetings consist of annual general meetings and extraordinary general meetings. An annual general meeting shall be convened once a year, and shall be held within six months after the end of every fiscal year. Under any of the following circumstances, <u>the Company</u> shall convene an extraordinary general meeting within two months from the date of occurrence: (I) the number of directors is less than the number provided by the Company Law or less than two-thirds (six persons) prescribed by the Articles of Association; (II) the losses of the Company that have not been made up reach one third of the total share capital; (III) when shareholder(s), individually or in the aggregate, holding ten percent or more of the Company's shares request(s) the convening of an extraordinary general meeting (the number of shares held shall be calculated according to the number of shares held on the day when the written request is made by the shareholders); (IV) when deemed necessary by the board of directors; (V) as proposed by the <u>Audit Committee</u>; (VI) other circumstances stipulated by laws, <u>administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed</u> and the Articles of Association.
Article 69	The Company shall hold the general meeting at the domicile of the Company or other particular venue as specified in the notice of the general meeting. The general meeting shall have a venue and be held on-site.	Article 72	The Company shall hold the general meeting at the domicile of the Company or other particular venue as specified in the notice of the general meeting. The general meeting shall have a venue and be held on-site. <u>If necessary, meetings may also be convened via electronic means of communication.</u>

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—	=	<u>Section 4</u>	<u>Convening of General Meetings</u>
Article 70	Two or more independent non-executive directors have the rights to propose the board of directors to convene extraordinary general meetings and such proposal shall be made by way of written request(s). The board of directors shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receiving the proposal in accordance with the requirements of the laws and the Articles of Association. If the board of directors agrees to convene extraordinary general meeting, notice of the meeting shall be issued within five days after the board of directors resolved to do so. If the board of directors does not agree to convene the extraordinary general meeting, reasons shall be explained and announced in writing.	Article 73	The board of directors shall convene the general meeting on time within the specified period. <u>With the consent of more than half of all independent non-executive directors,</u> independent non-executive directors shall be entitled to propose to the board of directors to convene an extraordinary general meeting. Regarding the proposal of the independent non-executive directors to convene an extraordinary general meeting, the board of directors shall, pursuant to laws, <u>administrative regulations, the securities regulatory rules of the place where the Company's shares are listed</u> and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal. If the board of directors agrees to convene extraordinary general meeting, notice of the meeting shall be issued within five days after the board of directors resolved to do so. If the board of directors does not agree to convene the extraordinary general meeting, reasons shall be explained and announced.
Article 71	The supervisory committee has the right to propose the board of directors to convene extraordinary general meetings and such proposal shall be made by way of written request(s). The board of directors shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receiving the proposal in accordance with the requirements of the laws and the Articles of Association. If the board of directors agrees to convene the extraordinary general meeting, notice of the extraordinary general meeting shall be issued within five days upon receiving the request. Should there be alterations to the original requests in the notice, consent has to be obtained from the supervisory committee. If the board of directors does not agree to hold the extraordinary general meeting or does not reply within ten days upon receiving the proposal, the board of directors will be considered as unable or refused to fulfill the obligation to convene general meetings and the supervisory committee may convene and preside over the meeting on its own.	Article 74	The <u>Audit Committee</u> has the right to propose the board of directors to convene extraordinary general meetings and such proposal shall be made by way of written request(s). The board of directors shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receiving the proposal in accordance with laws, <u>administrative regulations, the securities regulatory rules of the place where the Company's shares are listed</u> and the Articles of Association. If the board of directors agrees to convene the extraordinary general meeting, notice of the extraordinary general meeting shall be issued within five days upon receiving the request. Should there be alterations to the original requests in the notice, consent has to be obtained from the <u>audit committee.</u> If the board of directors does not agree to hold the extraordinary general meeting or does not reply within ten days upon receiving the proposal, the board of directors will be considered as unable or refused to fulfill the obligation to convene general meetings and the <u>Audit Committee</u> may convene and preside over the meeting on its own.

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Article 72	Shareholders requesting the convening of an extraordinary general meeting or a class meeting shall proceed in accordance with the procedures set forth below: (I) Two or more shareholders together holding more than 10% (inclusive) or more of the shares carrying the right to vote at such proposed meeting can request the board of directors to convene a class meeting by signing one or several copies of written request(s) in the same form and content requesting the board of directors to convene class meeting, and stating the motions and resolutions proposed. The board of directors shall proceed as soon as possible to convene a class meeting after receipt of such requisitions. The number of shares held referred to above shall be calculated as of the date of the requisitions in writing by the shareholders. (H) If the board of directors fails to issue a notice of such a meeting within thirty days from the date of the receipt of the requisitions referred to above, the shareholder who make such requests may themselves convene such a meeting in a manner as similar as possible to the manner in which general meetings are convened by the board of directors within four months from the date of the receipt of the requisitions by the board of directors. If shareholders convene and hold a meeting themselves because the board of directors failed to hold such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such shareholders shall be borne by the Company and shall be deducted from the sums owed by the Company to the negligent directors.	Article 75	Shareholder(s) severally or jointly holding 10% or above shares of the Company shall be entitled to request the board of directors to convene an extraordinary general meeting, and shall put forward such request to the board of directors in writing. The board of directors shall, pursuant to laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the written proposal. If the board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the board of directors. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained. If the board of directors does not agree to hold the extraordinary general meeting, or fails to give a reply within 10 days after receipt of the proposal, shareholder(s) severally or jointly holding 10% or above shares shall be entitled to propose to the Audit Committee to convene an extraordinary general meeting, and shall put forward such request to the Audit Committee in writing. If the Audit Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of the relevant shareholder(s) shall be obtained. In the case of failure to issue the notice for the general meeting within the term stipulated, the Audit Committee shall be deemed as failing to convene and preside over the general meeting. The shareholder(s) severally or jointly holding 10% or above shares of the Company for 90 consecutive days or above may convene and preside over such meeting by itself/themselves.

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Article 73	If the supervisory committee or shareholders decide(s) to itself/themselves convene a general meeting, it or they must notify the board of directors thereof, and itself/ themselves issue the notice of the extraordinary general meeting. In addition to complying with the provisions of Article 83 of the Articles of Association, such notice shall comply with the following provisions: (f) The motions may not add new content, otherwise the proposing shareholder(s) or supervisory committee shall submit a new request to the board of directors to call an extraordinary general meeting in accordance with the aforementioned procedure; (H) The venue of the meeting shall be the domicile of the company. The shareholder(s) entitled to convening the general meeting shall hold no less than ten percent of shares in the Company before the resolution of such meeting is announced.	Article 76	Where the <u>Audit Committee</u> or shareholders decide to convene the general meeting on its/their own, it/they shall notify the board of directors in writing <u>and file relevant evidential documents with the stock exchange in accordance with relevant regulations.</u> <u>The Audit Committee or the shareholders convening the meeting shall submit relevant supporting documents to the stock exchange when issuing the notice of the general meeting and the announcement of the resolutions of the general meeting.</u> The shareholder(s) entitled to convening the general meeting shall hold no less than ten percent of shares in the Company before the resolution of such meeting is announced.
Article 74	With regard to the general meeting convened by the supervisory committee or shareholders on their own initiative, the board of directors and the secretary to the board of directors shall provide assistance. The board of directors shall provide the register of shareholders on the record date. If the board of directors fails to provide the register of shareholders, the convener may apply to the securities depository or the agency to obtain the same on the strength of the relevant notice or announcement of the general meeting. The register of shareholders obtained by the convener may not be used for any purpose other than to hold the general meeting.	Article 77	With regard to the general meeting convened by the <u>Audit Committee</u> or shareholders on their own initiative, the board of directors and the secretary to the board of directors shall provide assistance. The board of directors shall provide the register of shareholders on the record date. If the board of directors fails to provide the register of shareholders, the convener may apply to the securities depository or the agency to obtain the same on the strength of the relevant notice or announcement of the general meeting. The register of shareholders obtained by the convener may not be used for any purpose other than to hold the general meeting.
Article 75	The Company shall bear costs and expenses necessary for the general meetings, which are convened by the supervisory committee or shareholders on their own initiative.	Article 78	The Company shall bear costs and expenses necessary for the general meetings, which are convened by the <u>Audit Committee</u> or shareholders on their own initiative.
—	=	Section 5	Proposals and Notices of General Meeting
Article 77	The content of proposals for the general meeting shall fall within the scope of responsibility of the general meeting, shall contain clear subjects for discussion and specific matters to be resolved and shall comply with relevant provisions of the laws and the Articles of Association. The proposals for the general meeting shall be provided in writing.	Article 79	The contents of the proposals shall fall within the functions and powers of the general meeting, shall have clear discussion topics and specific matters to be resolved, and shall comply with relevant requirements of laws, administrative regulations and the Articles of Association.

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Article 78	When an annual general meeting is by the Company, the board of directors, supervisory committee and shareholders who individually or collectively hold more than 3% of the shares of the Company shall be entitled to put forward proposals to the Company. Shareholders who individually or collectively hold more than 3% of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the convening of the general meeting. The convener shall issue a supplemental notice of general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals, which shall be submitted to the general meeting for consideration and approval. The content of ad hoc proposals shall fall within the scope of responsibility of the general meeting and shall contain clear subjects for discussion and specific matters to be resolved. Except those specified in the preceding paragraph, the convener shall neither revise the proposals stated in the notice of general meetings nor add new proposals after issuing the announcement on the notice of the general meeting. If a notice of the general meeting does not specify the proposed resolutions or does not comply with Article 79 herein, no voting for resolutions shall be carried out at the general meeting.	Article 80	When a general meeting is convened by the Company, the board of directors, Audit Committee and shareholders who individually or collectively hold more than 1% of the shares of the Company shall be entitled to put forward proposals to the Company. Shareholders who individually or collectively hold more than 1% of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the convening of the general meeting. The convener shall issue a supplemental notice of general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals, which shall be submitted to the general meeting for consideration and approval, <u>unless the temporary proposal is in violation of the provisions of laws, administrative regulations or the Articles of Association, or does not fall within the scope of authority of the general meeting.</u> Except those specified in the preceding paragraph, the convener shall neither revise the proposals stated in the notice of general meetings nor add new proposals after issuing the announcement on the notice of the general meeting. If a notice of the general meeting does not specify the proposed resolutions or does not comply with the Articles of Association, no voting for resolutions shall be carried out at the general meeting.
Article 76	Where a general meeting is convened by the Company, it shall notify its shareholders of the date and venue of the meeting as well as matters proposed to be considered 20 days prior to the convening of the meeting and notify its shareholders 15 days prior to the convening of the extraordinary general meeting. Where there is any special regulation under the listing rules of the place(s) where the Company's shares are listed, such provisions shall prevail.	Article 81	Where the Company convenes <u>an annual</u> general meeting, it shall notify all shareholders 20 days prior to the meeting; where an extraordinary general meeting is convened, it shall notify all shareholders 15 days prior to the meeting. <u>When calculating the period for giving notice of a meeting, the Company shall not include the day on which the meeting is held.</u> <u>Where laws, administrative regulations, departmental rules, normative documents, or the securities regulatory rules of the place where the Company's shares are listed have special provisions on the notice period for convening a meeting, such provisions shall prevail.</u>
Article 79	A general meeting shall not pass resolution on matters not specified in the notice.	=	=

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COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 80	Notice of general meeting shall be in accordance with the following requirements: (I) Provided in writing; (II) specify the time, venue and duration of the meeting; (III) specify matters and resolutions to be proposed at the meeting; (IV) Provision to the shareholders of the detailed information and explanations necessary for the shareholders to make sound decisions about the matters to be discussed. This principle includes but not limited to the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and earnest explanations about the causes and effects when the Company proposes mergers, repurchase of shares, restructuring of share capital or other restructuring; (V) In the event that any of the directors, supervisors, general manager or other senior management members has material interests in the matters to be discussed, the nature and extent of the interests shall be disclosed. If the matters to be discussed affect any director, supervisor, general manager or other senior management member as a shareholder in a manner different from how they affect the same type of other shareholders, the difference shall be explained; (VI) Inclusion of the full text of any special resolution to be proposed for approval at the meeting; (VII) A clear explanation in words indicating that all shareholders are entitled to attend and vote at the general meeting, or to appoint proxies in writing to attend and vote at the meeting on his or her behalf and that such proxies need not to be shareholders of the Company; (VIII) specify the delivery time and venue of the proxy forms for the meeting; (IX) Record date for shareholders entitled to attend the general meeting; (X) Name and contact of the coordinator of the meeting. If the independent non-executive directors are required to express opinions on the matters to be discussed, their opinions and reasons shall be disclosed together with the notice of general meeting or the supplementary notice. For a general meeting convened via internet or by other ways, the time and procedures of voting via internet or by other ways shall be contained in the notice of general meeting.	Article 82	A notice of a general meeting shall <u>meet</u> the following requirements: (I) specify the time, venue and duration of the meeting; (II) specify matters and resolutions to be proposed at the meeting; (III) inclusion of the full text of any special resolution to be proposed for approval at the meeting; (IV) a clear explanation in words indicating that all shareholders are entitled to attend and vote at the general meeting, or to appoint proxies in writing to attend and vote at the meeting on his or her behalf and that such proxies need not to be shareholders of the Company; (V) specify the delivery time and venue of the proxy forms for the meeting; (VI) record date for shareholders entitled to attend the general meeting; (VII) name and contact of the coordinator of the meeting. <u>Provide to the shareholders of the information and explanations as necessary for the shareholders to make sound decisions about the matters to be deliberated; This principle includes but not limited to the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and earnest explanations about the causes and effects when the Company proposes mergers, repurchase of shares, restructuring of share capital or other restructuring;</u> <u>If any director or senior management has important interest relation with a matter to be discussed, the nature and degree of the interest relation shall be disclosed; if the impact of the matter to be discussed on the said director or senior management as a shareholder is different from the impact on other shareholders of a same class, their difference shall be explained.</u> If the independent non-executive directors are required to express opinions on the matters to be discussed, their opinions and reasons shall be disclosed together with the notice of general meeting or the supplementary notice. For a general meeting convened via internet or by other ways, the time and procedures of voting via internet or by other ways shall be contained in the notice of general meeting. <u>The interval between the shareholding record date of a general meeting and the date of the meeting shall be no more than 7 business days. The shareholding record date shall not be changed once confirmed.</u>

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 81	For matters of discussion involving the election of directors and supervisors at the general meeting, the notice of general meeting shall adequately disclose the detailed information on the candidates for directors and supervisors, which shall at least include the following: (IV) Whether or not such candidate has been penalized by the securities regulatory authority under the State Council, other relevant authorities and the stock exchange. Apart from directors and supervisors elected through the cumulative voting system, each candidate of director or supervisor shall be individually proposed.	Article 83	For matters of discussion involving the election of directors at the general meeting, the notice of general meeting shall adequately disclose the detailed information on the candidates for directors, which shall at least include the following: (IV) whether or not such candidate has been penalized by <u>CSRC</u> and other relevant authorities and the stock exchange. Apart from directors elected through the cumulative voting system, each candidate of director shall be individually proposed.
Article 82	Notice of general meeting shall be served to every shareholder (whether they has voting right on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of shareholders. For holders of domestic shares, the notice of a general meeting may also be given by publishing an announcement. The “announcement” referred to in the preceding paragraph shall be published on one or more newspapers designated by CSRC and the regulatory authorities where the shares of the Company are listed and on the websites of the Company and the stock exchange from 45 to 50 days prior to the convening of the meeting. Once the announcement is published, all shareholders shall be deemed to have received the notice of the general meeting.	Article 84	Notice of general meeting shall be <u>issued or</u> served to any shareholder (whether they has voting right on general meeting or not) <u>by way of announcement or other forms permitted by the stock exchange in the place where the Company’s shares are listed.</u> The “announcement” referred to in the preceding paragraph shall be published on <u>the media that meets the conditions specified by the securities regulatory authorities in the place where the Company’s shares are listed</u> and on the website of the stock exchange. Once the announcement is published, all shareholders shall be deemed to have received the notice of the general meeting.
Article 83	The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.	=	=

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
—	=	<u>Section 6</u>	<u>Holding of General Meetings</u>
Article 86	All shareholders on the register of shareholders on the record date or their proxies shall be entitled to attend and vote at the general meeting in accordance with the provisions of the relevant laws and the Articles of Association. A shareholder may either attend the general meeting in person or appoint proxy(ies) to attend and vote at such meeting on his behalf.	Article 87	All shareholders on the register of shareholders on the record date or their proxies shall be entitled to attend and vote at the general meeting in accordance with the relevant laws, <u>administrative regulations, normative documents, rules of the stock exchange in the place where the Company's shares are listed</u> and the Articles of Association. A shareholder may either attend the general meeting in person or appoint proxy(ies) to attend and vote at such meeting on his behalf (<u>who may not be shareholders</u>).
Article 87	An individual shareholder attending the meeting in person shall present his personal identity card or other valid document or proof or stock account card for identification; a proxy attending the meeting shall present his personal valid identity card, the letter of authorization from the shareholder and the aforesaid documents of the shareholder attending the meeting by the proxy. A legal person shareholder shall attend the meeting by a legal representative or a proxy entrusted by the legal representative. If a legal representative attends the meeting, he shall present his personal identity card, valid document proving his qualification to be a legal representative and a shareholding certificate; if a proxy is entrusted to attend the meeting, the proxy shall present his personal identity card, a written power of attorney duly issued by the legal representative of the legal person shareholder and the aforesaid documents of the legal representative attending the meeting by the proxy.	Article 88	An individual shareholder attending the meeting in person shall present his personal identity card or other valid document or proof for identification; a proxy attending the meeting shall present his personal valid identity card, the letter of authorization from the <u>shareholder being represented</u>. A legal person shareholder shall attend the meeting by a legal representative or a proxy entrusted by the legal representative. If a legal representative attends the meeting, he shall present his personal identity card, a valid document proving his qualification to be a legal representative; if a proxy is entrusted to attend the meeting, the proxy shall present his personal identity card, a written power of attorney duly issued by the legal representative of the legal person shareholder.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 88	Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who may not be necessarily a shareholder) as his proxies to attend and vote on his behalf. Such proxies may exercise the following rights as entrusted by the shareholder: (I) The shareholder's right to speak at the general meeting; (II) The right to demand by himself or jointly with others in voting by way of poll; (III) The right to vote may be exercised either by a show of hands or by poll. However, if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by poll.	=	=
Article 89	The instrument appointing a proxy shall be in writing under the hand of the principal or his attorney authorized in writing; where the principal is a legal person, such instrument shall be under its common seal or under the hand of its director or attorney duly authorized. The letter of authorization issued by the shareholder to authorize another person to attend the general meeting shall state the following contents: (I) Names of the principal and the proxy; (II) The number of shares of the principal represented by the proxy; (III) Whether the proxy has voting rights; (IV) Indication of consent, objection or abstention concerning each proposal to be resolved on the agenda of general meeting; (V) Whether the proxy has voting rights on ad hoc proposals which may be included in the agenda of the general meeting, and specific indication for exercising which kind of voting rights (if any); (VI) Date of signing of the letter of authorization and the term of validity; (VII) Signature (or seal) of the principal; if the principal is a legal person shareholder, the common seal of the legal person shall be affixed.	Article 89	The letter of authorization issued by the shareholder to authorize another person to attend the general meeting shall state the following contents: (I) name or title of the principal, <u>and the type and number of shares held;</u> (II) <u>name or title of the proxy</u> and number of shares of the principal represented by the proxy; (III) <u>specific instructions given by the shareholder,</u> including respective instructions on affirmative, negative or abstention voting on each issue listed in the meeting agenda; (IV) whether the proxy has voting rights on ad hoc proposals which may be included in the agenda of the general meeting, and specific indication for exercising which kind of voting rights (if any); (V) date of signing of the letter of authorization and the term of validity; (VI) signature (or seal) of the principal; if the principal is a legal person shareholder, the common seal of the legal person shall be affixed.

APPENDIX I**COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.***

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 90	Proxy forms shall be lodged at the domicile of the Company or other venues specified in the notice of meeting 24 hours before the convening of the relevant meeting for voting according to the proxy form, or 24 hours before the designated time of voting. Where the proxy form is signed by a person under a power of attorney on behalf of the principal, the power of attorney or other authorization documents authorized to be signed shall be notarized. A notarially certified copy of that power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other venues specified in the notice of meeting. Where the principal is a legal person, its legal representative or such person as authorized by resolution of its board of directors or other governing body may attend general meetings of the Company as a representative of the principal. If a shareholder is a recognized clearing house (or its proxy), it may, as it sees fit, appoint one or more persons as its proxies to attend and vote at any general meeting or class meeting of shareholders. However, if more than one person is appointed, the proxy form shall specify the number and class of the shares relating to each proxy. Such proxy may exercise the rights of such clearing house (or its proxy) on its behalf in the same manner as the individual shareholder of the Company.	Article 90	Proxy forms shall be lodged at the domicile of the Company or other venues specified in the notice of meeting 24 hours before the convening of the relevant meeting for voting according to the proxy form, or 24 hours before the designated time of voting. Where the proxy form is signed by a person under a power of attorney on behalf of the principal, the power of attorney or other authorization documents authorized to be signed shall be notarized. A notarially certified copy of that power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other venues specified in the notice of meeting. If a shareholder is a recognized clearing house (or its proxy), it may, as it sees fit, appoint one or more persons as its proxies to attend and vote at any general meeting or class meeting of shareholders. However, if more than one person is appointed, the proxy form shall specify the number and class of the shares relating to each proxy. Such proxy may exercise the rights of such clearing house (or its proxy) on its behalf in the same manner as the individual shareholder of the Company.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 91	Any form of letter of authorization issued to a shareholder by the board of directors of the Company for use by him for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote in favor of or against each resolution dealing with the businesses to be transacted at the meeting. Such letter of authorization shall contain a statement that in absence of instructions by the shareholders, his proxy may vote as he thinks fit. In addition to the above requirements, the letter of authorization shall contain the following: the number of shares represented by the proxy and the name of the proxy; whether the proxy has voting rights; whether the proxy has voting rights on ad hoc proposals which may be included in the agenda of the general meeting; specific indication for exercising which kind of voting right (if any); date of signing of the instrument and term of validity. If more than one proxy is appointed, the letter of authorization shall specify the number of shares represented by each proxy. The proxy attending the general meeting on behalf of the shareholder shall present his personal identity card and letter of authorization under the hand of the principal or the legal representative of or attorney duly authorized by the principal with the issue date. If the legal representative of a legal person shareholder (other than recognized clearing house and its proxy) is appoint to attend the meeting, the Company has the right to require him to present his identity proof and valid document proving his qualification to be a legal representative.	=	=

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
—	=	Article 93	The convener and the scrutineers engaged by the Company shall, based on the register of shareholders provided by the securities depository and clearing (or transfer) organization, jointly verify the legality of the shareholders' qualification and record the names of shareholders and the number of voting shares they hold. Registration for the meeting shall cease prior to the announcement made by the one presiding over the meeting on the number of shareholders and proxies in attendance and the total number of voting shares they hold.
—	=	Article 94	If the general meeting requires the Company's directors and senior management to attend the meeting as observers, such directors and senior management shall be present at the meeting and respond to shareholders' enquiries.
Article 94	The general meeting convened by the board of directors shall be presided over and chaired by the Chairman of the Board. If the Chairman of the Board is unable or fails to perform his duties, the general meeting shall be chaired by a director nominated by more than half of the directors. The general meeting convened by the supervisory committee on its own initiative according to statutory procedures shall be chaired by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable or fails to perform his duties, the general meeting shall be chaired by a supervisor nominated by more than half of the supervisors. The general meeting convened by shareholders on its own initiative according to statutory procedures shall be chaired by the representative nominated by the convener. During the convening of the general meeting, if the chairman of the general meeting breaches the procedural rules, which makes it unable to proceed the general meeting, the general meeting may nominate a person to act as the chairman of the meeting and such meeting may continue, subject to consents of more than half of shareholders with voting rights attending the general meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (including the proxy) shall preside over the meeting.	Article 95	The general meeting convened by the board of directors shall be presided over by the Chairman of the Board. If the Chairman of the Board is unable or fails to perform his duties, the general meeting shall be <u>presided over</u> by a director nominated by more than half of the directors. The general meeting convened by the <u>Audit Committee</u> on its own initiative according to statutory procedures shall be <u>presided over</u> by the <u>convener</u> of the <u>Audit Committee</u>. If the <u>convener</u> of the <u>Audit Committee</u> is unable or fails to perform his duties, the general meeting shall be <u>presided over</u> by a <u>member of the Audit Committee</u> nominated by more than half of the <u>Audit Committee</u>. The general meeting convened by shareholders on its own initiative according to statutory procedures shall be chaired by the <u>convener</u> or the representative nominated by the convener. When the general meeting is being held, if the <u>presider</u> of the meeting violates meeting procedures so that the general meeting fails to continue, the general meeting may nominate one person to become the <u>presiding officer</u> of the meeting to continue with the meeting with the agreement of the shareholders with more than half of voting rights present at the meeting. If for any reason the shareholders are unable to elect a <u>presider</u> of the meeting, the attending shareholder holding the largest number of voting shares (including the proxy) shall <u>preside</u> over the meeting.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
—	—	Article 96	<u>The Company shall formulate the rules of procedure for general meetings, and specify in details the procedures for convening, holding and voting at the general meeting, including notice, registration, review of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principles for the authorization granted to the board of directors by the general meeting, and the content of such authorization shall be clear and specific.</u>
—	—	Article 97	<u>In the annual general meeting, the board of directors shall report their work during the past year to the general meeting. Independent directors shall make a duty report in accordance with the guidance of the Listing Rules.</u>
—	—	Article 98	<u>Directors and senior management personnel shall answer and explain inquiries and proposals made by shareholders at the general meeting.</u>
Article 95	Prior to voting, the chairman of the general meeting shall announce the number of shareholders and proxies present and the total number of voting shares held by them. The number of shareholders and proxies present and the total number of voting shares held by them shall be that as stated in the registration of the meeting.	Article 99	Prior to voting, the <u>presider</u> of the general meeting shall announce the number of shareholders and proxies present and the total number of voting shares held by them. The number of shareholders and proxies present and the total number of voting shares held by them shall be that as stated in the registration of the meeting.

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Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 96	Minutes of general meetings shall be recorded by the secretary to the board of directors. The minutes shall contain the following items: (I) the session, date, venue and agenda of the meeting, and the name of the convener; (II) the name of the chairman of the meeting, and the names of directors, supervisors, the general manager and other senior management members present or in attendance at the meeting; (III) the number of holders of domestic shares (including their proxies) and holders of overseas listed foreign shares (including their proxies) attending the meeting, the total number of voting shares held by them and the percentage of such shares to the total number of shares of the Company; (IV) the discussions in respect of each proposal, highlights of the speeches made at the meeting and voting results on each resolution made by holders of domestic shares and holders of overseas listed foreign shares; (V) details of the queries or recommendations made by the shareholders, and the corresponding answers or explanations; (VI) the names of counting officers and scrutinizers; (VII) such other matters required by the general meeting or stipulated by the Articles of Association to be recorded in the minutes of the meeting.	Article 100	Minutes of general meetings shall be recorded by the secretary to the board of directors. The minutes shall contain the following items: (I) the date, venue and agenda of the meeting, and the name of the convener; (II) the name of the <u>presider</u> of the meeting, and the names of directors and senior management members in attendance at the meeting; (III) the number of holders of domestic shares (including their proxies) and holders of overseas listed foreign shares (including their proxies) attending the meeting, the total number of voting shares held by them and the percentage of such shares to the total number of shares of the Company; (IV) the review, main points of address and voting results of each proposal; (V) details of the queries or recommendations made by the shareholders, and the corresponding answers or explanations; (VI) the names of <u>lawyers (if any)</u>, counting officers and scrutinizers; (VII) such other matters stipulated by the Articles of Association to be recorded in the minutes of the meeting.
Article 97	The convener shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. Directors, supervisors, secretary to the board of directors, the convener or his representative and the presider of the meeting who attend the meeting shall sign on the minutes of the meeting. The minutes shall be kept together with the signature book of shareholders attending the meeting, the letters of authorization of proxies as well as all valid materials of voting via internet or other ways for no less than 20 years.	Article 101	The convener shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. Directors, secretary to the board of directors, the convener or his representative and the <u>presider</u> of the meeting who attend <u>or present</u> the meeting shall sign on the minutes of the meeting. The minutes shall be kept together with the signature book of shareholders attending the meeting, the letters of authorization of proxies as well as all valid materials of voting via internet or other ways for no less than <u>10</u> years.

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Provisions	Content of the Provisions	Provisions	Content of the Provision
—	—	<u>Section 7</u>	<u>Voting and Resolutions at General Meetings</u>
Article 99	Resolutions of general meeting shall be divided into ordinary resolutions and special resolutions. An ordinary resolution must be passed by votes representing more than half of the voting rights represented by the shareholders (including proxies) present at the general meeting. A special resolution must be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the general meeting.	Article 103	Resolutions of general meeting shall be divided into ordinary resolutions and special resolutions. An ordinary resolution must be passed by votes representing <u>more than half of</u> the voting rights represented by the shareholders (including proxies) present at the general meeting. A special resolution must be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the general meeting.
Article 105	The following matters shall be passed by way of ordinary resolutions at a general meeting: (I) Work reports of the board of directors and the supervisory committee ; (II) Profit distribution plan and loss compensation plan formulated by the board of directors; (III) The appointment and removal of non-employee representative members of the board of directors and the supervisory committee and their remuneration and method of payment; (IV) Annual budgets and final accounts of the Company ; (V) Balance sheets, profit accounts and other financial statements of the Company ; (VI) Annual report of the Company ; (VII) Matters other than those requiring the approval by way of special resolutions in accordance with the laws or the Articles of Association.	Article 104	The following matters shall be resolved by way of ordinary resolutions at a general meeting: (I) work reports of the board of directors; (II) profit distribution plan and loss make-up plan formulated by the board of directors; (III) appointment or dismissal of the members of the board of directors who are not employee representatives, remuneration and payment methods thereof; (IV) matters other than those requiring approval by special resolutions in accordance with the laws, <u>administrative regulations, departmental rules, normative documents, listing rules</u> or the Articles of Association.

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Article 106	The following matters shall be resolved by special resolutions at a general meetings: (I) the increase or reduction of the Company's registered capital and the issuance of any class of shares, warrants and other similar securities; (II) the issuance of the Company's bonds; (III) the division, merger, dissolution and liquidation of the Company or the change in the corporate form of the Company; (IV) the amendments to the Articles of Association; (V) other matters that shall be adopted by special resolution pursuant to the laws, administrative regulations or the Articles of Association or which the general meeting considers will have a material influence on the Company and therefore require, by an ordinary resolution, to be adopted by special resolution.	Article 105	The following matters shall be resolved by way of special resolutions at a general meeting: (I) increase or reduction of the registered capital of the Company; (II) demerger, merger, dissolution and liquidation of the Company; (III) amendments to the Articles of Association; (IV) <u>any purchase or sale of major assets or any provision of guarantee to other persons within one year for an amount exceeding 30% of the Company's total assets as audited in the latest period;</u> (V) <u>share option incentive scheme;</u> (VI) any other matters as required by the laws, <u>administrative regulations, departmental rules, normative documents, listing rules</u> or the Articles of Association and matters which, if resolved by way of an ordinary resolution at a general meeting, will have a material impact on the Company and need to be adopted by way of special resolutions.
Article 100	A shareholder (including proxy) may exercise voting rights in accordance with the number of voting shares represented by him, and each share shall have one vote. The shares held by the Company have no voting rights, and that part of the shareholding is not counted as the total number of voting shares held by shareholders attending the meeting. If any shareholders should abstain from voting for a particular proposal or are restricted to voting for (or against) a particular proposal according to the provisions of the listing rules of the place where the overseas listed foreign shares are listed, the votes by those shareholders or their proxies shall not be counted in case of any violation of the relevant provisions or restriction.	Article 106	A shareholder (including proxy) may exercise voting rights in accordance with the number of voting shares represented by him, and each share shall have one vote. <u>When voting by ballot, a shareholder (including the proxy) with two or more voting rights need not cast all votes as affirmative or negative votes.</u> The shares held by the Company have no voting rights, and that part of the shareholding is not counted as the total number of voting shares held by shareholders attending the meeting. If any shareholders should abstain from voting for a particular proposal or are restricted to voting for (or against) a particular proposal according to the provisions of the listing rules of the place where the overseas listed foreign shares are listed, the votes by those shareholders or their proxies shall not be counted in case of any violation of the relevant provisions or restriction.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 108	Where any matter on connected transaction is considered at the general meeting, the connected shareholders shall avoid voting, whose shares shall not be included in the total number of valid shares. The public announcement of resolutions of general meeting shall fully disclose the votes cast by non-connected shareholders.	Article 107	When the general meeting considers related transactions, related shareholders shall not participate in voting, <u>nor shall they participate in vote counting or supervision</u>, and the number of shares with voting rights they represent shall not be included in the total number of <u>shares with</u> voting rights; resolutions of the general meeting shall fully disclose the votes of non-related shareholders. <u>Related shareholders who fail to attend the general meeting shall not authorize a proxy to vote on their behalf in respect of the matter, and their proxies shall also be evaded by reference to the relevant provisions in relation to the abstention of voting by the related shareholders in this paragraph.</u> <u>When considering the related transactions, the procedures for abstention of voting and voting of related shareholders are as follows:</u> <u>(I) if the matters considered at the general meeting are related to the shareholders, such shareholders shall disclose the related relationship to the board of directors of the Company prior to the date of convening the general meeting;</u> <u>(II) when the general meeting considers the related transactions, the presider announces the related shareholders, as well as explains and introduces the related relationship between the related shareholders and the related transactions;</u> <u>(III) the presider shall announce that the related shareholders shall not participate in the voting on related transactions, and the non-related shareholders shall consider and vote on the related transactions;</u> <u>(IV) resolutions on related matters shall be passed by more than half of the voting shares of the non-related shareholders present at the meeting; if the transactions fall within the scope of special transactions, it shall be approved by more than two-thirds of the voting rights of the non-related shareholders present at the meeting.</u>

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COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
—	=	Article 108	<u>Except for special circumstances such as the Company's crisis, unless approved by a special resolution of the general meeting, the Company will not enter into an agreement with anyone other than directors and senior management that assigns the person responsible for the management of all or important business of the Company.</u>
Article 109	Candidate lists of directors and supervisors shall be submitted to the general meeting in the form of proposal. When election of the directors and supervisors is voted at the general meeting, in accordance with the provisions of the Articles of Association or the resolution of general meeting, the cumulative voting system is applicable. The “cumulative voting system” referred to in the preceding paragraph means each share shall have the same voting right as the number of directors or supervisors to be elected, when election of directors or supervisors is voted at the general meeting. The voting right held by shareholders may be used collectively.	Article 109	The list of candidates for directors shall be submitted to the general meeting for voting by proposals. When the general meeting votes to elect directors, it can adopt a cumulative voting system according to the Articles of Association or a resolution of the general meeting. <u>The cumulative voting system shall be adopted when a sole shareholder and its concert parties hold 30% or more of the shares of the Company, or when the general meeting elects two or more independent non-executive directors.</u> The cumulative voting system as referred to in the preceding paragraph means that when a director is elected at the general meeting, each share shall carry the same number of voting rights as the number of directors to be elected.

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 110	The way and procedure of nomination of directors or supervisors shall be as follows: (I) a shareholders independently or shareholders collectively holding more than 3% of the total outstanding voting shares of the Company may propose to the general meeting candidates for the position of director or supervisor who is not staff representatives in the form of a written proposal; nevertheless, the number of nominees shall comply with the provisions of the Articles of Association and shall not exceed the number of persons to be elected. The shareholder(s) shall submit the aforesaid proposal to the Company at least 14 days before the date the general meeting is held; (II) the board of directors or the supervisory committee may, to the extent of the number of persons specified in the Articles of Association, put forward a list of recommended director candidates and supervisor candidates consistent with the number of persons to be elected, and submit such list to the board of directors and the supervisory committee respectively for review. Once the board of directors and the supervisory committee have conducted its review and adopted a resolution determining the director or supervisor candidates, it shall submit the same at the general meeting in the form of a written proposal; (III) For the nomination of candidates for independent non-executive directors, the nominator shall also fully understand the nominees' professional qualifications, academic qualifications, professional titles, detailed work experience, all parttime jobs and so on, and give his opinions on the qualifications and independence on the nominee as the independent non-executive director, the nominee shall make a public statement on the relationship between himself and the Company that does not have any influence on his independent and objective judgment; (IV) the written notices of the intention to nominate director or supervisor candidates and of the nominee indicating their willingness to accept the nomination as well as relevant written materials on the nominee shall be delivered to the Company at least 7 days before the date of the general meeting. The board of directors or the supervisory committee shall provide to the shareholder the resumes and basic particulars of the director or supervisor candidates; (V) the period accorded by the Company to the nominators and candidates to submit the aforesaid notices and documents shall not be less than 7 days (counting from the day immediately following the date of issuance of the notice of the general meeting);	Article 110	The method of, and procedure for, nominating directors are as set forth below: (I) a shareholders independently or shareholders collectively holding more than 3% of the total outstanding voting shares of the Company may propose to the general meeting candidates for the position of director who is not staff representatives in the form of a written proposal; nevertheless, the number of nominees shall comply with the provisions of the Articles of Association and shall not exceed the number of persons to be elected. The shareholder(s) shall submit the aforesaid proposal to the Company at least 14 days before the date the general meeting is held. (II) the board of directors may, to the extent of the number of persons specified in the Articles of Association, put forward a list of recommended director candidates consistent with the number of persons to be elected, and submit such list to the board of directors respectively for review. Once the board of directors have conducted its review and adopted a resolution determining the director candidates, it shall submit the same at the general meeting in the form of a written proposal. (III) for the nomination of candidates for independent non-executive directors, the nominator shall also fully understand the nominees' professional qualifications, academic qualifications, professional titles, detailed work experience, all part-time jobs and so on, and give his opinions on the qualifications and independence on the nominee as the independent non-executive director, the nominee shall make a public statement on the relationship between himself and the Company that does not have any influence on his independent and objective judgment. (IV) the written notices of the intention to nominate director candidates and of the nominee indicating their willingness to accept the nomination as well as relevant written materials on the nominee shall be delivered to the Company at least 7 days before the date of the general meeting. The board of directors shall provide to the shareholder the resumes and basic particulars of the director candidates.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
	(VI) the general meeting shall vote on each of the director or supervisor candidates one by one; (VII) When it is necessary for an additional or replacement director or supervisor at short notice, the same shall be proposed by the board of directors or the supervisory committee, recommending that the general meeting elect or replace the same.		(V) the period accorded by the Company to the nominators and candidates to submit the aforesaid notices and documents shall not be less than 7 days (counting from the day immediately following the date of issuance of the notice of the general meeting). (VI) the general meeting shall vote on each of the director candidates one by one. (VII) when it is necessary for an additional or replacement director at short notice, the same shall be proposed by the board of directors, recommending that the general meeting elect or replace the same.
Article 101	At any general meeting, a resolution shall be decided on a show of hands unless a poll is demanded prior to or after the show of hands by the following persons: (I) the chairman of the meeting; (II) at least two shareholders present in person or by proxy entitled to vote thereat; (III) one or more shareholders (including their proxies) who individually or collectively hold 10% or more of shares carrying the right to vote at the meeting. Unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the recording of such in the minutes of meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favor of or against such resolution at the meeting. The demand for a poll may be withdrawn by the person who demanded the same.	=	=
Article 102	A poll demanded on the election of the chairman of the meeting or on a question of the adjournment of the meeting shall be taken forthwith. A poll demanded on any other question shall be taken as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.	Article 113	A poll demanded on the election of the <u>presider</u> of the meeting or on a question of the adjournment of the meeting shall be taken forthwith. A poll demanded on any other question shall be taken as the <u>presider</u> of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

**APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF
ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.***

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 103	On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes is not required to cast all his votes in the same way.	=	=
Article 104	When the number of votes for and against a resolution is equal, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.	=	=
Article 113	Votes at a general meeting shall be taken by a vote by registered ballot.	Article 114	Any vote of shareholders at a general meeting shall be taken by <u>open ballot</u> except where the <u>presider of the meeting decides to allow a resolution which relates purely to a procedural or an administrative matter to be voted on by a show of hands.</u>
Article 107	The chairman of the meeting shall decide whether or not the resolution of the general meeting shall be passed on the basis of the voting results, and his decision shall be the final decision, and the voting results shall be announced at the meeting, and recorded in the minutes of the meeting.	=	=
Article 114	The chairman of the general meeting shall announce the situation and results of the vote on each proposal, and announce whether each such proposal has been adopted based on the results of the votes.	Article 115	The <u>presider</u> of the general meeting shall announce the situation and results of the vote on each proposal, and announce whether each such proposal has been adopted based on the results of the votes.
Article 115	The shareholders present at a general meeting shall express one of the following opinions on proposals that are submitted for voting: affirmative, negative or abstention.	Article 116	Shareholders attending the general meeting shall <u>clearly express their affirmative, negative or abstention</u> on the proposals submitted for voting. <u>Except where the securities registration and clearing institution, as the nominal holder of shares under the relevant mechanism, makes declarations in accordance with the intention of the actual holders.</u>
Article 116	If the chairman of the meeting has any doubts about the results of a resolution submitted for voting, he may count the number of votes cast; if the chairman of the meeting does not count the votes, and a shareholder or proxy attending the meeting who challenges the results announced by the chairman , he shall have the right to request an immediate count after the announcement, and the chairman of the meeting shall forthwith conduct such a count.	Article 117	If the <u>presider</u> of the meeting has any doubts about the results of a resolution submitted for voting, he may count the number of votes cast; if the <u>presider</u> of the meeting does not count the votes, and a shareholder or proxy attending the meeting who challenges the results announced by the <u>presider</u> , he shall have the right to request an immediate count after the announcement, and the <u>presider</u> of the meeting shall forthwith conduct such a count.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 9	Special Voting Procedures for Class Shareholders	Section 8	Special Procedures for Voting by Classes of Shareholders
Article 122	If the Company intends to vary or abrogate the rights of class shareholders, it may do so only after such variation or abrogation has been adopted by way of a special resolution of the general meeting and by a separate general meeting convened by the affected class shareholders in accordance with Article 125 to 128. The conversion of Company shares held by the sponsor into foreign investment shares as mentioned in Article 121 above shall not be deemed an intention by the Company to vary or abrogate rights of class shareholders.	Article 123	If the Company intends to vary or abrogate the rights of class shareholders, it may do so only after such variation or abrogation has been adopted by way of a special resolution of the general meeting and by a separate general meeting convened by the affected class shareholders in accordance with Article 126 to 129. The conversion of Company shares held by <u>domestic shareholders</u> into foreign investment shares as mentioned in Article 122 above shall not be deemed an intention by the Company to vary or abrogate rights of class shareholders.
Article 124	Shareholders of the affected class, whether or not otherwise having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters referred to in items (II) to (VIII), (XI) to (XII) of the Article 123, except that interested shareholders shall not have the right to vote at class meetings. For the purpose of the preceding paragraph, the term “interested shareholder” shall have the following meanings: (I) In the event that the Company makes a repurchase offer to all shareholders in equal proportions according to the provisions of the Article 34 herein, or repurchases its own shares through open transactions on a stock exchange, the “interested shareholder” shall be the controlling shareholder as defined in the Article 63 herein; (II) In the event that subject to the provisions of the Article 34 herein, the Company repurchases its shares by agreement outside the designated stock exchange, an “interested shareholder” means the shareholder to which the agreement relates; (III) In the Company’s restructuring scheme, “interested shareholder” means a shareholder who assumes liability in a proportion smaller than other shareholders of the same class or who has an interest in a restructuring scheme of the Company that is different from other shareholders in respect of such class of shares.	Article 125	Shareholders of the affected class, whether or not otherwise having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters referred to in items (II) to (VIII), (XI) to (XII) of the Article 124, except that interested shareholders shall not have the right to vote at class meetings. For the purpose of the preceding paragraph, the term “interested shareholder” shall have the following meanings: (I) in the event that the Company makes a repurchase offer to all shareholders in equal proportions, or repurchases its own shares through open transactions on a stock exchange, the “interested shareholder” shall be the controlling shareholder as defined in the Article 67 herein; (II) in the event that the Company repurchases its shares by agreement outside the designated stock exchange, an “interested shareholder” means the shareholder to which the agreement relates; (III) in the Company’s restructuring scheme, “interested shareholder” means a shareholder who assumes liability in a proportion smaller than other shareholders of the same class or who has an interest in a restructuring scheme of the Company that is different from other shareholders in respect of such class of shares.

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Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 125	Subject to the Article 124, any resolution at a class meeting shall be passed by more than two thirds of the voting rights by the shareholders of that class present at the class meeting. The quorum required for the convening of the meeting of shareholders of a class of shares for the purpose of considering the amendment of the rights of any class of shares (other than a resumed meeting) shall be at least one third of the holders of the issued shares of that class.	Article 126	Subject to Article <u>125</u>, any resolution at a class meeting shall be passed by more than two-thirds of the voting rights of the shareholders of that class present at the class meeting. The quorum required for the convening of the meeting of shareholders of a class of shares for the purpose of considering the amendment of the rights of any class of shares (other than a resumed meeting) shall be at least one-third of the holders of the issued shares of that class.
Article 126	When the Company is to hold a class meeting, it shall notify all the registered shareholders of that class of the matters to be considered at and the date and venue of the meeting and the period for giving written notice shall follow Article 76 of the Articles of Association. When the Company calculates the above period, the date of the meeting shall be excluded. Where there is any special regulation under the listing rules of the place(s) where the Company's shares are listed, such provisions shall prevail.	Article 127	When the Company is to hold a class meeting, it shall notify all the registered shareholders of that class of the matters to be considered at and the date and venue of the meeting and the period for giving written notice shall follow Article <u>81</u> of the Articles of Association. When the Company calculates the above period, the date of the meeting shall be excluded. Where there is any special regulation under the listing rules of the place(s) where the Company's shares are listed, such provisions shall prevail.
Chapter 15	Party Committee of the Company	Chapter 5	Party Committee of the Company (The entire chapter has been moved here.)
Article 220	The Party Committee plays a leading role in the direction, management and implementation of the overall situation, in accordance with the provisions of the Company to discuss and decide on major matters. The main responsibilities include: 	Article 133	The Party Committee plays a leading role in the direction, management and implementation of the overall situation, in accordance with the provisions of the Company to discuss and decide on major matters. The main responsibilities include:

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
	Discipline Inspection Commission's Duties (I) The Discipline Inspection Commission of the Company, under the leadership of the Party Committee and the discipline inspection commissions at higher levels, assists the Party Committee with the building of the style of work and integrity culture as well as the organization and coordination of corruption combat, gives full play to the supervisory role within the Party, performs the supervisory duties assigned by the Constitution of the CPC, and implements discipline inspection and accountability in a stringent manner; (II) To strengthen discipline supervision, firmly defend the authority of the Constitution of the CPC and other internal regulations of the Party, review the implementation of the Party's directions and policies and the major decisions and arrangements of the Company, and supervise the performance of duties and exercise of powers by the Party members and cadres; (III) To enhance the education on Party spirit, legal system and warning education, and uplift the ideological and moral standards and legal awareness of the Party members and cadres combating corruption and upholding Party integrity; to tighten the supervision on the leaders and earnestly discharge the main responsibility for building the style of work of the Party and upholding Party integrity; (IV) To reinforce the supervision on the style of work, strictly follow the spirit of the eight requirements of the central government and the ten requirements of the provincial Party committee and the provincial government, and exert consistent efforts in combating and rectifying formalism, bureaucracy, hedonism and extravagance; (V) To put more efforts on the investigation of illegal cases, insist in punishing corruption cases with nil tolerance, and severely investigate the behaviors in breach of Party disciplines and corruption-related cases in strict compliance with relevant disciplines and laws.	=	=

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 10	Board of Directors	Chapter 6	Directors and Board of Directors
Section 1	The Directors	Section 1	<u>General Provisions for Directors</u>
Article 129	The directors of the Company shall be natural persons. Directors need not hold shares of the Company. The Company's directors shall include executive directors, non-executive directors and independent non-executive directors. The term "executive director" means a director who serves in an operational/management position in the Company. The term "non-executive director" means a director who does not serve in an operational/management position with the Company but who by law is not considered independent. The term "independent non-executive director" means a director who satisfies the provisions of the Articles 141 and 142 of the Articles of Association. Directors shall possess the qualifications required by law.	Article 137	The directors of the Company shall be natural persons. Directors need not hold shares of the Company. The Company's directors shall include executive directors, non-executive directors and independent non-executive directors. The term "executive director" means a director who serves in an operational/management position in the Company. The term "non-executive director" means a director who does not serve in an operational/management position with the Company but who by law is not considered independent. The term "independent non-executive director" means a director who satisfies the provisions of the Articles <u>149</u> and <u>150</u> of the Articles of Association. Directors shall possess the qualifications required by law. <u>A person who falls under any of the following circumstances shall not serve as a director of the Company:</u> <u>(I) having no capacity for civil conduct or having limited capacity for civil conduct;</u> <u>(II) having been sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property, or disruption of the socialist market economic order, or having been deprived of political rights due to a crime, and less than five years have elapsed since the completion of the sentence, or in case of a probation, less than two years have elapsed since the expiration of the probation period;</u> <u>(III) having served as a director, factory director, or manager of a company or enterprise that underwent bankruptcy liquidation, and bearing personal responsibility for the bankruptcy of such company or enterprise, and less than three years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;</u> <u>(IV) having served as the authorized representative of a company or enterprise that had its business license revoked or was ordered to close down due to illegal activities, and bearing personal responsibility therefor, and less than three years have elapsed since the revocation of the business license of or the order to close down for such company or enterprise;</u>

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
			<u>(V) having been listed by the people’s court as a judgement defaulter due to failure to repay a significant amount of due debts;</u> <u>(VI) having been subjected to a securities market entry ban by the CSRC, and the ban period has not yet expired;</u> <u>(VII) a person who has been publicly determined by the stock exchanges to be not suitable to serve as a director or senior management personnel of a listed company, and the period has not elapsed;</u> <u>(VIII) other circumstances required by the applicable law, administrative regulations or departmental rules.</u> <u>In the case of an election or appointment of a director in contravention of this Article, such election, appointment or engagement shall be invalid. If any of the circumstances stated in this Article occurs during the term of office of a director, the Company shall remove such director from office and cease his/her duties.</u>

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 130	Directors shall be elected or replaced by the general meeting and serve terms of three years. At the expiration of their terms, directors may continue to serve as such if reelected. The written notices of the intention to nominate director candidates and of the nominees indicating their willingness to accept the nomination shall be delivered to the Company no later than seven days before the holding of the general meeting. The period for such notice shall commence after the Company has given notice of the meeting in respect of the election and such period shall not be more than seven days before (or before) the date of the meeting. The term of office of a director who is appointed by the board of directors to fill a casual vacancy of the board of directors or to increase the number of directors shall end at the next annual general meeting and such director shall be entitled to be re-elected at that time. The term of office of a director shall count from the date on which he or she assumes his or her position until the expiration of the term of the incumbent board of directors. If an election is not timely held at the expiration of the term of service of a director, the incumbent director shall continue to perform his or her duties as a director in accordance with laws and the Articles of Association until the incoming director assumes his or her position. The general meeting may not remove a director from office without cause before the expiration of his or her term of office. However, subject to relevant laws and administrative regulations, the general meeting may remove any director by an ordinary resolution (without prejudice to any claim for damages that such director may have under any contract) before the end of his or her term of office. The general manager or other senior management may concurrently serve as directors, provided that the total number of directors who concurrently serve as the general manager or other senior management and the total number of directors who are served by employee representatives shall not exceed half of the total directors of the Company.	Article 138	<u>Non-employee representative</u> directors shall be elected or changed at a general meeting, <u>and can be removed before maturity of the term of office at a general meeting. The employee representative directors shall be democratically elected by the employee representative meeting, employee meeting or otherwise.</u> The term of office of a director is three years. A director may serve consecutive terms if re-elected. A director's term of service commences from the date he takes office, until the current term of service of the board of directors ends. A director shall continue to perform his/her duties as a director in accordance with the laws, <u>administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed</u> and the Articles of Association until a re-elected director takes office, if reelection is not conducted in a timely manner upon the expiry of his/her term of office. Senior management may concurrently serve as a director, provided that the aggregate number of the directors, who concurrently serve as senior management, and the directors, who are employee representatives, shall not exceed half of all the directors of the Company.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 131	Directors shall abide by laws and the Articles of Association, and bear the following fiduciary duties to the Company: (I) not taking advantage of his or her position to accept bribes or illegal income, not appropriating property of the Company; (II) not misappropriating the Company's funds; (III) not opening an account in his or her own name or in the name of another individual and depositing the Company's assets or funds therein; (IV) not breaching the requirements of the Articles of Association by lending the Company's funds to a third party or using the Company's property to provide guarantees for a third party without the consent of the general meeting or the board of directors; (V) not entering into contracts or transactions with the Company in breach of the Articles of Association or without the consent of the general meeting; (VI) not using the advantages of his or her office to appropriate for himself/herself or for others, business opportunities which rightly belong to the Company or operate a business for his or her own account or on behalf of others which is of the same type as the Company's business without the consent of the general meeting; (VII) not accepting for himself/herself commissions in connection with the Company's transactions; (VIII) not disclosing the Company's secrets without authorization; (IX) not using his or her connected relationships to harm the interests of the Company; (X) other fiduciary duties specified in the requirements of the laws and the Articles of Association. Income derived by a director in breach of the Articles of Association shall belong to the Company. If the Company sustains a loss as result of such breach, the director shall be liable for damages.	Article 139	A director shall take steps to avoid his/her own interests conflicting with the Company's interests and may not take advantage of position to seek improper benefits. <u>A director bears the following fiduciary duties to the Company:</u> (I) may not appropriate property of the Company and misappropriate the Company's funds; (II) may not open an account in his or her own name or in the name of another individual and depositing the Company's assets or funds therein; (III) may not take advantage of position to offer bribery or receive other illegal income; (IV) may not, directly or indirectly, enter into contracts or trade with the Company without reporting to the board of directors or general meeting and being approved by the board of directors or general meeting in accordance with the Articles of Association; (V) may not take advantage of position to seek business opportunities belonging to the Company for himself/herself or other people, except if reporting to the board of directors or general meeting and being approved by resolution at the general meeting, or if, according to the laws, administrative regulations or the Articles of Association, the Company cannot use such opportunity; (VI) may not engage in the same type of business as that of the Company for himself/herself or other persons without reporting to the board of directors or general meeting, and after being approved by resolution at the general meeting; (VII) may not accept commissions on transactions between other persons and the Company as his/her own; (VIII) may not unilaterally disclose the Company's secrets; (IX) may not make use of related-party relationship to damage the Company's interests; (X) other duties of loyalty stated in the law, <u>administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed,</u> and the Articles of Association. Any income obtained by a director in violation of this Article should belong to the Company. In case it has caused losses to the Company, he/she should be responsible for compensation. <u>When a close relative of a director or senior management personnel, an enterprise directly or indirectly controlled by a director, senior management personnel or his/her close relative, or a related party having other related-party relationship with a director or senior management personnel, enters into a contract or carries out transaction with the Company, the requirement of item (4), paragraph 2 of the Article applies.</u>

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 132	A director shall abide by laws and the Articles of Association, and bear the following obligations of diligence towards the Company: (I) prudently, conscientiously and diligently exercising the rights granted him or her by the Company, so as to ensure that the commercial acts of the Company comply with state laws and the requirements of the various economic policies of the state, and that its commercial activities do not exceed the scope of business specified on the business license; (II) treating all shareholders equally; (III) timely keeping abreast of the Company's business operation and management situation; (IV) signing written confirmation opinions on the regular reports of the Company so as to ensure that the information disclosed by the Company is true, accurate and complete; (V) providing true information and data to the supervisory committee and not interfering with the supervisory committee or supervisors in the exercise of their functions and powers; (VI) in principle, attending meetings of the board of directors in person and expressing clear opinions on the matters under discussion; if he or she is unable to attend a meeting in person, carefully selecting a proxy; (VII) carefully reading the Company's commercial and financial reports and major reports on the Company by the media, timely understanding and keeping abreast of the Company's business position, management situation and the material events or potential materials events of the Company and their impact, timely reporting to the board of directors problems existing in the Company's business activities and not attempting to shirk his or her responsibilities on the grounds that he or she is not directly involved in operations or management or was not aware of the relevant problem or situation; (VIII) other obligations of diligence specified in the requirements of the laws and the Articles of Association.	Article 140	<u>When performing duties, a director shall exercise reasonable care as a manager for the best interest of the Company.</u> A director bear the following obligations of diligence towards the Company: (I) prudently, conscientiously and diligently exercising the rights granted him or her by the Company, so as to ensure that the commercial acts of the Company comply with state laws, <u>administrative regulations</u> and the requirements of the various economic policies of the state, and that its commercial activities do not exceed the scope of business specified on the business license; (II) treating all shareholders equally; (III) timely keeping abreast of the Company's business operation and management situation; (IV) signing written confirmation opinions on the regular reports of the Company so as to ensure that the information disclosed by the Company is true, accurate and complete; (V) providing true information and data to the <u>Audit Committee</u> and not interfering with the <u>Audit Committee</u> in the exercise of their functions and powers; (VI) in principle, attending meetings of the board of directors in person and expressing clear opinions on the matters under discussion; if he or she is unable to attend a meeting in person, carefully selecting a proxy; (VII) carefully reading the Company's commercial and financial reports and major reports on the Company by the media, timely understanding and keeping abreast of the Company's business position, management situation and the material events or potential materials events of the Company and their impact, timely reporting to the board of directors problems existing in the Company's business activities and not attempting to shirk his or her responsibilities on the grounds that he or she is not directly involved in operations or management or was not aware of the relevant problem or situation; (VIII) other obligations of diligence stated in laws, <u>administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed</u>, and the Articles of Association.

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COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 133	If a director, other than an independent non-executive director , fails to personally attend a meeting of the board of directors and to appoint another director to attend the meetings on his behalf on two consecutive occasions, he or she shall be deemed unable to perform his duties and the board of directors shall propose to the general meeting that he or she be replaced.	Article 141	If a director fails to personally attend <u>the meeting of the board of directors</u> and to appoint another director to attend the meetings on his behalf on two consecutive occasions, he or she shall be deemed unable to perform his duties and the board of directors shall propose to the general meeting that he or she be replaced.
Article 135	Directors may tender their resignations before the expiration of their term of office. To resign, a director shall submit a written resignation to the board of directors. The board of directors shall disclose the relevant circumstances within two days. If the resignation of a director causes the number of occupied seats on the board of directors to fall below the statutory minimum, the incumbent director shall continue to perform his or her duties as a director in accordance with laws and the Articles of Association until the incoming director assumes his or her position. His or her written resignation shall enter into effect only upon the new director taking up the vacancy left by his or her resignation. The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy left by the resignation of the director. Until the general meeting has passed a resolution on electing a director, the powers of the resigning director and the remaining directors shall be subject to reasonable restrictions. Except in the circumstance specified in the preceding paragraphs, a director's resignation shall be effective upon his or her written resignation being served on the board of directors.	Article 143	Directors may tender their resignations before the expiration of their term of office. To resign, a director shall submit a written resignation to the board of directors. <u>The resignation shall take effect on the date when the Company receives the resignation report, and the Company shall disclose the situation within two trading days.</u> If the resignation of a director causes the number of occupied seats on the board of directors to fall below the statutory minimum, the incumbent director shall continue to perform his or her duties as a director in accordance with laws, <u>administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed,</u> and the Articles of Association until the incoming director assumes his or her position.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 136	When a director's resignation becomes effective or his or her term of office expires, he or she shall duly carry out all handover procedures with the board of directors. His or her fiduciary duty to the Company and the shareholders shall not, as a matter of course, terminate at, and shall survive, the end of his or her term of office. The director's obligation to maintain the confidentiality of the Company's trade secrets shall survive the end of his or her term, until such secrets enter the public domain. The term of survival of his or her other obligations shall be decided upon according to the principle of fairness, the time elapsed between the director's departure from office and the occurrence of the event, and the circumstances and conditions of the termination of his or her relationship with the Company.	Article 144	<u>The Company shall set up a management system for the departure of directors, clearly specifying measures to ensure accountability and compensation concerning public commitments which have not been completed and other uncovered matters.</u> When a director's resignation becomes effective or his or her term of office expires, he or she shall duly carry out all handover procedures with the board of directors. His or her fiduciary duty to the Company and the shareholders shall not, as a matter of course, terminate at, and shall survive, the end of his or her term of office. <u>The responsibility of a director due to performance of his/her duties during the term of office will not terminate or be discharged due to leave of office.</u> The director's obligation to maintain the confidentiality of the Company's trade secrets shall survive the end of his or her term, until such secrets enter the public domain. The term of survival of his or her other obligations shall be decided upon according to the principle of fairness, the time elapsed between the director's departure from office and the occurrence of the event, and the circumstances and conditions of the termination of his or her relationship with the Company.
—	=	Article 145	<u>A general meeting may resolve to remove a director. The removal takes effect on the date of the resolution made.</u> If, without proper reason, a director is removed before expiry of term of office, <u>he/she may request compensation from the Company.</u>
Article 138	A director who causes the Company to sustain a loss as a result of a violation of a law or a breach of the Articles of Association by him or her during the performance of his or her Company duties shall be liable for damages. A director who causes the Company to sustain a loss due to his or her unauthorized departure from office prior to the end of his or her term shall be liable for damages.	Article 147	<u>When a director performs his/her duties in the Company, causing harm to others, the Company shall be liable for compensation. If a director is intentional or has gross negligence, he/she shall also be liable for compensation.</u> A director shall be personally liable for any loss suffered by the Company as a result of a violation by him/her of any laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association in the course of performing his/her duties.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Section 2	Independent Non-Executive Directors	Section 2	Independent Non-Executive Directors
Article 139	The Company shall have independent non-executive directors. An independent nonexecutive director has a fiduciary duty and an obligation of diligence toward the Company and all its shareholders. Independent non-executive directors shall, pursuant to the requirements of relevant laws and the Articles of Association, conscientiously perform their duties and responsibilities, safeguard the company’s overall interests and pay attention that the lawful rights and interests of the Company’s shareholders, in particular, small and medium shareholders are not harmed. Unless otherwise provided in this section, the provisions on the qualifications and obligations of directors of the Articles of Association shall apply to independent nonexecutive directors.	Article 148	The Company shall have independent non-executive directors. An independent non- executive director has a fiduciary duty and an obligation of diligence toward the Company and all its shareholders. Independent non-executive directors shall, pursuant to the requirements of relevant laws, <u>administrative regulations, departmental rules, normative documents, securities regulatory rules of the places where the Company’s shares are listed</u> and the Articles of Association, conscientiously perform their duties and responsibilities. <u>They shall play the roles of participation in decision-making, supervision, checks and balances, and professional consultation in the board of directors,</u> to safeguard the Company’s interest as a whole, and to protect the lawful rights and interests of minority shareholders. Unless otherwise provided in this section, the provisions on the qualifications and obligations of directors of the Articles of Association shall apply to independent non-executive directors.
Article 140	The term “independent non-executive director of the Company” means a director who does not hold any position in the Company other than director and who has no relationship with the Company or its major shareholder(s) (meaning a shareholder who alone holds or shareholders who together hold more than 5 percent of the total voting shares of the Company) that could hinder his or her making independent and objective judgments, and who is in compliance with independence provisions of the rules of the stock exchange in the place where Company shares are listed.	=	=

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 142	The following persons may not serve as independent non-executive directors: (I) persons holding a position in the Company or a subsidiary thereof and their lineal relatives and major social relations; (II) natural person shareholders who directly or indirectly hold more than 1 percent of the outstanding shares of the Company or who rank among the top ten shareholders of the Company, and their lineal relatives; (III) persons who hold positions in entities that directly or indirectly hold more than 5 percent of the outstanding shares of the Company or that rank among the top five shareholders of the Company, and their lineal relatives; (IV) persons who provide financial, legal, consultancy or other such services to the Company or its subsidiaries; and their lineal relatives; (V) persons who, at any time during the immediately preceding period of one year, have fallen into any of the four categories listed above; (VI) other persons that laws, the securities regulator of the place where Company shares are listed or other relevant regulator specify may not serve as an independent non-executive director.	Article 149	<u>Independent non-executive directors shall maintain their independence.</u> The following persons may not serve as independent non-executive directors: (I) persons who hold posts in the Company or its affiliates and their <u>spouses, parents, children</u> and main social relations; (II) natural person shareholders who directly or indirectly hold more than one percent of the outstanding shares of the Company or who rank among the top ten shareholders of the Company, and their <u>spouses, parents and children</u>; (III) persons who hold positions in entities that directly or indirectly hold more than five percent of the outstanding shares of the Company or that rank among the top five shareholders of the Company, and their <u>spouses, parents and children</u>; (IV) <u>persons who hold posts in affiliates of the Company's controlling shareholder or actual controller and their spouses, parents and children;</u> (V) <u>persons who have significant business dealings with the Company and its controlling shareholder, actual controller or their respective affiliates, or persons who hold positions in organizations which have significant business dealings with the Company and its controlling shareholder or actual controller;</u> (VI) persons who provide financial, legal, advisory, sponsorship services etc. to the Company <u>and its controlling shareholder, actual controller or their respective affiliates, including but not limited to all members of engagement team of an intermediary providing services, all levels of reviewers, persons signing the report, partners, directors, senior management personnel and principals;</u> (VII) <u>persons who fell under the circumstances of item (1) to item (6) during the past 12 months;</u> (VIII) <u>any other non-independent personnel stipulated by laws, administrative regulations, the provisions of the CSRC, business rules of the stock exchanges and the Articles of Association.</u> <u>Affiliates of the Company's controlling shareholder or actual controller referred to in item (4) to item (6) of the preceding paragraph shall exclude enterprises which are controlled by the same State-owned assets management agency as the Company and are not related to the Company pursuant to the relevant provisions.</u> <u>Independent directors shall conduct annual self-examination of independence and submit the self-examination findings to the board of directors.</u>

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 141	A person holding the position of independent non-executive director shall satisfy the basic conditions set forth below: (I) being eligible to hold the position of director in a listed company pursuant to the laws, administrative regulations, the listing rules of the stock exchange on which the Company's shares are listed and other relevant Provisions; (II) performing his or her duties and responsibilities independently, without interference from the major shareholder(s) or the actual controller of the Company, or other entities or individuals that have a material interest in the Company; (III) having a basic knowledge of the operation of listed companies and being familiar with relevant laws and rules; (IV) having more than five years of experience in law, economics, financial accounting or other work experience required for performing the duties and responsibilities of an independent non- executive director; (V) ensuring that he or she has sufficient time and energy to effectively perform his or her duties and responsibilities and undertaking that he or she will scrupulously perform his or her duties in a steadfast manner and act with due diligence and care; (VI) satisfying the requirements in respect of the qualifications of an independent non-executive director of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.	Article 150	A person holding the position of independent non-executive director shall satisfy the basic conditions set forth below: (I) being eligible to hold the position of director in a <u>listed</u> company pursuant to the laws, administrative regulations, the listing rules of the place where the Company's shares are listed and other relevant Provisions; (II) <u>satisfying the independence requirements specified in the Articles of Association and the requirements regarding the qualifications of independent non-executive directors under the securities regulatory rules of the place where the Company's shares are listed;</u> (III) having a basic knowledge of the operation of listed companies and being familiar with relevant laws and rules; (IV) having more than five years of experience in law, economics, financial accounting or other work experience required for performing the duties and responsibilities of an independent non-executive director; (V) ensuring that he or she has sufficient time and energy to effectively perform his or her duties and responsibilities and undertaking that he or she will scrupulously perform his or her duties in a steadfast manner and act with due diligence and care; (VI) <u>having good moral character, without bad records of significant dishonest conduct, and any other criteria stipulated by laws, administrative regulations, the provisions of the CSRC, business rules of the stock exchange and the Articles of Association.</u>
Article 143	At least one-third of the members of the board of directors of the Company shall be independent non-executive directors, and the number of independent non-executive directors of the Company shall be at least three, of whom at least one shall be a financial or accounting professional as determined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. If an independent non-executive director fails to meet the conditions of independence or another circumstance arises which makes it inappropriate for him or her to perform his or her duties and responsibilities as an independent non-executive director, thereby causing the failure of the Company to meet the requirements of the Articles of Association concerning the number of independent non-executive directors, the Company shall make up the number of independent non-executive directors in accordance with regulations.	Article 151	At least one-third of the members of the board of directors of the Company shall be independent non-executive directors, and the number of independent non-executive directors of the Company shall be at least three, of whom at least one shall be a financial or accounting professional as determined under the <u>Listing Rules.</u> If an independent non-executive director fails to meet the conditions of independence or another circumstance arises which makes it inappropriate for him or her to perform his or her duties and responsibilities as an independent non-executive director, thereby causing the failure of the Company to meet the requirements of the Articles of Association concerning the number of independent non-executive directors, the Company shall make up the number of independent non-executive directors in accordance with regulations.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 145	If an independent non-executive director fails on three consecutive occasions to personally attend a meeting of the board of directors, the board of directors shall request that the general meeting replace him or her. An independent non-executive director may not be removed without cause before the expiration of his or her term, unless any of the circumstances set forth in the Article 143, or the circumstance mentioned in the preceding paragraph or a circumstance under which a person may not hold the position of director specified in the Company Law, arises. If an independent non-executive director is removed before the expiration of his or her term, the Company shall disclose his or her removal as a matter for special disclosure. If the removed independent non-executive director is of the opinion that the Company's grounds for removing him or her are not justified, he or she may make a public statement to that effect.	Article 153	An independent non-executive director may not be removed without cause before the expiration of his or her term, unless any of the circumstances set forth in the Article <u>151</u>, or the circumstance mentioned in the preceding paragraph or a circumstance under which a person may not hold the position of director specified in the Company Law, arises. If an independent non-executive director is removed before the expiration of his or her term, the Company shall disclose his or her removal as a matter for special disclosure. If the removed independent non-executive director is of the opinion that the Company's grounds for removing him or her are not justified, he or she may make a public statement to that effect.
—	=	Article 155	<u>Independent non-executive directors shall, as members of the board of directors, bear the obligations of loyalty and diligence towards the Company and all its shareholders and perform the following duties prudently:</u> <u>(I) participating in decision-making by the board of directors and issuing specific opinions on the deliberated matters;</u> <u>(II) supervising the potential significant conflict of interests between the Company and its controlling shareholders, actual controllers, directors, senior management personnel, and protecting the legitimate rights and interests of minority shareholders;</u> <u>(III) providing professional and objective suggestions on the Company's business development, and promoting the improvement of the decision-making level of the board of directors;</u> <u>(IV) any other duties stipulated by laws, administrative regulations, the provisions of the CSRC and the Articles of Association.</u>

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Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 147	So that the advantage of having independent non-executive directors is fully exploited, in addition to the functions and powers granted directors under laws and the Articles of Association, independent non- executive directors shall have the following special functions and powers: (I) material connected transactions (as determined based on the criteria issued by the competent regulator from time to time) shall be submitted to the board of directors for deliberation after the approval of the independent non-executive directors; before rendering their judgment, independent non-executive directors may engage an intermediary organization to issue an independent financial consultant report for use as a basis for rendering their judgment; the expenses therefor shall be borne by the Company; (II) proposing the engagement or dismissal of an accounting firm to the board of directors; (III) proposing to the board of directors the convening of an extraordinary general meeting; (IV) proposing the convening of meetings of the board of directors; (V) independently engaging external auditors and consultants; (VI) openly soliciting shareholders' voting rights before the holding of a general meeting. The expenses incurred by independent non-executive directors in engaging intermediary organizations or required when otherwise exercising their functions and powers shall be borne by the Company. Where an independent non-executive director exercises the powers set out in items (I) to (III) of the preceding paragraph, such exercise shall be subject to the approval of a majority of all independent non-executive directors and shall be submitted to the board of directors for deliberation. Where an independent non-executive director exercises the powers set out in items (IV) to (VI) of the preceding paragraph, such exercise shall be subject to the approval of a majority of all independent non-executive directors. Where an independent non-executive director exercises the powers set out in paragraph (IV) of the preceding subparagraph, the company shall promptly disclose such exercise. Where the aforementioned powers cannot be exercised normally, the company shall disclose the specific circumstances and reasons.	Article 156	In addition to the functions and powers granted directors under laws and the Articles of Association, independent non-executive directors shall have the following special functions and powers: (I) <u>independent non-executive directors engaging intermediaries to carry out audit, advisory or verification of the Company's specific matters;</u> (II) proposing to the board of directors the convening of an extraordinary general meeting; (III) proposing the convening of meetings of the board of directors; (IV) openly soliciting <u>shareholder's rights</u> from shareholders <u>pursuant to the law;</u> (V) <u>issuing independent opinions on matters which may harm the rights and interests of the Company or minority shareholders;</u> (VI) <u>any other powers stipulated by laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.</u> The expenses incurred by independent non-executive directors in engaging intermediary organizations or required when otherwise exercising their functions and powers shall be borne by the Company. An independent non-executive director exercising the powers stipulated in item (1) to item (3) of the preceding paragraph shall obtain the consent of more than half of all the independent non-executive directors. Where an independent non-executive director exercises the powers stipulated in the preceding paragraph, the Company shall promptly make disclosure. Where the powers are unable to be exercised, the Company shall disclose the specific circumstances and reason.

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Provisions	Content of the Provisions	Provisions	Content of the Provision
—	=	Article 157	The following matters shall, upon consent by more than half of all the independent nonexecutive directors of the Company, be tabled at the board of directors for deliberation: (I) material connected transactions (as determined in accordance with standards promulgated from time to time by the competent regulatory authorities or the stock exchange on which the Company's shares are listed); (II) plan for change or waiver of undertaking by the Company and the relevant parties; (III) decisions made and measures adopted by the board of directors of the Company in respect of the acquisition; (IV) any other matters stipulated by laws, administrative regulations, the provisions of the CSRC and the Articles of Association.
—	=	Article 159	The Company shall establish a mechanism for specialized meetings attended solely by independent non-executive directors. The Company shall hold specialized meetings of independent non-executive directors on a regular or ad hoc basis to consider the matters listed in item (1) to item (3) of the Article 156, and Article 157 of the Articles of Association. A specialized meeting of independent non-executive directors may study and discuss other matters of the Company where necessary. A specialized meeting of independent non-executive directors shall be convened and chaired by an independent non-executive director jointly elected by more than half of independent non-executive directors; where the convener does not or is unable to perform his/her duties, two or more independent non-executive directors may convene a meeting and elect a representative to chair the meeting. Minutes shall be prepared for specialized meeting of independent non-executive directors pursuant to the provisions, stating the opinions of the independent non-executive directors. The independent non-executive directors shall sign on the minutes for confirmation. The Company shall provide convenience and support for holding of specialized meetings of independent non-executive directors.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Section 3	Board of Directors	Section 3	Board of Directors
Article 149	The Company shall have a board of directors which, as the permanent body responsible for making the business decisions of the Company, shall be accountable to the general meeting. The board of directors shall consist of nine directors, with three executive directors, three non-executive directors and three independent non-executive directors. The board of directors shall have one chairman. The Chairman of the Board shall be elected and removed by more than half of all the directors. The Chairman of the Board shall serve terms of three years and may serve consecutive terms if re-elected.	Article 160	The Company shall have a board of directors which, as the permanent body responsible for making the business decisions of the Company, shall be accountable to the general meeting. The board of directors shall consist of nine directors, with three executive directors (<u>including one employee representative director</u>), three non-executive directors and three independent non-executive directors. The board of directors shall have one chairman. The Chairman of the Board shall be elected and removed by more than half of all the directors. The Chairman of the Board shall serve terms of three years and may serve consecutive terms if reelected.
Article 150	The board of directors shall be accountable to the general meeting and exercise the following functions and powers: (I) to convene general meetings and to report on its work to the general meeting; (II) to implement the resolutions of the general meeting; (III) to decide on the business plans, investment plans and financing plans of the Company; (IV) to formulate the plans for annual financial budgets and final accounts of the Company; (V) to formulate the profit distribution plans and plans for making up losses of the Company; (VI) to formulate plans for the increase or reduction of the registered capital of the Company and plans for the issuance of bonds; (VII) to formulate plans for the issuance of other securities and plans for listing; (VIII) to draft plans for the merger, division or dissolution of the Company; (IX) to draft plans for changes in the corporate form of the Company; (X) to draft plans for major acquisitions of the Company and the buyback of the Company's own shares;	Article 161	The board of directors shall exercise the following functions and powers: (I) to convene general meetings and to report on its work to the general meeting; (II) to implement the resolutions of the general meeting; (III) <u>to formulate the Company's operational policies and investment plans, and to decide on business plans, investment proposals and investment projects within the scope of its authority;</u> (IV) <u>to approve financing plans and financing proposals above a certain amount, and to decide on the specific amount standards;</u> (V) to formulate the plans for annual financial budgets and final accounts of the Company; (VI) to formulate the profit distribution plans and plans for making up losses of the Company; (VII) to formulate plans for the increase or reduction of the registered capital of the Company and plans for the issuance of bonds or other securities as well as for the listing of the Company; (VIII) to formulate plans for material acquisitions, purchase of shares of the Company; (IX) to draft plans for the Company's merger, division, dissolution or change of corporate form; (X) <u>to decide on such matters as the Company's investments in third parties, purchase and sale of assets, asset mortgages, the provision of security for third parties, entrustment of financial services, connected transactions, external donations, etc., to the extent authorized by the general meeting;</u>

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
	(XI) to decide on such matters as the Company's investments in third parties, purchase and sale of assets, asset mortgages, the provision of security for third parties, entrustment of financial services, connected transactions, etc., to the extent authorized by the general meeting; (XII) to formulate amendments to the Articles of Association; (XIII) to appoint or remove the general manager and the secretary to the board of directors of the Company, to appoint or remove any other member of the senior management including the deputy general manager and the chief financial officer of the Company based on the nominations of the general manager, and to decide on their remuneration as well as reward and punishment issues; (XIV) to decide on the establishment of the Company's internal management organization; (XV) to formulate the basic management systems of the Company; (XVI) to manage the Company's information disclosure matters; (XVII) to propose to the general meeting the appointment or replacement of an accounting firm as the Company's auditor; (XVIII) to listen to the work reports of the Company's general manager and inspect his or her work; (XIX) other functions and powers provided for in laws, the Articles of Association and granted by the general meeting. Resolutions by the board of directors on the matters referred to in the preceding paragraph shall be passed by the affirmative vote of more than two-thirds of all of the directors on the matters referred to in items (6), (8) and (12). The board of directors shall make a resolution on the guarantee matters within the scope of its license, and must also examine and approve by more than half of the directors of the Company or more than two-thirds of the directors present, whichever is greater. Other matters shall be passed by the affirmative vote of more than one half of all of the directors.		(XI) to formulate amendments to the Articles of Association; (XII) to appoint or remove the general manager and the secretary to the board of directors of the Company, to appoint or remove any other member of the senior management including the deputy general manager and the chief financial officer of the Company based on the nominations of the general manager, and to decide on their remuneration as well as reward and punishment issues; (XIII) to decide on the establishment of the Company's internal management organization; (XIV) to formulate the basic management systems of the Company; (XV) to manage the Company's information disclosure matters; (XVI) to propose to the general meeting the appointment or replacement of an accounting firm as the Company's auditor; (XVII) to listen to the work reports of the Company's general manager and inspect his or her work; (XVIII) other functions and powers provided for in laws, administrative regulations, departmental rules and the Articles of Association and granted by the general meeting.

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Provisions	Content of the Provisions	Provisions	Content of the Provision
—	=	Article 163	<u>The board of directors shall formulate the Rules of Procedure for Meetings of the Board of Directors, to ensure the implementation by the board of directors of the resolutions of the general meetings, higher work efficiency and scientific decision-making.</u>
Article 152	According to the needs of the Company, as considered and approved by the general meeting, the board of directors shall set up such special committees as a strategy and investment committee, a nomination committee, an audit and risk management committee, and a remuneration and evaluation Committee, and other special committees that the board of directors deems necessary to establish, where are accountable to the board of directors. The members of the special committees shall consist entirely of directors and shall be elected by the board of directors. The rules of procedure for each of the special committees of the board of directors shall be formulated by the board of directors. All of the special committees under the board of directors shall be accountable to the board of directors, and, under the unified leadership of the board of directors, shall provide recommendations and advice for the decisions to be made by the board of directors. The special committees may engage intermediary organizations to provide independent professional advice, and the relevant expenses therefor shall be borne by the Company.	=	=
Article 155	If the Chairman of the Board is unable to perform his or her duties or fails to perform his or her duties, a director elected by more than one half of the directors shall perform such duties.	Article 166	If the Chairman of the Board is unable to perform his or her duties or fails to perform his or her duties, a director elected by <u>more than</u> one half of the directors shall perform such duties.
Article 156	Meetings of the board of directors are divided into regular meetings and interim meetings. The board of directors shall hold at least two regular meetings each in the first half and second half of the year. Meetings shall be convened by the Chairman of the board of directors. The Chairman of the board of directors shall convene an interim meeting of the board of directors within 10 days if: (I) it is proposed by shareholders representing more than 10 percent of the voting rights; (II) it is proposed by the supervisory committee; (III) the Chairman of the board of directors deems it necessary; (IV) it is proposed by one-third of the directors; (V) it is proposed by more than two of the independent non-executive directors; (VI) it is proposed by the general manager of the Company; or (VII) another circumstance specified in the requirements of the laws or the Articles of Association.	Article 167	<u>The meeting of the board of directors shall be held at least four times a year and convened and presided over by the Chairman of the Board. If the Chairman of the Board is unable to perform his or her duties or fails to perform his or her duties, a director elected by more than one half of the directors shall perform such duties. An interim meeting of the board of directors may be convened upon the proposal of shareholders holding more than 1/10 of the total number of shares carrying voting rights of the Company, more than 1/3 of the directors or Audit Committee. The chairman shall convene and chair the meeting of the board of directors within 10 days after receiving such proposal.</u>

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COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 160	Meetings of the board of directors may be held only if more than one half of the directors are present. In the event that a quorum for holding a meeting cannot be satisfied due to the refusal or failure by a director or directors to attend, the chairman of the board of directors and the secretary to the board of directors shall promptly report the same to the regulator. Supervisors may attend meetings of the board of directors. The general manager and the secretary to the board of directors, if they do not concurrently serve as directors, shall attend meetings of the board of directors. When the convener of the meeting deems it necessary, he may notify other relevant persons to attend a meeting of the board of directors.	Article 171	Meetings of the board of directors may be held only if more than one half of the directors are present. <u>Except for force majeure, regular meetings of the board of directors must be held in person (including video conferences). If a director attends an in-person meeting by telephone conference or by way of other such communication equipment, so long as the directors attending the meeting in person can clearly hear what he/she says and communicate with him or her, all the directors in attendance shall be deemed to have attended the meeting in person.</u>
Article 163	Votes at meetings of the board of directors held in person (including meetings held by videoconference) shall be held by disclosed ballot. If a director attends a meeting held in person by telephone conference or by way of other such communication equipment, so long as the directors attending the meeting in person can clearly hear what he says and communicate with him or her, all the directors in attendance shall be deemed to have attended the meeting in person. Subject to ensuring the full expression by the directors of their opinions at a meeting of the board of directors, votes may be held and resolutions adopted by means of correspondence, and such resolutions shall be signed by the directors in attendance. A deadline shall be set for votes held by means of correspondence, and if a director fails to express his or her opinion by the specified deadline, he shall be deemed to abstain. For a motion deliberated on at a meeting of the board of directors to be carried and constitute the corresponding resolution, more than half of all directors of the Company must cast an affirmative vote therefor. When the numbers of votes for and against are equal, the chairman of the board of directors shall have a casting vote. If the law or the Articles of Association require the consent of a larger number of directors for the adoption of a resolution, such provisions shall prevail. In the event of a conflict between the content and implication of different resolutions, the resolution adopted the later in time shall prevail.		

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 162	Once each motion has been fully discussed, the chairman shall put forward such motion for the directors present at the meeting to vote thereon. When voting on resolutions of the board of the directors, each director shall have one vote. The voting options open to directors are consent, opposition or abstention. The directors present at a meeting shall select one from the foregoing options. If a director fails to select any of the options or selects two or more of the options, the chairman of the meeting shall require him to select again. If he refuses to make a selection, he shall be deemed to abstain. If a director leaves the venue during the course of a meeting without returning to make a selection, he shall be deemed to abstain.	Article 173	Once each motion has been fully discussed, the chairman shall put forward such motion for the directors present at the meeting to vote thereon. Votes at meetings of the board of directors shall be <u>held by disclosed ballot</u>, and each director shall have one vote. The voting options open to directors are consent, opposition or abstention. The directors present at a meeting shall select one from the foregoing options. If a director fails to select any of the options or selects two or more of the options, the <u>presider</u> of the meeting shall require him to select again. If he refuses to make a selection, he shall be deemed to abstain. If a director leaves the venue during the course of a meeting without returning to make a selection, he shall be deemed to abstain. <u>Subject to ensuring the full expression by the directors of their opinions, a meeting of the board of directors may be conducted and resolved by voting by way of telecommunications, which shall be signed by the directors present. The voting by way of telecommunications shall be stipulated with an effective time limit, and any director who fails to express his/her opinion within the prescribed time limit shall be deemed to have abstained from voting.</u> <u>Directors who vote against or abstain shall state the specific reasons, which shall be recorded in the minutes of the meeting.</u>
—	=	Article 174	<u>Where resolutions adopted by the board of directors on meeting proposals contain contradictions in content or meaning, the later-adopted resolution shall prevail.</u>

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COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
—	=	Article 175	Resolutions of the board of directors are divided into ordinary resolutions and special resolutions. An ordinary resolution shall be passed if more than half of the board of directors vote for the resolution while more than two-thirds of the board of directors is required for passing a special resolution. The following matters shall be approved by special resolutions: (I) to formulate proposals for the increase or reduction of the registered capital of the Company; (II) to formulate plans for the merger, division, dissolution, liquidation or change in corporate form of the Company; (III) to formulate the draft Articles of Association and the proposals for any amendment to the Articles of Association; (IV) to formulate proposals for major investments in non-principal businesses; (V) matters required by laws and administrative regulations or recognized by the general meeting to be adopted by special resolutions. The board of directors shall make a resolution on the guarantee matters within the scope of its license, and must also consider and approve by more than half of the directors of the Company or more than two-thirds of the directors present, whichever is greater.
—	=	Article 179	The board of directors may engage relevant experts or consulting agencies as needed to provide professional advisory opinions to the board of directors at the expense of the Company.
—	=	Article 180	If the resolutions are considered to warrant further study or material changes based on the review opinions of the board, the resolutions shall be amended and improved for review according to the time and method determined by the meeting of the board of directors.

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COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 169	The resolutions and minutes of meetings of the board of directors, together with the meeting notice, meeting materials, sign-in register, the instruments of appointment of director proxies, the sound recording of the meeting and the vote ballots shall serve as company files and be kept by the office of the board of directors for a period of not less than 20 years.	Article 183	The resolutions and minutes of meetings of the board of directors, together with the meeting notice, meeting materials, sign-in register, the instruments of appointment of director proxies, the sound recording of the meeting and the vote ballots shall serve as company files and be kept by the office of the board of directors for a period of not less than 10 years.
—	=	Article 184	<u>The board of directors may, as necessary, invite senior management, heads of relevant business departments, experts and other relevant personnel to attend meetings to provide explanations, give advice or offer opinions, or respond to inquiries regarding the proposed resolutions, with associated expenses borne by the Company. Where matters under board review involve legal issues, the head of the Company's legal department or external legal counsel shall attend and provide legal compliance opinions. Attendees participating in meetings of the board of directors shall not have voting rights.</u>
—	=	Article 185	<u>The board of directors shall follow up the implementation of the resolutions of the board of directors in effect as well as post-evaluation.</u>
—	=	Article 186	<u>The board of directors has established an board office to serve as its administrative body, which is responsible for research on corporate governance and related affairs, undertaking the organization and implementation of relevant work of the general meetings, preparing for meetings of the board of directors and special committees of the board of directors, and providing support and services for the operation of the board of directors. The office of the board of directors shall be staffed with a dedicated head and personnel.</u>
—	=	Section 4	<u>Special Committees of the Board of Directors</u>
—	=	Article 187	<u>The board of directors of the Company shall establish an Audit Committee to exercise the functions and powers of the supervisory committee as required by the Company Law and other functions and powers as required by the securities regulatory authority and stock exchange of the place where the Company's securities are listed.</u>
—	=	Article 188	<u>The Audit Committee comprises three members, which shall be directors not holding senior management positions in the Company, of whom no less than two shall be independent non-executive directors, and employee representatives among the board members may become members of the Audit Committee.</u> <u>The chairman of the Audit Committee shall be an accounting professional among the independent non-executive directors.</u>

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COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
—	=	Article 189	The Audit Committee is responsible for reviewing the financial information of the Company and its disclosure, supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the board of directors for consideration after being approved by more than half of all members of the Audit Committee: (I) disclosure of financial information in financial accounting reports and periodic reports, as well as internal control evaluation reports; (II) hiring or dismissing the accounting firm engaged to carry out the audit of the listed company; (III) appointment or dismissal of the Company's financial controller; (IV) changes in accounting policies, accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards; (V) other matters stipulated by laws, administrative regulations, securities regulatory guidelines and the Articles of Association.
—	=	Article 190	The Audit Committee shall hold at least one meeting each quarter. An interim meeting may be held when it is proposed by two or more members, or when it is deemed necessary by the convener. Meeting of the Audit Committee shall be held only if more than two-thirds of the members are present. The resolutions made by the Audit Committee shall be passed by more than half of the members of the Audit Committee. Minutes shall be prepared for the resolutions of the Audit Committee as required and shall be signed by the members of the Audit Committee present at the meetings. The board of directors shall be responsible for formulating work procedures for the Audit Committee.
—	=	Article 191	The board of directors of the Company has established the Strategy Committee, the Nomination and Remuneration Committee and other special committees to perform their duties in accordance with the Articles of Association and the authorization of the board of directors, and the proposals of the special committees shall be submitted to the board of directors for review and decision. The board of directors is responsible for formulating work procedures for special committees.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
—	=	Article 192	The Nomination Committee is responsible for formulating the criteria and procedures for selection of directors and senior management, selecting and reviewing the candidates for directors and senior management and their qualifications. The Remuneration Committee is responsible for the formulation of standards for appraising and conducting evaluation of directors and senior management, and the formulation and review of the remuneration decision mechanisms, decision-making processes, payment and cessation of payment recovery arrangements, and other remuneration policies and plans for directors and senior management. The Nomination and Remuneration Committee makes recommendations to the board of directors on the following matters: (I) nomination or appointment and removal of directors; (II) appointment or dismissal of senior management; (III) the remuneration of directors and senior management; (IV) the formulation or amendment of equity incentive schemes and employee stock ownership plans, and the granting of rights to incentive recipients and the achievement of conditions for the exercise of such rights by incentive recipients; (V) the arrangement of stock ownership plans for directors and senior management in the event of a proposed spin-off of a subsidiary; (VI) other matters stipulated by laws, administrative regulations, securities regulatory authorities and the Articles of Association. If the board does not adopt or does not fully adopt the recommendations of the Nomination and Remuneration Committee regarding remuneration and appraisal, it shall record the opinions of the Nomination and Remuneration Committee and the specific reasons for non-adoption in the resolutions of the board and disclose the same.
Chapter 11	Secretary to the Board of Directors	=	(delete the whole chapter)

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 12	General Manager and Other Senior Management	Chapter 7	Senior Management
Article 173	The Company shall have one general manager, several deputy general managers, one chief financial officer and one secretary to the board of directors, all of whom shall be appointed or dismissed by the board of directors. The term of office of each general manager and deputy general manager shall be three years, renewable upon re-appointment. A director may concurrently act as the general manager or other senior management, while the number of directors acting concurrently as senior management shall not be more than half of the total number of directors.	Article 193	The Company shall have one general manager, several deputy general managers, one chief financial officer and one secretary to the board of directors, <u>all of whom shall be appointed or dismissed by the board of directors.</u> The term of office of each general manager and deputy general manager shall be three years, renewable upon re-appointment. A director may concurrently act as the general manager or other senior management, while the number of directors acting concurrently as senior management shall not be more than half of the total number of directors.
—	=	Article 194	<u>The circumstances stipulated in the Articles of Association regarding disqualification for the position of director also apply to senior management personnel.</u>
Article 174	Persons who hold any position other than that of director in the Company's controlling shareholder or de facto controller shall not serve as senior management of the Company. There shall be no more than two senior management members (chairman, vice chairman and executive directors) of the controlling organizations concurrently acting as the chairman and executive directors of the Company, and such duties of each position shall be clearly distinguished. They shall assume the statutory duties and exercise the statutory rights attached to such positions they are concurrently holding, and ensure that they have sufficient time and necessary knowledge to undertake their works in the Company. Management members of controlling organizations shall not concurrently act as the manager, deputy manager, chief financial controller, sales and marketing manager and secretary to the board of directors of the Company.	Article 195	Persons who hold any position other than that of director in the Company's controlling shareholder or actual controller shall not serve as senior management of the Company. <u>The senior management personnel receive salary only from the Company, and the salary of the senior management personnel is not paid by the controlling shareholder on behalf of the Company.</u>

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 175	The general manager shall be accountable to the board of directors and shall exercise the following functions and powers: (I) to be in charge of the production, operation and management of the Company, and to organize the implementation of the resolutions of the board of directors and report on works to the board of directors; (II) to organize the implementation of the annual business plan and investment proposals for the Company; (III) to draft plans for the establishment of the internal management structure of the Company; (IV) to draft the basic management policies of the Company; (V) to formulate basic rules and regulations for the Company; (VI) to propose the appointment or dismissal by the board of directors of the deputy general manager and chief financial officer of the Company; (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors; (VIII) to propose the holding of interim meetings of the board of directors; (IX) other functions and powers granted by the Articles of Association or the board of directors.	Article 196	The general manager shall be accountable to the board of directors and shall exercise the following functions and powers: (I) to be in charge of the production, operation and management of the Company, and to organize the implementation of the resolutions of the board of directors and report on works to the board of directors; (II) to organize the implementation of the annual business plan and investment proposals for the Company; (III) to draft plans for the establishment of the internal management structure of the Company; (IV) to draft the basic management policies of the Company; (V) to formulate <u>specific</u> rules and regulations for the Company; (VI) to propose the appointment or dismissal by the board of directors of the deputy general manager and chief financial officer of the Company; (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors; <u>(VIII) other functions and powers granted by the Articles of Association or the board of directors.</u> <u>The general manager shall attend meetings of the board of directors. If the general manager is not a director, he shall not have the right to vote at meetings of the board of directors.</u>
Article 177	At the request of the board of directors or the supervisory committee , the general manager shall timely report on the execution and performance of material contracts of the Company, on the application of funds and on profits and losses. The general manager shall ensure the truthfulness, objectivity and completeness of such reports.	Article 198	At the request of the board of directors or the <u>Audit Committee</u> , the general manager shall timely report on the execution and performance of material contracts of the Company, on the application of funds and on profits and losses. The general manager shall ensure the truthfulness, objectivity and completeness of such reports.
Article 178	The general manager shall attend meetings of the board of directors. If the general manager is not a director, he shall not have the right to vote at meetings of the board of directors.	=	=
—	—	Article 200	<u>The working rules of general manager shall contain the following:</u> <u>(I) conditions for the convening of and the procedure for the general manager's working meeting, and the personnel to attend the meeting;</u> <u>(II) specific duties and division of work of the general manager and other senior management personnel;</u> <u>(III) the authority to utilize the Company's funds and assets and to enter into material contracts, and the reporting system to the board of directors;</u> <u>(IV) other matters which the board of directors considers necessary.</u>

APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
—	=	Article 202	<u>The Company shall have a secretary to the board of directors. The secretary to the board of directors is responsible for the preparation of the general meeting and the meeting of the board of directors of the Company, keeping of the documents and the information management of the shareholders of the Company, handling the disclosure of information of the Company and other related matters.</u> <u>The secretary to the board of directors shall comply with relevant requirements under the laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association.</u>
—	=	Article 203	<u>When a senior management performs his/her duties in the Company, causing harm to others, the Company shall be liable for compensation. If a senior management is intentional or has gross negligence, he/she shall also be liable for compensation.</u> <u>If a senior management violates the law, administrative regulations, departmental rules or the Articles of Association in the performance of his/her duties to the Company, thereby causing losses to the Company, he/she shall be liable to compensate.</u>
Article 181	In the exercise of his or her functions and powers, the general manager shall perform his or her fiduciary duty and obligation of diligence in accordance with laws and the Articles of Association. If the general manager violates the law or breaches the Articles of Association in the course of performing his or her duties for the Company, thereby causing the Company to sustain a loss, he or she shall be liable for damages.	Article 204	<u>The Company's senior management personnel shall faithfully carry out their duties and safeguard the best interests of the Company and all shareholders.</u> <u>If a senior management fails to faithfully carry out his/her duties or violates his/her duty of good faith, thereby causing losses to the interests of the Company and the shareholders of the public society, he/she shall be liable to compensate according to the laws.</u>
Chapter 13	Supervisory Committee	=	(delete the whole chapter)
Chapter 14	Qualifications and Obligations of Directors, Supervisors, General Manager, and Other Senior Management of the Company	=	(delete the whole chapter)

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
—	—	<u>Chapter 8</u>	<u>Staff Democratic Management and Labor and Personnel System</u>
—	=	Article 205	<u>The Company shall improve the democratic management system taking the employee representative meeting as the basic form, make public the affairs of enterprises and business, and put into practice the information right, participation right, expression right and right of supervision of employees in accordance with the laws. The Company shall listen to the opinions of employees in respect of important decisions, and the major issues involving the immediate interests of the employees must be submitted to the employee representative meeting or employee congress for deliberation. The Company shall adhere to and improve the system of employee directorship and ensure the right of employee representatives to participate in corporate governance in an orderly manner.</u>
—	=	Article 206	<u>The employees of the Company shall organize a trade union in accordance with the Trade Union Law of the People's Republic of China to carry out the activities of the trade union and protect the legitimate rights and interests of its employees. The Company shall provide conditions which are prerequisite for the activities of the trade union.</u>
—	=	Article 207	<u>The Company shall abide by the relevant national laws and administrative regulations on labor protection and production safety, implement relevant national policies, and safeguard the legitimate rights and interests of employees. The Company shall formulate the labor, personnel and wage systems in light of the needs of production and operation in accordance with the relevant national laws, administrative regulations and policies on labor and personnel. The Company shall, based on its actual situation, establish selection and employment mechanisms that meet market-oriented requirements such as open recruitment of employees, election and competitive recruitment of management personnel, adjustment of underperforming employees and dismissal of the incompetent. The Company shall establish a market-competitive remuneration system for key core employees and actively and orderly carry out medium-and long-term incentive policies.</u>

**APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF
ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.***

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 16	Financial and Accounting System and Profit Distribution	Chapter 9	Financial and Accounting System and Profit Distribution
—	=	Section 1	<u>Financial and Accounting System</u>
Article 225	The Company shall formulate its financial and accounting system; in accordance with PRC laws, administrative regulations and the PRC accounting standards formulated by relevant state authorities.	Article 208	The Company shall formulate its financial and accounting system, <u>and prepare its financial statements and/or financial reports</u> in accordance with PRC laws, administrative regulations and the PRC accounting standards formulated by relevant state authorities.
		Article 209	<u>The Company shall adopt the Gregorian calendar year as its accounting year, which shall commence on 1 January and end on 31 December of the same Gregorian calendar year.</u> <u>The Company shall adopt Renminbi as its primary currency for presentation and its account books shall be compiled in Chinese.</u>
Article 226	The Company shall prepare financial reports at the end of each accounting year. Such reports shall be audited/ reviewed and verified by an accounting firm in accordance with the law. The Company shall adopt the Gregorian calendar year as its accounting year, which shall commence on 1 January and end on 31 December of the same Gregorian calendar year. The Company shall adopt Renminbi as its primary currency for presentation and its account books shall be compiled in Chinese. The financial reports of the Company shall include the following financial and accounting statements and relevant breakdowns: (I) balance sheet; (II) statement of profit or loss ; (III) statement of cash flow; (IV) statement of financial position ; (V) profit distribution statement ; (VI) notes to the financial statements.	Article 210	The Company shall prepare financial reports at the end of each accounting year. Such reports shall be audited/ reviewed and verified by an accounting firm in accordance with the law. The financial reports of the Company shall include the following financial and accounting statements and relevant breakdowns: (I) balance sheet; (II) <u>statement of income</u> ; (III) statement of cash flow; (IV) <u>statement of changes in shareholders' equity</u> ; (V) notes to the financial statements.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 228	The financial reports of the Company shall be made available for inspection by shareholders 20 days prior to an annual general meeting. The financial reports mentioned in the preceding paragraph shall include the report of board of directors, together with a balance sheet (including every document required by the law to be annexed thereto) and profit and loss account or income and expenditure account, or (subject to relevant PRC laws) the summary financial report approved by the Hong Kong Stock Exchange. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter. The Company shall send the aforementioned financial reports to each holder of overseas listed foreign shares by prepaid mail at the recipient's address shown in the register of shareholders at least 21 days prior to an annual general meeting.	Article 212	The financial reports of the Company shall be made available for inspection by shareholders 20 days prior to an annual general meeting.
Article 229	The financial statements of the Company shall be prepared in accordance with PRC accounting standards and regulations.	=	=
Article 230	Interim results or financial information published or disclosed by the Company shall be prepared according to PRC accounting standards and regulations.	=	=
Article 231	The Company shall publish financial reports twice every accounting year, which include an interim financial report within 60 days after the end of the first six months of the accounting year and an annual financial report within 120 days after the end of the accounting year. The abovementioned financial accounting reports shall be prepared in accordance with the provisions of relevant laws.	Article 213	<u>The Company's annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations, and the regulations of the securities regulatory authorities and the stock exchange where the Company's shares are listed.</u> <u>The Company shall submit and disclose its annual reports to the securities regulatory authorities and/or stock exchanges within four months from the end of each financial year, and submit and disclose its interim report to the securities regulatory authorities and/or stock exchanges within two months from the end of the first half of each financial year.</u> <u>If the securities regulatory rules of the place where the Company's shares are listed and the Listing Rules provide otherwise with respect to the submission of annual reports and interim reports, such provisions shall prevail.</u>
Article 232	The Company may not keep account books other than the statutory account books. The Company may not deposit its assets in accounts opened in the name of any individual.	Article 214	The Company may not keep account books other than the statutory account books. The Company may not deposit its funds in accounts opened in the name of any individual.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 234	The after-tax profits resulting from the payment of income tax by the Company shall be distributed in the following sequence: (I) making up losses from the previous year; (II) allocating to statutory reserve; (III) allocating to discretionary reserve pursuant to the development needs of the Company; (IV) making dividend payments to shareholders. The Company shall no longer be required to allocate such profits to its statutory reserve once the aggregate amount of such reserve reaches at least 50 percent of its registered capital. If statutory reserve of the Company is insufficient to make up losses from previous years, the Company shall use its profits for the current year to make up such losses before allocating such profits to its statutory reserve in accordance with the preceding paragraph. After allocating its after-tax profits to its statutory reserve, the Company may, subject to a resolution of the general meeting, allocate its after-tax profits to the discretionary reserve. After the Company has made up its losses and allocate its profits to common reserve, the remaining profits of the Company may be distributed in proportion to the shareholdings of its shareholders, unless the Articles of Association provide that distributions are to be made otherwise than proportionally. If the general meeting breaches the provisions of the preceding paragraph by distributing profits to shareholders before the Company has made up its losses and allocate its profits to the statutory reserve, such shareholders must return to the Company the profits that were distributed in breach of the said provisions. Profit distribution shall not involve shares of the Company that are held by the Company itself.	Article 216	The after-tax profits resulting from the payment of income tax by the Company shall be distributed in the following sequence: (I) making up losses from the previous year; (II) allocating to statutory reserve; (III) allocating to discretionary reserve pursuant to the development needs of the Company; (IV) <u>The Company shall allocate 10% of the annual after-tax profits as the statutory reserve fund of the Company.</u> The Company shall no longer be required to allocate such profits to its statutory reserve once the aggregate amount of such reserve reaches at least 50 percent of its registered capital. If statutory reserve of the Company is insufficient to make up losses from previous years, the Company shall use its profits for the current year to make up such losses before allocating such profits to its statutory reserve in accordance with the preceding paragraph. After allocating its after-tax profits to its statutory reserve, the Company may, subject to a resolution of the general meeting, allocate its after-tax profits to the discretionary reserve. After the Company has made up its losses and allocate its profits to common reserve, the remaining profits of the Company may be distributed in proportion to the shareholdings of its shareholders, unless the Articles of Association provide that distributions are to be made otherwise than proportionally. If the general meeting, <u>in violation of the Company Law</u>, distributes profits to the shareholders, the profits so distributed shall be returned to the Company; <u>in case of losses caused to the Company, shareholders, responsible directors and senior management shall be liable for compensation.</u> Profit distribution shall not involve shares of the Company that are held by the Company itself.

APPENDIX I	COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*
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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 235	The common reserve of the Company shall be used to make up losses of the Company, to expand the production and operation of the Company or, through conversion into capital, to increase capital of the Company. However, the capital reserve will not be used to make up losses of the Company. When funds in the statutory reserve are converted into capital, the funds remaining in such reserve will not be less than 25 percent of the registered capital of the Company before the conversion.	Article 217	The common reserve of the Company shall be used to make up losses of the Company, to expand the production and operation of the Company or, through conversion into capital, to increase capital of the Company. <u>To offset losses with the reserve, the Company shall first use discretionary reserve and statutory reserve; if the losses still cannot be covered, the capital reserve may be used in accordance with the relevant provisions.</u> When funds in the statutory reserve are converted into capital, the funds remaining in such reserve will not be less than 25 percent of the registered capital of the Company before the conversion.
Article 237	Any amount paid up in advance of calls on any share may carry interest but shall not entitle the shareholder to participate in respect thereof in a dividend subsequently declared.	=	=

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COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 238	The Company shall appoint receiving agents for holders of overseas listed foreign shares to collect on behalf of the relevant shareholders the dividends distributed and other payables in respect of overseas listed foreign shares, and hold the same until they can be paid to the relevant shareholders. The receiving agents appointed by the Company shall meet the requirements of the laws of the place, or the relevant regulations of the stock exchange, where shares are listed. The receiving agents appointed by the Company for the holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be trust companies registered under the Trustee Ordinance of Hong Kong. Subject to the laws of the PRC, the Company may exercise the power to forfeit unclaimed dividends, provided that it does so only after six years or later from the date of declaration of dividends. The Company has the power to cease sending dividend warrants by post to a given holder of overseas listed foreign shares, but may exercise such power only if such warrants have been left uncashed on two consecutive occasions. However, the Company may exercise such power after the first occasion on which such a warrant is returned undelivered. The Company has the power to sell, by a method deemed fit by the board of directors, the shares of a holder of overseas listed foreign shares who is untraceable, provided that it complies with the following conditions: (I) the Company was, during a period of 12 years, required to pay such dividends at least three times in respect of the shares in question but no dividend during that period was claimed; and (II) on expiry of the 12 years, the Company gives notice of its intention to sell the shares by way of an announcement published in one or more newspapers in the place where the Company is listed and notifies the securities regulatory institution of the place where its shares are listed of such intention.	Article 219	The Company shall appoint receiving agents for holders of overseas listed foreign shares to collect on behalf of the relevant shareholders the dividends distributed and other payables in respect of overseas listed foreign shares, and hold the same until they can be paid to the relevant shareholders. The receiving agents appointed by the Company shall meet the requirements of the laws of the place, or the relevant regulations of the stock exchange, where shares are listed. <u>Subject to the relevant laws and regulations of the PRC, the Company may exercise the power to forfeit unclaimed dividends, provided that it does so only after six years or later from the date of declaration of dividends.</u>

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
—	=	<u>Section 2</u>	<u>Internal Audit</u>
Article 242	The Company shall implement an internal auditing system and appoint dedicated auditing personnel to carry out internal auditing and supervision on the financial receipts and expenditures, and economic activities of the Company.	Article 223	The Company shall implement an internal auditing system and appoint dedicated auditing personnel to carry out internal auditing and supervision on the financial receipts and expenditures, and economic activities of the Company. <u>The internal auditing system of the Company and the responsibilities of its auditing personnel shall be implemented after the approval thereof by the board of directors.</u>
Article 243	The internal auditing system of the Company and the responsibilities of its auditing personnel shall be implemented after the approval thereof by the board of directors. The person in charge of auditing shall be accountable and report to the board of directors.	Article 224	<u>The internal audit body of the Company shall inspect the Company's business activities, risk management, internal control, financial information etc.</u>
—	=	Article 225	<u>The internal audit body shall be responsible to the board of directors.</u> <u>The internal audit body shall, in the course of supervision and inspection of the Company's business activities, risk management, internal control, financial information, accept supervision and guidance of the Audit Committee. Upon discovery of the relevant significant issues or clues, the internal audit body shall forthwith report directly to the Audit Committee.</u>
—	=	Article 226	<u>The internal audit body shall be responsible for organizing implementation of the Company's internal control appraisal. The Company shall issue an annual internal control appraisal report based on the appraisal report issued by the internal audit body and deliberated by the audit committee and the relevant materials.</u>
—	=	Article 227	<u>When the Audit Committee communicates with the external audit organizations such as accounting firms and State audit organizations etc., the internal audit body shall cooperate actively and provide the requisite support and cooperation.</u>
—	=	Article 228	<u>The Audit Committee shall participate in appraisal of head of internal audit.</u>

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 17	Appointment of Accounting Firm	Section 3	Appointment of Accounting Firm
Article 244	The Company shall engage an independent accounting firm that complies with relevant provisions of PRC laws to audit the annual financial reports and review other financial reports of the Company. The first accounting firm of the Company may be engaged by the inaugural general meeting prior to the first annual general meeting of the Company. Such accounting firm shall hold office until the conclusion of the first annual general meeting. If the inaugural general meeting does not exercise its power under the preceding paragraph, the board of directors shall exercise such power.	Article 229	The Company shall engage an independent accounting firm that complies with relevant provisions of PRC laws <u>to audit accounting statements, conduct verification of net assets and other relevant consultation services.</u>
Article 245	The term of engagement of an accounting firm engaged by the Company shall commence upon the conclusion of the annual general meeting of the Company and end upon the conclusion of the next annual general meeting.	Article 230	The term of engagement of an accounting firm engaged by the Company shall commence upon the conclusion of the annual general meeting of the Company and end upon the conclusion of the next annual general meeting. <u>The appointment may be renewed.</u>
—	=	Article 231	<u>The appointment or dismissal of an accounting firm by the Company shall be decided by the general meeting. The board of directors shall not appoint an accounting firm prior to the decision of the general meeting.</u>
—	=	Article 233	<u>The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any objection, omission or falsehood.</u>
Article 247	If the position of accounting firm becomes vacant, the board of directors may appoint an accounting firm to fill such vacancy before a general meeting is held. However, if there are other accounting firms acting as the accounting firms of the Company while such vacancy persists, such accounting firms may continue to act.	=	=
Article 248	The general meeting may by ordinary resolution decide to dismiss any accounting firm prior to the expiration of its term of engagement, notwithstanding howsoever required by the terms of the contract between the accounting firm and the Company, without prejudice to the rights of such accounting firm, if any, to claim any loss against the Company in respect of such dismissal.	=	=
Article 249	The remuneration of an accounting firm and the determination thereof shall be decided upon by the general meeting. The remuneration of an accounting firm engaged by the board of directors shall be determined by the board of directors.	Article 234	The remuneration of an accounting firm and the determination thereof shall be decided upon by the general meeting.

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ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 250	The engagement, dismissal or non-renewal of engagement of an accounting firm shall be decided upon by the general meeting and be reported to the competent securities authority of the State Council for record. Where a resolution at a general meeting is to be passed to engage an accounting firm other than an incumbent accounting firm, to fill a vacancy in the office of accounting firm, or to reappoint an accounting firm engaged by the board of directors to fill a vacancy in the office of accounting firm pursuant to Article 245 of the Articles of Association, or to remove an accounting firm before the expiration of its term of office, matters shall be handled in accordance with the following provisions: (I) the proposal of engagement or dismissal shall be sent, before issuance of the notice of the general meeting, to the accounting firm proposed to be engaged or proposed to leave its position or has left its position in the relevant accounting year. Leaving includes leaving by dismissal, resignation and retirement. (II) if the accounting firm leaving its position makes a written statement and requested the Company to notify the shareholders about the statement, the Company shall, unless such written statement is received too late, take the following measures: 1. in any notice of the resolution given to shareholders, state the fact that the accounting firm that is leaving its position has made the statement; and 2. serve a copy of the statement as an attachment to the notice on the shareholders by the method specified in the Articles of Association. (III) if the statement made by the relevant accounting firm is not sent by the Company in accordance with item (II) above, the relevant accounting firm may require that the statement be read out at the general meeting and make further claims. (IV) an accounting firm that is leaving its position shall have the right to attend the following meetings: 1. the general meeting at which its term of office would otherwise have expired; 2. any general meetings at which a resolution is proposed to fill the vacancy caused by its dismissal; and 3. any general meetings convened on its resignation. The leaving accounting firm shall have the right to receive all notices of, or other information relating to, any aforesaid meetings, and to be heard at any such meetings on matters which concern it as the former accounting firm of the Company.	=	=

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 251	When the Company dismisses or does not reappoint an accounting firm, it shall give advance notice to the accounting firm, and the accounting firm shall have the right to present its views before the general meeting. When an accounting firm resigns, it shall explain to the general meeting as to whether or not there is any irregularity in the Company. The accounting firm may resign by placing a written notice of resignation at the legal address of the Company. The said notice shall take effect on the date of delivery to the legal address of the Company or on a later date specified in the notice. The said notice shall include the following statements: 1. A statement that its resignation does not involve any information to be disclosed to the shareholders or creditors of the Company; or 2. A statement of any such information to be disclosed. Any such notice shall be effective on the date on which it is deposited at the legal address of the Company or on such later date as may be specified therein. The Company shall send a copy of the written notice mentioned in the preceding paragraph to relevant competent authority within 14 days after receipt of the said notice. If the notice contains the statement mentioned in the two items as set out in the preceding paragraph, the Company shall keep a copy of the said statement in the Company for inspection by the shareholders. The Company shall also send a copy of the aforesaid statement by prepaid mail to every holder of overseas listed foreign shares, as per the addresses stated in the register of shareholders. If the notice of resignation of the accounting firm contains the statement mentioned in (1)(2) herein, the accounting firm may require the board of directors to convene an extraordinary general meeting to listen to their explanation about the resignation.	Article 235	When the Company dismisses or does not reappoint an accounting firm, it shall give advance notice to the accounting firm, and the accounting firm shall have the right to present its views before the general meeting. When an accounting firm resigns, it shall explain to the general meeting as to whether or not there is any irregularity in the Company.

**APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF
ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.***

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 18	Information Disclosure	Chapter 10	Notices and Announcements
=	=	Section 1	Notices
Article 272	Notices of the Company shall be given or provided by one or more of the following means: (I) by courier; (II) by mail; (III) by fax; (IV) by way of a public announcement, which shall be published on the newspaper designated by CSRC, on the websites of the Company and the stock exchange; (V) other means agreed upon in advance by the Company or the notice recipient or accepted by the notice recipient upon receipt of such notice; (VI) other means recognized by the securities regulator of the place where the shares of the Company are listed or specified in the Articles of Association. Unless otherwise specified, any notices or reports that the Company issues or gives by means of a public announcement in accordance with the provisions or as permitted to do so must, at minimum, be published in one nationally circulated newspaper or periodical designated by the securities regulator of the State Council and, where practicable, such notice shall, to the extent possible, be published in the place where the shares of the Company are listed in accordance with applicable regulations and the rules of the stock exchange.	Article 236	<u>A notice of the Company shall be sent by:</u> <u>(I) hand;</u> <u>(II) mail;</u> <u>(III) by way of a public announcement;</u> <u>(IV) other means agreed by the Company and the recipient of the notice in advance or agreed by the recipient of the notice after receiving such notice;</u> <u>(V) other means recognized by securities regulatory authorities of the place where the Company's shares are listed or stated in the Articles of Association.</u>
-	-	Article 237	<u>Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made.</u>

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 274	For a notice given by the Company by way of courier, the recipient shall sign (or affix his or her seal to) the delivery receipt, and the date on which he or she signed the receipt shall be the date of service; For a notice given by the Company by way of mail, the date of service shall be 48 hours from the date of consignment to the post office; For a notice given by the Company by way of fax, email or publication on a website, the date on which such notice is dispatched or published shall be the date of service; For a notice given by the Company by way of a public announcement, the first day of publication shall be the date of service. Such announcement shall be published in a newspaper or periodical that satisfies relevant provisions.	Article 238	Where a notice of the Company is delivered by hand, the addressee shall sign (or seal) on reply slip and the date of receipt shall be deemed as the date of service; where a notice of the Company is delivered by mail, <u>the third working day</u> from the date of delivery to the post office shall be deemed as the date of service; where a notice of the Company is delivered by fax, email or telephone, the date of dispatch shall be deemed as the date of service; where a notice of the Company is delivered by announcement, the first day on which such announcement is published shall be deemed as the date of service.
—	=	Article 240	<u>If a notice of meeting is accidentally omitted to be sent to a person who is entitled to receive the notice or if such person has not received the notice of meeting, the meeting and any resolutions made therein shall not become void thereby.</u>
—	=	Section 2	<u>Announcements</u>
Article 252	The board of directors of the Company shall establish and enhance the information disclosure system of the Company by formulating, among others, the criteria, method and means, for information disclosure in accordance with laws, relevant regulations of the securities regulator of the place where the shares of the Company are listed and relevant provisions of the Articles of Association.	Article 241	The board of directors of the Company shall establish and enhance the information disclosure system of the Company by formulating, among others, the criteria, method and means, for information disclosure in accordance with laws, <u>securities regulatory rules</u> of the place where the shares of the Company are listed and relevant provisions of the Articles of Association.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 19	Merger and Division of the Company	<u>Chapter 11</u>	<u>Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidations</u>
—	=	<u>Section 1</u>	<u>Merger, Division, Capital Increase and Capital Reduction</u>
Article 255	The merger or division of the Company shall be proposed by the board of directors of the Company and adopted in accordance with the procedure specified in the Articles of Association, and then relevant review and approval procedures shall be carried out according to the law. Shareholders opposing the proposal for the merger or division of the Company shall have the right to require the Company or shareholders that are in favor of such proposal to purchase their shares at a fair price. The contents of the resolutions approving the merger or division of the Company shall be compiled in a special document for inspection by the shareholders. For holders of overseas listed foreign shares, the aforementioned document shall be delivered by mail.	Article 244	If the consideration to be paid by the Company for the merger does not exceed 10% of the Company's net assets, approval by a resolution of the general meeting is not required, unless otherwise provided in the Articles of Association. If the Company merges in accordance with the provisions of the preceding paragraph without approval by a resolution of the general meeting, such merger shall be subject to resolution of the board of directors.
Article 256	If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date of passing the resolution on such merger, and announce such merger on the newspaper and the websites of the Company and the stock exchange at least three times within 30 days. A creditor may, within 30 days after the receipt of the written notice or, if he or she did not receive a written notice, within 45 days from the date of the announcement, require the Company to repay its debts in full or to provide guarantee accordingly. When the Company is involved in a merger, the creditor's rights and debts of each party to the merger shall be succeeded by the subsisting company or the new company established resulting from the merger.	Article 245	If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date of passing the resolution on such merger, and announce such merger on the newspaper or the National Enterprise Credit Information Publicity System and the websites of the Company and the stock exchange within 30 days. A creditor may, within 30 days after the receipt of the written notice or, if he or she did not receive a written notice, within 45 days from the date of the announcement, require the Company to repay its debts in full or to provide guarantee accordingly.
—	=	Article 2346	When the Company is involved in a merger, the creditor's rights and debts of each party to the merger shall be succeeded by the subsisting company or the new company established resulting from the merger.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 257	When the Company is involved in a division, its property shall be divided accordingly. When the Company is involved in a division, a balance sheet and a property list shall be prepared. The Company shall notify its creditors within 10 days from the date of passing the resolution on the division, and announce such division on the newspaper and the websites of the Company and the stock exchange at least three times within 30 days. The post-division companies shall be jointly and severally liable for the pre-division debts of the Company, unless provided otherwise in a written agreement on debt repayment reached between the Company and the relevant creditor(s) prior to the division.	Article 247	When the Company is involved in a division, its property shall be divided accordingly. When the Company is involved in a division, a balance sheet and a property list shall be prepared. The Company shall notify its creditors within 10 days from the date of passing the resolution on the division, and announce such division on the newspaper <u>or the National Enterprise Credit Information Publicity System</u> and the websites of the Company and the stock exchange within 30 days. The post-division companies shall be jointly and severally liable for the pre-division debts of the Company, unless provided otherwise in a written agreement on debt repayment reached between the Company and the relevant creditor(s) prior to the division.
—	=	Article 248	<u>When the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days, and make an announcement through newspapers or on the National Enterprise Credit Information Publicity System and the websites of the Company and the stock exchange within 30 days, from the date of the resolution of the general meeting on reducing registered capital. A creditor has the right to, within 30 days from receiving the notice from the Company, or within 45 days if the creditor does not receive the notice, from the date of the announcement, demand that the Company repay its debts or provide a corresponding guarantee for such debt.</u> <u>When the Company reduces its registered capital, it shall reduce the amount of capital contributions or shares in proportion to the shareholders' shareholdings, unless otherwise stipulated in the laws or the Articles of Association.</u>

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Provisions	Content of the Provisions	Provisions	Content of the Provision
—	=	Article 249	If the Company still has losses after making up for them in accordance with the provisions of Article 217 of the Articles of Association, it may reduce its registered capital to make up for the losses. Where the registered capital is reduced to make up for losses, the Company shall not make distributions to shareholders, nor shall it exempt shareholders from their obligations to make capital contributions or pay for shares. Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of Article 248 of the Articles of Association shall not apply. However, the Company shall announce the reduction through newspapers or on the National Enterprise Credit Information Publicity System and the websites of the Company and the stock exchange within 30 days from the date on which the general meeting passes a resolution to reduce the registered capital. After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the accumulated amount of the statutory reserve and the discretionary reserve reaches 50% of the Company's registered capital.
—	=	Article 250	If the registered capital is reduced in violation of the Company Law or other relevant regulations, shareholders shall return the funds received, and any reduction or exemption of shareholders' capital contributions shall be reversed; in case of losses caused to the Company, shareholders, responsible directors and senior management shall be liable for compensation.
—	=	Article 251	When the Company issues new shares to increase its registered capital, shareholders do not have preemptive rights, unless otherwise stipulated in the Articles of Association or a resolution of the general meeting grants shareholders preemptive rights.
Article 258	If a change in particulars of the registration of the Company is needed due to a merger or division, the change shall be registered with the registration authority of the Company in accordance with the law. If the Company is dissolved, de-registration of the Company shall be carried out in accordance with the law. If a new company is established, registration of such establishment shall be carried out in accordance with the law.	Article 252	If a change in particulars of the registration of the Company is needed due to a merger or division, the change shall be registered with the registration authority of the Company in accordance with the law. If the Company is dissolved, de-registration of the Company shall be carried out in accordance with the law. If a new company is established, registration of such establishment shall be carried out in accordance with the law. If the Company increases or decreases registered capital, the Company shall register such changes with the company registration authority in accordance with the law.

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 20	Dissolution and Liquidation of the Company	Section 2	Dissolution and Liquidation of the Company
Article 259	The Company shall be dissolved according to the law in any of the following circumstances: (I) the general meeting resolves to dissolve the Company; (II) dissolution of the Company is necessary as a result of the merger or dissolution of the Company; (III) the Company is legally declared bankrupt because of its failure to repay the debts upon their maturity; (IV) the Company has its business license revoked, is ordered to close down or be dissolved in accordance with the law; (V) serious difficulties arise in the operation and management of the Company and its continued existence would cause material losses to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding more than 10% of all shareholders' voting rights may file a petition with the people's court to dissolve the Company.	Article 253	The Company shall be dissolved due to the following reasons: <u>(I) expiry of the operation period as provided in the Articles of Association or the occurrence of other events resulting in winding up as provided in these Articles;</u> (II) the general meeting resolves to dissolve the Company; (III) dissolution of the Company is necessary as a result of the merger or dissolution of the Company; (IV) the Company has its business license revoked, is ordered to close down or be dissolved in accordance with the law; (V) serious difficulties arise in the operation and management of the Company and its continued existence would cause material losses to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding more than 10% of all shareholders' voting rights may file a petition with the people's court to dissolve the Company. <u>If the Company encounters any of the dissolution causes specified in the preceding paragraph, it shall publicize the dissolution causes on the National Enterprise Credit Information Publicity System within 10 days.</u>
—	=	Article 254	<u>With regard to the occurrence of the situations described in item (I) and item (II) of the first paragraph of Article 253, if no asset has been distributed to shareholders, the Company may continue to exist by amending the Articles of Association or a resolution of the general meeting.</u> <u>Amendments to the Articles of Association or a resolution of the general meeting pursuant to the preceding paragraph shall be subject to the approval of shareholders representing 2/3 or above of the voting rights present at the general meeting.</u>

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Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 260	If the Company is dissolved pursuant to items (I), (II), (IV) or (V) of the preceding article, it shall establish a liquidation committee and liquidation shall commence within 15 days from the date on which the cause for dissolution arose. The liquidation committee shall be composed of persons determined by the general meeting by an ordinary resolution. If the Company fails to establish the liquidation committee and carry out liquidation within the time limit, its creditors may file a petition with the people's court to designate relevant persons to form a liquidation committee and carry out the liquidation. If the Company is dissolved pursuant to item (III) of the preceding article, the people's court shall, according to relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out the liquidation.	Article 255	Where the Company is dissolved pursuant to items (I), (II), (IV) or (V) of <u>Article 253</u>, the Company shall be liquidated. <u>Directors shall be the liquidation obligors, and a liquidation team shall be formed, within 15 days from the occurrence of the events of dissolution, to perform liquidation.</u> <u>The liquidation team shall consist of the directors, unless otherwise stipulated in the Articles of Association or otherwise selected by a resolution of the general meeting.</u> <u>If a liquidation obligor fails to perform his/her liquidation obligations in a timely manner, thereby causing losses to the Company or the creditors, such liquidation obligor shall be liable for compensation.</u>
Article 261	If the board of directors decides that the Company should be liquidated (otherwise than because of a declaration of bankruptcy), the notice of the general meeting convened for such purpose shall include a statement to the effect that the board of directors has thoroughly investigated into the status of the Company, and is of the opinion that the Company is able to pay its debts in full within 12 months after the commencement of liquidation. The duties and authorities of the board of directors shall terminate immediately upon the approval on the resolution at the general meeting to carry out liquidation. The liquidation committee shall observe the instructions of the general meeting, and not less than once a year make a report to the general meeting on the receipts and expenditures of the liquidation committee, the business of the Company and the progress of the liquidation of the Company, and shall submit a final report to the general meeting when the liquidation is completed.	=	=

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Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Article 262	The liquidation committee shall notify creditors within 10 days after the date of its establishment and make announcements on the liquidation at least three times in the newspapers and on the websites of the Company and the stock exchange within 60 days. The liquidation committee shall register all the claims declared. Creditors shall declare their claims to the liquidation committee within 30 days after receipt of the written notice or, if they did not receive a written notice, within 45 days after the date of the announcement. When declaring their claims, creditors shall explain the particulars relevant to their claims and submit supporting documentation. The liquidation committee shall register the claims declared. During the claim declaration period, the liquidation committee may not pay any debts to relevant creditors.	Article 257	The liquidation committee shall notify its creditors within 10 days of the date of its establishment and publish an announcement in the newspapers <u>or on the National Enterprise Credit Information Publicity System</u> and the websites of the Company and the stock exchange within 60 days. Creditors may declare their claims to the liquidation committee within 30 days of receipt of the notice or within 45 days of the announcement if no such notice is received. When declaring such claims, the creditor shall provide an explanation of matters relevant to the creditor's rights and provide supporting evidence. The liquidation committee shall register the creditors' rights. During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.
Article 265	If the liquidation committee, having inventoried the property of the Company and prepared a balance sheet and a property list, discovers that the property of the Company is insufficient to settle its debts in full, the liquidation committee shall apply to the people's court for a declaration of bankruptcy. After the people's court has ruled to declare the Company bankrupt, the liquidation committee shall turn over the liquidation matters to the people's court.	Article 259	If the liquidation committee, having inventoried the property of the Company and prepared a balance sheet and a property list, discovers that the property of the Company is insufficient to settle its debts in full, the liquidation committee shall apply to the people's court for a declaration of bankruptcy. <u>After the Company's bankruptcy application is accepted by the People's Court,</u> the liquidation committee shall transfer all matters arising from the liquidation to <u>the bankruptcy administrator designated by</u> the People's Court.
Article 266	Following completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and the income and expenditure statement and financial account books during the liquidation period, and, after verification thereof by a PRC-certified public accountant, submit the same to the general meeting or the people's court for confirmation. The liquidation committee shall then, within 30 days after the date of confirmation on the aforementioned documents by the general meeting or the people's court, submit the same to the registration authority of the Company and apply for cancellation of the registration of the Company and announce the termination of the Company	Article 260	Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, which shall be submitted to the general meeting or the People's Court for confirmation. The liquidation committee shall submit the document to the company registration authority, and apply for cancellation of registration of the Company.
Article 267	The members of the liquidation committee shall be faithful in the discharge of their duties and perform their liquidation obligations according to the law. The members of the liquidation committee shall not abuse their authority to take bribes or other illegal income, or misappropriate the properties of the Company. If the Company or a creditor sustains losses due to the wilful act or gross negligence on the part of a member of the liquidation committee, such member shall be liable for damages.	Article 261	<u>Members of the liquidation committee shall perform their liquidating functions with duties of loyalty and care.</u> <u>Members of the liquidation committee neglecting to perform their liquidating functions, and thereby causing losses to the Company, shall be liable for compensation; if a member of the liquidation committee causes loss to the creditors due to intentional misconduct or gross negligence, he/she shall be liable for damages.</u>
—	=	Article 262	<u>When the Company is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the laws relating to the enterprise bankruptcy.</u>

APPENDIX I

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 21	Amendments to the Articles of Association	Chapter 12	Amendments to the Articles of Association
Article 268	The Company may amend the Articles of Association pursuant to laws and the provisions of the Articles of Association. The Company shall amend the Articles of Association in the following circumstances: (I) the provisions of the Articles of Association conflict with the Company Law or relevant laws after such laws are revised; (II) a change occurs in the condition of the Company and such change is inconsistent with the matters stated herein; (III) the general meeting decides to amend the Articles of Association. The Company shall submit the amended articles of association to the registration authority of the Company for filing.	Article 263	The Company shall amend the Articles of Association in the following circumstances: (I) the provisions of the Articles of Association conflict with the Company Law or relevant laws after such laws are revised; (II) a change occurs in the condition of the Company and such change is inconsistent with the matters stated herein; (III) the general meeting decides to amend the Articles of Association.
Article 271	If an amendment of the Articles of Association involves matters provided for in the Mandatory Provisions for the Articles of Association of Companies Listed Overseas, it shall take effect after it is approved by the company approval authority authorized by the State Council. If an amendment to the Articles of Association involves the registered particulars of the Company, change of registration shall be carried out in accordance with the law.	Article 264	<u>Where an amendment to the Articles of Association approved by the general meeting through a resolution shall be approved by competent authorities, such amendment shall be submitted to the competent authorities for approval. Where an amendment involves company registration, the registration shall be amended according to laws.</u>
Article 270	If an amendment to the Articles of Association involves information which is required by law to be disclosed, an announcement shall be made in accordance with the laws.	Article 266	If an amendment to the Articles of Association involves information which is required by law <u>and regulations</u> to be disclosed, an announcement shall be made in accordance with the laws.
Article 273	Unless otherwise specified by the Articles of Association, any notice, information or written statement sent by the Company to every holder of overseas listed foreign shares shall be delivered by courier to the address of every such shareholder indicated in the register of shareholders, or delivered to every such shareholder by post. An announcement on a notice sent to the holders of domestic shares by the Company shall be published on one or more newspapers or periodical designated by the securities regulator of the State Council. Once such announcement is published, all the domestic shareholders shall be deemed to have received the relevant notice.	=	=

**APPENDIX I COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF
ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.***

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
Chapter 22	Notices and Announcements	=	(delete the whole chapter)
Chapter 23	Settlement of Disputes	Chapter 13	<u>Settlement of Disputes</u>
Chapter 24	Supplementary Provisions	Chapter 14	<u>Supplementary Provisions</u>
Article 278	The Articles of Association are written in Chinese. In the event that there is a discrepancy between any other language version or different version hereof and the Articles of Association, the most recent Chinese version hereof registered with Luzhou Administration for Industry and Commerce in Sichuan Province shall prevail.	Article 269	The Articles of Association are written in Chinese. In the event that there is a discrepancy between any other language version or different version hereof and the Articles of Association, the most recent Chinese version hereof registered with Luzhou Administration for <u>Market Regulation</u> in Sichuan Province shall prevail.
Article 279	Unless otherwise required by the context, the following terms used in the Articles of Association shall have the meaning ascribed to them below: (I) Lineal relatives refer to the spouse, parents and children. (II) Major social relations refer to siblings, parents of the spouse, spouses of children, spouses of siblings, and siblings of the spouse. (III) All directors refer to all members of the board of directors as specified in Article 149 of the Articles of Association, namely the 9 directors. (IV) All supervisors refer to all members of the supervisory committee as specified in Article 195 of the Articles of Association, namely the 7 supervisors. (V) The term “laws” refers to the applicable laws, administrative regulations, departmental rules, local regulations, local governmental rules and legally binding government regulatory documents, as promulgated or amended from time to time, currently in force in the PRC on the effective date of the Articles of Association; however, when used together with “administrative regulations”, and only then, means the legal norms adopted by the National People’s Congress and its standing committee.	Article 270	Unless otherwise required by the context, the following terms used in the Articles of Association shall have the meaning ascribed to them below: (I) lineal relatives refer to the spouse, parents and children. (II) major social relations refer to siblings, parents of the spouse, spouses of children, spouses of siblings, and siblings of the spouse. (III) all directors refer to all members of the board of directors as specified in Article <u>160</u> of the Articles of Association, namely the 9 directors. (IV) the term “laws” refers to the applicable laws, administrative regulations, departmental rules, local regulations, local governmental rules and legally binding government regulatory documents, as promulgated or amended from time to time, currently in force in the PRC on the effective date of the Articles of Association; however, when used together with “administrative regulations”, and only then, means the legal norms adopted by the National People’s Congress and its standing committee.

APPENDIX I

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF LUZHOU XINGLU WATER (GROUP) CO., LTD.*

Articles before Amendments		Articles after Amendments	
Provisions	Content of the Provisions	Provisions	Content of the Provision
	(VI) Administrative regulations refer to legal norms formulated by the State Council pursuant to the Constitution and laws, and promulgated in the form of orders of the State Council. (VII) Subsidiary refers to a company that is directly or indirectly controlled by the Company, that has legal person status and that independently bears civil liability. (VIII) “Acting in concert” means action taken by two or more persons pursuant to an agreement (whether oral or written) to obtain or consolidate control of the Company through the acquisition by any of them of voting rights of the Company. (IX) Actual controller refers to a person who, although not a shareholder of the Company, is nevertheless able to actually direct the acts of the Company by virtue of an investment relationship, agreement or other arrangement. (X) Related party relationship refers to the relationship between the controlling shareholder, actual controller, a director, a supervisor or senior officer of the Company on the one hand and an enterprise he or she directly or indirectly controls on the other hand, as well as any other relationship that may result in a diversion of the Company’s interests; however, enterprises controlled by the state shall not be deemed to have a connected relationship merely by virtue the fact that such enterprises are under the common control of the state.		(V) administrative regulations refer to legal norms formulated by the State Council pursuant to the Constitution and laws, and promulgated in the form of orders of the State Council. (VI) subsidiary refers to a company that is directly or indirectly controlled by the Company, that has legal person status and that independently bears civil liability. (VII) “acting in concert” means action taken by two or more persons pursuant to an agreement (whether oral or written) to obtain or consolidate control of the Company through the acquisition by any of them of voting rights of the Company. (VIII) actual controller refers to a <u>natural person, legal person or unincorporated organization</u> who, although not a shareholder of the Company, is nevertheless able to actually direct the acts of the Company by virtue of an investment relationship, agreement or other arrangement. (IX) related party relationship refers to the relationship between the controlling shareholder, actual controller, a director, senior officer of the Company on the one hand and an enterprise he or she directly or indirectly controls on the other hand, as well as any other relationship that may result in a diversion of the Company’s interests; however, enterprises controlled by the state shall not be deemed to have a connected relationship merely by virtue the fact that such enterprises are under the common control of the state.
Article 281	The right to interpret the Articles of Association shall be vested in the board of directors of the Company. Matters not covered in the Articles of Association shall be submitted by the board of directors to the general meetings as resolutions for approval.	Article 272	The Articles of Association shall become effective after <u>being considered and approved by the general meeting</u>. Matters not covered in the Articles of Association shall be submitted by the board of directors to the general meetings as resolutions for approval. <u>The board of directors of the Company shall be responsible for the interpretation of the Articles of Association.</u>

1. GENERAL PROVISIONS

- 1.1 The Rules are formulated with an aim to regulate the behaviors of the general meeting of the Company and ensure the exercise of functions and powers by the general meeting according to law, and in accordance with the provisions of the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**"), the Securities Law of the People's Republic of China (hereinafter referred to as the "**Securities Law**"), the Corporate Governance Guidelines of Listed Companies, the Rules for the General Meetings of Listed Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Listing Rules**") and other relevant laws, rules and normative documents and the Articles of Association of Luzhou Xinglu Water (Group) Co., Ltd. (hereinafter referred to as the "**Articles of Association**").
- 1.2 The Rules shall apply to the convening, proposal submission, notification, and holding of General Meetings of the Company.
- 1.3 The Company shall hold the general meetings in strict accordance with relevant provisions of the laws, administrative regulations, the Articles of Association and the Rules to ensure that shareholders will exercise their rights in accordance with law.

The board of directors of the Company shall earnestly perform their duties, and seriously organize general meetings in a timely fashion. All the directors of the Company shall be diligent and responsible, to ensure that the general meeting will be held smoothly and functions and powers will be exercised according to law.

- 1.4 The general meeting of the Company shall exercise its functions and powers within the scope as specified in the Company Law and the Articles of Association.

2. GENERAL PROVISIONS FOR GENERAL MEETINGS

- 2.1 The general meeting of the Company is composed of all shareholders, the general meeting is the organ of power of the Company and shall exercise the following functions and powers pursuant to the Company Law and the Articles of Association:
- 2.1.1 to elect and replace directors who are not representatives of the staff, and decide on matters relating to the remuneration of directors;
- 2.1.2 to consider and approve reports of the board of directors;

- 2.1.3 to consider and approve the Company's profit distribution plans and plans for recovery of losses;
- 2.1.4 to pass resolutions concerning the increase or reduction of the Company's registered capital;
- 2.1.5 to pass resolutions on the issuance of bonds, securities by the Company and listing of the Company;
- 2.1.6 to pass resolutions on matters such as the merger, division, dissolution, liquidation or change in corporate form of the Company;
- 2.1.7 to draw up and amend the Articles of Association;
- 2.1.8 to pass resolutions on the appointment and dismissal of the accounting firm undertaking the Company's financial audit;
- 2.1.9 to examine external guarantees stipulated in Article 2.2 of the Rules;
- 2.1.10 to consider and approve matters relating to the purchases, disposals of the Company's material assets within one year, which exceed thirty percent of the Company's latest audited total assets;
- 2.1.11 to consider and approve the change of use of raised proceeds;
- 2.1.12 to examine and approve the share incentive plan and employee stock ownership plan;
- 2.1.13 to consider the related-party transaction that laws and the securities regulatory rules of the place where Company's shares are listed require the consideration and approval of the general meeting;
- 2.1.14 to consider other matters that laws, administrative regulations, relevant regulations of the securities authorities of the place where the Company's shares are listed and the Articles of Association require to be resolved by the general meeting.

The general meeting may authorize the board of directors to make resolutions regarding the issuance of corporate bonds.

- 2.2 The external guarantees provided by the Company as set forth below (excluding the guarantee provided by the Company for the Company and/or its controlled subsidiaries) shall be subject to consideration and approval of the general meeting:
- 2.2.1 any guarantee to be provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has reached or exceeded fifty percent of the Company's latest audited net assets;
 - 2.2.2 any guarantee to be provided after the total amount of guarantee to third parties provided by the Company has reached or exceeded 30% of the Company's latest audited total assets;
 - 2.2.3 the amount of guarantees provided by the Company to others within one year exceeds thirty percent of the Company's most recent audited total assets;
 - 2.2.4 the guarantee to be provided to a party which has an asset-liability ratio in excess of seventy percent;
 - 2.2.5 a single guarantee amount in excess of ten percent of the Company's latest audited net assets;
 - 2.2.6 the guarantee to be provided in favor of shareholders, de facto controllers and their related parties;
 - 2.2.7 any guarantee which shall be approved by the general meeting as stipulated in the laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed and the Articles of Association.

The external guarantees other than those listed in this article shall be considered and approved by the board of directors.

- 2.3 The general meetings consist of annual general meetings and extraordinary general meetings. An annual general meeting of shareholders shall be convened once a year, and shall be held within six months after the end of every fiscal year.

Under any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date of occurrence:

- 2.3.1 the number of directors is less than the number provided by the Company Law or less than two-thirds (i.e., six persons) prescribed by the Articles of Association;
- 2.3.2 the losses of the Company that have not been made up reach one third of the total paid-up share capital;
- 2.3.3 when a written request is made by the shareholder(s), individually or in the aggregate, holding ten percent or more of the Company's shares (the number of shares held shall be calculated according to the number of shares held on the day when the written request is made by the shareholders);
- 2.3.4 when deemed necessary by the board of directors;
- 2.3.5 when the Audit Committee proposes to convene;
- 2.3.6 Other circumstances stipulated by laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed, and the Articles of Association.

3. CONVENING OF THE GENERAL MEETINGS

- 3.1 The board of directors shall convene general meetings within the prescribed timeframe.

With the consent of more than half of all independent non-executive directors, independent non-executive directors have the right to propose the board of directors to convene extraordinary general meetings. The board of directors shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receiving the proposal in accordance with the requirements of the laws, administrative regulations, the listing rules of the place where the shares of the Company are listed, and the Articles of Association.

If the board of directors agrees to convene extraordinary general meeting, notice of the meeting shall be issued within five days after the board of directors resolved to do so. If the board of directors does not agree to convene the extraordinary general meeting, reasons shall be explained and announced.

- 3.2 The audit committee shall have the authority to propose to the board of directors the convening of an extraordinary general meeting. When proposing such a meeting to the board of directors, the audit committee shall submit its proposal in writing. The board of directors shall, in accordance with laws, administrative regulations, the listing rules of the place where the shares of the Company are listed, and the provisions of the articles of association, provide written feedback on whether it agrees or disagrees to convene the extraordinary general meeting within ten days of receiving the proposal.

If the board of directors agrees to convene the extraordinary general meeting, it shall issue a notice of the meeting within five days after making the board resolution. Any changes to the original proposal in the notice shall be subject to the consent of the audit committee.

If the board of directors refuses to convene the extraordinary general meeting or fails to provide feedback within ten days of receiving the proposal, it shall be deemed that the board is unable or unwilling to fulfill its duty to convene the meeting. In such cases, the audit committee may independently convene and preside over the extraordinary general meeting.

- 3.3 Shareholders holding individually or collectively more than 10% of the company's shares shall submit a written request to the board of directors to convene an extraordinary general meeting. The board shall provide written feedback on whether it agrees or disagrees to convene the extraordinary general meeting within ten days of receiving the request, in accordance with laws, administrative regulations, the listing rules of the place where the shares of the Company are listed, and the articles of association.

If the board of directors agrees to convene the extraordinary general meeting, it shall issue a notice of the meeting within five days after making the board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the board of directors does not agree to convene the extraordinary general meeting or does not reply within ten days upon receiving the request, shareholders holding individually or collectively ten percent or more of the shares of company may propose to the audit committee that an extraordinary general meeting be convened. Such proposal shall be submitted to the audit committee in writing.

Where the audit committee agrees to convene an extraordinary general meeting, it shall issue a notice of the meeting within five days of receiving the request. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the audit committee fails to issue the notice within the prescribed time limit, it shall be deemed that the audit committee will not convene and preside over the general meeting. Shareholders who individually or collectively hold more than 10% of the Company's shares for a continuous period of ninety days or more may convene and preside over the meeting themselves.

- 3.4 Where the audit committee or shareholders decide to convene a general meeting themselves, they shall notify the board of directors in writing and simultaneously file with the stock exchange in accordance with relevant regulations.

The audit committee or the convening shareholder shall submit relevant supporting materials to the stock exchange when issuing the notice of the general meeting and the announcement of the general meeting resolution.

Prior to the announcement of a general meeting resolution, the convening shareholding ratio shall not be less than ten percent of the Company's total shares.

- 3.5 For general meetings convened by the audit committee or shareholders themselves, the board of directors and the secretary to the board of directors shall cooperate. The board of directors shall provide the shareholder register as of the record date. If the board of directors fails to provide the shareholder register, the convener may apply to the securities registration, settlement, or agency for access to the register by presenting the relevant notice or announcement convening the shareholder meeting. The shareholder register obtained by the convener shall not be used for any purpose other than convening the shareholder meeting.
- 3.6 Where the audit committee or shareholders themselves convene a general meeting, the necessary expenses shall be borne by the Company.

4. PROPOSALS FOR AND NOTICES OF THE GENERAL MEETINGS

- 4.1 The content of proposals shall fall within the scope of responsibility of the general meeting, shall contain clear subjects for discussion and specific matters to be resolved and shall comply with relevant provisions of the laws, administrative regulations, and the Articles of Association.
- 4.2 When a general meeting is convened by the Company, the board of directors, audit committee and shareholders who individually or collectively hold over one percent of the shares of the Company shall be entitled to put forward proposals to the Company. The Company shall not increase the shareholding ratio of shareholders who put forward proposals.
- 4.2.1 Shareholders who individually or collectively hold over one percent of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting ten days before the convening of the general meeting. The convener shall issue a supplemental notice of general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals, which shall be submitted to the general meeting for consideration and approval. However, this shall not apply if the temporary proposal violates laws, administrative regulations, or the Company's articles of association, or falls outside the scope of authority of the general meeting.
- 4.2.2 Save for the aforementioned provision, the convener shall neither revise the proposals stated in the notice of general meetings nor add new proposals after issuing the announcement on the notice of general meeting.
- No voting shall be carried out and no resolution shall be made over the proposals that are not specified in the notice of general meeting or the supplementary notice, or that do not comply with the provisions of the Articles of Association.
- 4.3 The secretary to the board of directors shall be responsible for examining the format and content of proposals, as follows:
- 4.3.1 whether the proposer is qualified for submitting such proposal;
- 4.3.2 whether the format of the proposal submitted by the proposer complies with the provisions;
- 4.3.3 whether the content of the proposal falls within the scope of responsibility of the general meeting;

4.3.4 whether the proposal contains a clear subject matter and specific matters to be resolved;

4.3.5 The secretary to the board of directors shall sign and accept the proposals complying with the above provisions and shall reject the proposals not complying with the above provisions with reasons provided.

4.4 Where an annual general meeting is convened by the Company, shareholders shall be notified 20 days prior to the convening of the meeting, or 15 days prior to the convening of an extraordinary general meeting.

When calculating the notice period for meetings, the Company excludes the day of the meeting itself.

Where laws, administrative regulations, departmental rules, normative documents, or the listing rules of the place where the shares of the Company are listed contain special provisions regarding meeting notice periods, such provisions shall prevail.

Notice of general meeting shall comply with the provisions of the Articles of Association, including the following:

4.4.1 The time, venue and duration of the meeting;

4.4.2 The matters and proposals to be considered at the meeting;

4.4.3 The full text of any special resolutions proposed for adoption at the meeting;

4.4.4 A clear statement that all shareholders are entitled to attend the general meeting and may appoint a proxy in writing to attend and vote on their behalf, provided that such proxy need not be a shareholder of the Company;

4.4.5 Specifies the time and location for delivery of the proxy voting authorization for the meeting;

4.4.6 Record date for shareholders entitled to attend the general meeting;

4.4.7 Name and contact information of the meeting liaison.

Provide shareholders with the data and explanations necessary for them to make informed decisions on matters to be discussed; this principle includes, but is not limited to, providing the specific terms and conditions of the proposed transaction and the contract (if any) when the company proposes a merger, share repurchase, capital restructuring, or other reorganization, and providing a thorough explanation of its causes and consequences.

If any director, general manager, or other senior management personnel has a material interest in the matter to be discussed, the nature and extent of such interest shall be disclosed. If the matter to be discussed affects such director, general manager, or other senior management personnel as a shareholder differently than it affects other shareholders of the same class, the difference shall be explained.

Where the matter to be discussed requires the opinion of independent non-executive directors, the notice or supplementary notice of the general meeting shall disclose the opinions and reasons of the independent non-executive directors.

Where the general meeting is conducted via online or other means, the notice shall clearly specify the voting time and procedures for such online or other methods.

The interval between the record date and the meeting date shall not exceed seven business days. Once the record date is determined, it shall not be altered.

- 4.5 Where a general meeting intends to discuss director election matters, the notice of the meeting shall fully disclose detailed information about the director candidates in accordance with the Company's articles of association, including at least the following:

4.5.1 Personal background, including educational background, work experience, and concurrent positions;

4.5.2 Whether there are any related party relationships with the Company, its controlling shareholders, or actual controllers;

4.5.3 Number of shares held in the company;

4.5.4 Whether the candidate has been subject to penalties by securities regulatory authorities or other relevant departments, or disciplinary actions by stock exchanges.

Except when directors are elected by cumulative voting, each director candidate shall be proposed as a separate resolution.

- 4.6 Notices of general meetings shall be issued or delivered to shareholders (regardless of whether they have voting rights at the meeting) by announcement or by any other means permitted by the securities exchange where the Company's shares are listed.

The "announcement" referred to in the preceding paragraph shall be published on media outlets meeting the requirements of the securities regulatory authority where the Company's shares are listed and on the website of the securities exchange. Once published, such notice shall be deemed to have been received by all shareholders.

- 4.7 The failure to send a notice of meeting to a person entitled to receive it due to an accidental omission, or the non-receipt of such notice by that person, shall not invalidate the meeting or any resolution passed at the meeting.

- 4.8 After notice of a general meeting has been issued, the meeting shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice shall not be cancelled. In the event of postponement or cancellation, the convener shall announce and explain the reason at least two business days prior to the original meeting date.

5. CONVENING OF THE GENERAL MEETINGS

- 5.1 The Company shall hold the general meeting at the domicile of the Company or at the venue specified in the notice of the general meeting. The general meeting shall have a venue and be held on-site. Provided that the legality and validity of the meeting are ensured, the Company may adopt a safe, economical and convenient network and other methods to facilitate shareholders to participate in the general meeting. Shareholders participating in the general meeting by means above mentioned shall be deemed as attending the meeting.
- 5.2 The board of directors of the Company and other conveners shall take necessary measures to ensure that the general meeting is conducted in an orderly manner, and shall take steps to prevent any activities interfering the general meeting, causing disturbance, or infringing the legitimate interests of shareholders and timely report such activities to the relevant authority.
- 5.3 All shareholders on the register of shareholders on the record date or their proxies shall be entitled to attend and vote at the general meeting in accordance with the provisions of the relevant laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the shares of the Company are listed, and the Articles of Association.

Shareholders may attend the general meeting in person or appoint a proxy to attend and vote on their behalf (the proxy need not be a shareholder).

- 5.4 Individual shareholders attending the meeting in person shall present their personal identification card or other valid documents or certificates proving their identity. Shareholders appointing a proxy to attend the meeting shall present the proxy's valid identification documents and a letter of authorization from the represented shareholder.

A legal person shareholder shall attend the meeting by a legal representative or a proxy entrusted by the legal representative. If a legal representative attends the meeting, he shall present his personal identity card and valid document proving his qualification to be a legal representative. If an authorized representative attends the meeting, they shall present valid identification documents and a written power of attorney issued by the legal representative of the corporate shareholder in accordance with the law.

- 5.5 A power of attorney issued by a shareholder authorizing another person to attend a general meeting shall specify the following:
- 5.5.1 The name of the principal, the type and number of shares held in the Company;
 - 5.5.2 The name of the proxy and the number of shares represented by the principal;
 - 5.5.3 Specific instructions from the shareholder, including whether to vote in favor, against, or abstain on each agenda item;
 - 5.5.4 Specific instructions regarding whether voting rights shall be exercised on any temporary proposals that may be included in the general meeting agenda, and if so, the manner of exercising such voting rights;
 - 5.5.5 The date of issuance and validity period of the power of attorney;
 - 5.5.6 The signature (or seal) of the principal; if the principal is a corporate shareholder, the corporate seal shall be affixed.
- 5.6 Proxy forms shall be lodged at the domicile of the Company or other venues specified in the notice of meeting 24 hours before the convening of the relevant meeting for voting according to the proxy form, or 24 hours before the designated time of voting. Where the proxy form is signed by a person under a power of attorney on behalf of the principal, the power of attorney or other authorization documents authorized to be signed shall be notarized. A notarially certified copy of that power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other venues specified in the notice of meeting.

If the shareholder is a recognized clearing house (or its nominee), the shareholder may authorize one or more persons deemed appropriate by the shareholder to act as its representative at any general meeting or any class meeting; however, if more than one person is authorized, the authorization shall specify the number and class of shares covered by the authorization for each such person. A person so authorized may exercise the rights of the recognized clearing house (or its nominee) as if such person were an individual shareholder of the Company.

- 5.7 Any form of letter of authorization issued to a shareholder by the board of directors of the Company for use by him for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote in favor of or against or abstain from voting on each resolution dealing with the businesses to be transacted at the meeting. Such letter of authorization shall contain a statement that in absence of instructions by the shareholders, his proxy may vote as he thinks fit.

In addition to the above requirements, the aforementioned letter of authorization shall contain the following matters: the number of shares represented by the proxy and the name of the proxy; whether the proxy has voting rights; whether the proxy has voting rights on ad hoc proposals which may be included in the agenda of the general meeting; specific indication for exercising which kind of voting rights (if any); date of signing of the instrument and term of validity. If more than one proxy is appointed, the letter of authorization shall specify the number of shares represented by each proxy.

- 5.8 A vote casted in accordance with the letter of authorization by a proxy shall remain valid, notwithstanding the death or loss of capacity of the principal or revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company did not receive any written notice in respect of any such matters prior to the commencement of the relevant meeting.
- 5.9 The Company shall be responsible for compiling the attendee register which shall include, among others, the name of attendee (or name of relevant unit), ID number, domicile, the number of voting shares that he holds or represents, and name of the person (or name of relevant unit) who attends the meeting by proxy.
- 5.10 Conveners and the appointed scrutinizer by the Company shall jointly validate the legality of the qualification of shareholders according to the register of shareholders provided by the securities registration and clearing authority and record the names of shareholders and the number of voting shares they hold. Registration for the meeting shall be ceased before the presider announces the number of shareholders and proxies attending the meeting and the total number of voting shares they hold.
- 5.11 If a general meeting requires directors and senior management to attend the meeting, directors and senior management shall attend such meeting and receive inquiries from shareholders.

5.12 The general meeting convened by the board of directors shall be presided over and chaired by the Chairman of the Board. If the Chairman of the Board is unable or fails to perform his duties, the general meeting shall be chaired by a director nominated by more than half of the directors.

5.13 The general meeting convened by the audit committee on its own initiative according to statutory procedures shall be chaired by the convener of the audit committee. If the convener of the audit committee is unable or fails to perform his duties, the general meeting shall be chaired by a member of the audit committee nominated by more than half of the members of the audit committee.

The general meeting convened by shareholders on its own initiative according to statutory procedures shall be chaired by the convener or the representative nominated by the convener.

5.14 During the convening of the general meeting, if the presider of the general meeting breaches the procedural rules, which makes it unable to proceed the general meeting, the general meeting may nominate a person to act as the presider of the meeting and such meeting may continue, subject to consents of more than half of shareholders with voting rights attending the general meeting. If for any reason the shareholders are unable to elect a presider, the attending shareholder holding the largest number of voting shares (including the proxy) shall preside over the meeting.

5.15 The general meeting shall be chaired by the presider and shall be conducted by considering the topics and proposals included in the agenda one by one.

5.16 In considering the topics, shareholders or a proxy shall express their opinions briefly and explicitly. If the reporter does not provide explanations as Chairman of the Board to relevant issues which affect judgement and voting, shareholders or a proxy may make inquiries and request the reporter to explain.

5.17 Shareholders may make inquiries and recommendations as to the content of the proposals. The presider shall reply or provide explanations to such inquiries and recommendations raised by shareholders in person or by designating the directors or other relevant persons present at the meeting. The convener may refuse to address such inquiries in connection with the following circumstances but specify the reason:

5.17.1 inquiries not relating to the topics;

5.17.2 inquiries subject to further investigation;

- 5.17.3 response involving commercial secrets of the Company that cannot be disclosed at the general meeting;
 - 5.17.4 response to inquiries which shall damage the overall interests of shareholders;
 - 5.17.5 other material issues.
- 5.18 Minutes of general meetings shall be recorded by the secretary to the board of directors. The minutes shall contain the following items:
- 5.18.1 the date, venue and agenda of the meeting, and the name of the convener;
 - 5.18.2 the name of the presider of the meeting, and the names of directors and senior management members in attendance at the meeting;
 - 5.18.3 the number of holders of domestic shares (including their proxies) and holders of overseas listed foreign shares (including their proxies) attending the meeting, the total number of voting shares held by them and the percentage of such shares to the total number of shares of the Company;
 - 5.18.4 The discuss process, key points of discussion and voting results for each proposal shall be recorded. When recording the voting results, the voting positions of both the holders of domestic shares and the holders of H-share on each resolution shall also be documented.
 - 5.18.5 details of the queries or recommendations made by the shareholders, and the corresponding answers or explanations;
 - 5.18.6 the names of counting officers and scrutinizers;
 - 5.18.7 such other matters stipulated by the Articles of Association to be included in the minutes of the meeting.

- 5.19 The convener shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. Directors, secretary to the board of directors, the convener or his representative and the presider of the meeting who present or in attendance at the meeting shall sign on the minutes of the meeting. The minutes shall be kept together with the signature book of shareholders attending the meeting, the letters of authorization of proxies as well as all valid data of voting via internet or other ways for no less than 10 years.
- 5.20 Shareholders may examine the minutes of meetings during the Company's office hours without charge. If any shareholder demands from the Company a duplicate of relevant minutes of meeting, the Company shall send such duplicates within seven days after the receipt of reasonable charges.

6. VOTING AND RESOLUTIONS AT GENERAL MEETINGS

- 6.1 The convener shall ensure that the general meeting is held continuously until final resolutions are reached.

In the event that the general meeting is adjourned or resolutions fail to be reached due to force majeure or other special reasons, measures shall be adopted to resume the meeting as soon as possible or the meeting shall be concluded immediately, and an announcement shall be promptly made accordingly. The convener shall also report the same to the stock exchange.

- 6.2 Prior to voting, the presider of the general meeting shall announce the number of shareholders and proxies present and the total number of voting shares held by them. The number of shareholders and proxies present and the total number of voting shares held by them shall be that as stated in the registration of the meeting.
- 6.3 Any vote of shareholders at a general meeting shall be taken by open ballot except where the presider of the meeting decides to allow a resolution which relates purely to a procedural or an administrative matter to be voted on by a show of hands.

- 6.4 A shareholder (including proxy) may exercise voting rights in accordance with the number of voting shares represented by him, and each share shall have one vote.

When voting by ballot, a shareholder (including the proxy) with two or more voting rights need not cast all votes as affirmative or negative votes.

The shares held by the Company have no voting rights, and that part of the shareholding is not counted as the total number of voting shares held by shareholders attending the meeting.

If any shareholders should abstain from voting for a particular proposal or are restricted to be only able to vote for (or against) a particular proposal according to the provisions of the listing rules of the place where the overseas listed foreign shares are listed, the votes by those shareholders or their proxies shall not be counted in case of any violation of the relevant provisions or restriction.

- 6.5 When the general meeting considers related transactions, related shareholders shall not participate in voting, nor shall they participate in vote counting or supervision, and the number of shares with voting rights they represent shall not be included in the total number of shares with voting rights; resolutions of the general meeting shall fully disclose the votes of non-related shareholders. Related shareholders who fail to attend the general meeting shall not authorize a proxy to vote on their behalf in respect of the matter, and their proxies shall also be evaded by reference to the relevant provisions in relation to the abstention of voting by the related shareholders in this paragraph.

When considering the related transactions, the procedures for abstention of voting and voting of related shareholders are as follows:

- 6.5.1 if the matters considered at the general meeting are related to the shareholders, such shareholders shall disclose the related relationship to the board of directors of the Company prior to the date of convening the general meeting;
- 6.5.2 when the general meeting considers the related transactions, the presider announces the related shareholders, as well as explains and introduces the related relationship between the related shareholders and the related transactions;

- 6.5.3 the presider shall announce that the related shareholders shall not participate in the voting on related transactions, and the non-related shareholders shall consider and vote on the related transactions;
- 6.5.4 resolutions on related matters shall be passed by more than half of the voting shares of the non-related shareholders present at the meeting; if the transactions fall within the scope of special transactions, it shall be approved by more than two-thirds of the voting rights of the non-related shareholders present at the meeting.
- 6.6 The list of candidates for directors shall be submitted to the general meeting for voting by proposals.
- 6.6.1 When the general meeting votes to elect directors, it can adopt a cumulative voting system according to the Articles of Association or a resolution of the general meeting.
- 6.6.2 The cumulative voting system shall be adopted when a sole shareholder and its concert parties hold 30% or more of the shares of the Company, or when the general meeting elects two or more independent non-executive directors, which means that when a director is elected at the general meeting, each share shall carry the same number of voting rights as the number of directors to be elected.
- 6.6.3 The cumulative voting system shall be implemented as follows:
- 6.6.3.1 The number of director candidates may exceed the number of persons to be elected at the general meeting whereas the number of persons to be elected voted by each shareholder shall not exceed the number of directors to be elected at the general meeting. The total number of votes attributed may not exceed the number of votes owned by shareholders, otherwise the votes lapse;
- 6.6.3.2 When electing directors, each shareholder's voting rights shall be calculated as the product of the number of shares held multiplied by the number of directors to be elected (i.e., the number of votes a shareholder is entitled to cast = the number of shares held by that shareholder × the number of directors to be elected). Shareholders may concentrate their voting rights on one or more candidates among those proposed for election.
- 6.6.3.3 Independent directors and non-independent directors vote separately.
- 6.6.3.4 The election of director candidates are determined in the order of number of votes, while the minimum votes for each elected director shall exceed half of the total number of voting shares held by shareholders (including a proxy) present at the general meeting.
- 6.6.3.5 If the number of elected director is lower than the number of director candidates to be elected at the general meeting, shareholders shall vote again as to the shortage on director candidates without enough votes. The Company will conduct an additional election for the next general meeting if the shortage remains.

6.6.3.6 If two or more than two director candidates receive the same votes, while only part of the persons may be elected as limited by the number of election, shareholders shall individually vote again on the election for director candidates with same votes;

6.6.3.7 Unless otherwise expressly specified in the resolution of the general meeting, the appointment of the new director shall become effective on the date the relevant proposal on the election is adopted at the general meeting.

6.7 The method of, and procedure for, nominating directors are as set forth below:

6.7.1 a shareholders independently or shareholders collectively holding more than 3% of the total outstanding voting shares of the Company may propose to the general meeting candidates for the position of director who is not staff representatives in the form of a written proposal; nevertheless, the number of nominees shall comply with the provisions of the Articles of Association and shall not exceed the number of persons to be elected. The shareholder(s) shall submit the aforesaid proposal to the Company at least 14 days before the date the general meeting is held.

6.7.2 the board of directors may, to the extent of the number of persons specified in the Articles of Association, put forward a list of recommended director candidates consistent with the number of persons to be elected, and submit such list to the board of directors respectively for review. Once the board of directors have conducted its review and adopted a resolution determining the director candidates, it shall submit the same at the general meeting in the form of a written proposal.

6.7.3 for the nomination of candidates for independent non-executive directors, the nominator shall also fully understand the nominees' professional qualifications, academic qualifications, professional titles, detailed work experience, all part-time jobs and so on, and give his opinions on the qualifications and independence on the nominee as the independent non-executive director, the nominee shall make a public statement on the relationship between himself and the Company that does not have any influence on his independent and objective judgment.

6.7.4 the written notices of the intention to nominate director candidates and of the nominee indicating their willingness to accept the nomination as well as relevant written materials on the nominee shall be delivered to the Company at least 7 days before the date of the general meeting. The board of directors shall provide to the shareholder the resumes and basic particulars of the director candidates.

- 6.7.5 the period accorded by the Company to the nominators and candidates to submit the aforesaid notices and documents shall not be less than 7 days (counting from the day immediately following the date of issuance of the notice of the general meeting).
- 6.7.6 the general meeting shall vote on each of the director candidates one by one.
- 6.7.7 when it is necessary for an additional or replacement director at short notice, the same shall be proposed by the board of directors, recommending that the general meeting elect or replace the same.
- 6.8 With the exception of the cumulative voting system, the general meeting shall hold a vote on each proposal one by one. If there are different proposals concerning a certain matter, the votes thereon shall be taken in the order the proposal were proposed. The general meeting will not set aside or not vote on a proposal, unless the general meeting is suspended or if it is unable to reach a resolution due to force majeure or other special causes.
- 6.9 When reviewing a proposal, the general meeting shall not revise it. Otherwise, such amendment shall be deemed a new proposal and shall not be voted on at the current general meeting.
- 6.10 A poll demanded on the election of the presider of the meeting or on a question of the adjournment of the meeting shall be taken forthwith. A poll demanded on any other question shall be taken as the presider of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.
- 6.11 The presider of the general meeting shall announce the situation and results of the vote on each proposal, and announce whether each such proposal has been adopted based on the results of the votes.

Until the formal announcement of the voting results, relevant parties, such as the listed company, the vote counters, scrutineers, major shareholders, etc., involved in the voting at the general meeting shall bear an obligation of confidentiality in respect of the voting situation.

- 6.12 Shareholders attending the general meeting shall clearly express their affirmative, negative or abstention on the proposals submitted for voting. Except where the securities registration and clearing institution, as the nominal holder of shares under the relevant mechanism, makes declarations in accordance with the intention of the actual holders.

If a ballot is blank, marked erroneously, illegible, or has not been cast, the voter shall be deemed to have waived his or her voting right, and the voting results for the number of shares that he or she holds shall be considered as “abstained”.

- 6.13 If the presider of the meeting has any doubts about the results of a resolution submitted for voting, he may count the number of votes cast; if the presider of the meeting does not count the votes, and a shareholder or proxy attending the meeting who challenges the results announced by the presider, he shall have the right to request an immediate count after the announcement, and the presider of the meeting shall forthwith conduct such a count.

- 6.14 Resolutions of general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution must be passed by votes representing more than half of the voting rights represented by the shareholders (including proxies) present at the general meeting. A special resolution must be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the general meeting.

- 6.15 The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- 6.15.1 work reports of the board of directors;
- 6.15.2 profit distribution plan and loss make-up plan formulated by the board of directors;
- 6.15.3 appointment or dismissal of the members of the board of directors, remuneration and payment methods thereof;
- 6.15.4 matters other than those requiring approval by special resolutions in accordance with the laws, administrative regulations, departmental rules, normative documents, listing rules or the Articles of Association.

- 6.16 The following matters shall be resolved by way of special resolutions at a general meeting:
- 6.16.1 increase or reduction of the registered capital of the Company;
 - 6.16.2 demerger, merger, dissolution and liquidation of the Company;
 - 6.16.3 amendments to the Articles of Association;
 - 6.16.4 any purchase or sale of major assets or any provision of guarantee to other persons within one year for an amount exceeding 30% of the Company's total assets as audited in the latest period;
 - 6.16.5 share option incentive scheme;
 - 6.16.6 any other matters as required by the laws, administrative regulations, departmental rules, normative documents, listing rules or the Articles of Association and matters which, if resolved by way of an ordinary resolution at a general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.
- 6.17 Pursuant to the Company Law, the China Securities Regulatory Commission, and the Articles of Association, where matters deliberated at a general meeting may affect the rights of shareholders holding shares of a particular class, such matters shall, in addition to requiring a special resolution of the general meeting, be approved by more than two-thirds of the voting rights held by shareholders present at the class general meeting.
- 6.18 When any draft resolution is put to the vote at the general meeting, the Company shall appoint the auditor, share register or the external accountant eligible to serve as the auditor to be the vote counter and scrutineer and shall, at the venue, announce the voting results which shall be recorded in the minutes of the meeting.
- 6.19 Shareholders of the Company or a proxy voting online or by other methods are entitled to review voting result by corresponding voting system.

**7. ANNOUNCEMENT OF GENERAL MEETING POLL RESULTS AND
IMPLEMENTATION OF RESOLUTIONS**

- 7.1 The poll results at general meetings shall be announced in a timely and complete manner in accordance with the relevant rules of the securities exchange where the shares of the Company are listed.
- 7.2 The announcement of the poll results of the general meeting shall specify the number of shareholders (and proxies) present at the meeting, the total number of shares held (or represented) and their proportion of the total voting shares of the Company, the voting method, and the detailed results of each proposal. It shall also disclose other matters required by the relevant rules and guidelines of the Stock Exchange.
- 7.3 Resolutions adopted at general meetings shall be organized and implemented by the board of directors, which shall assign specific implementation responsibilities to the management team of the Company in accordance with the content of the resolutions and their respective duties.

8. SUPPLEMENTARY PROVISIONS

- 8.1 Unless expressly specified, the terms used in the provisions are as defined in the Articles of Association.
- 8.2 Any matters unstated in the Rules shall be executed in accordance with relevant provisions of relevant national laws, administrative regulations, department rules and regulations and the Articles of Association. If the Rules are in conflict with the provisions of laws, administrative regulations, department rules and regulations or the Articles of Association issued after the effect of the Rules, the provisions of such laws, administrative regulations, department rules and regulations and the Articles of Association shall prevail; and amendments shall be made to the Rules and submitted to the general meeting for consideration and approval.
- 8.3 The expressions of “over”, “below”, “within” shall include the figures mentioned whilst the expressions of “exceeding”, “less than” and “more than” shall not include the figures mentioned.
- 8.4 The appendix to these rules is special provisions. If the special provisions conflict with the main text of these rules, the special provisions shall prevail.
- 8.5 The provisions is effective from the date of approval by the general meeting.

Attachment: 1. The Shareholders’ Communication Policy

2. Procedures for the Nominator of Shareholder Standing for Election as Directors at the General Meeting of the Company and Procedures for Shareholders’ Removal of Directors

Attachment 1

The Shareholders' Communication Policy

1. OBJECTIVES

This policy aims to set out provisions to:

- 1.1 Ensure that the shareholders of the Company (both individuals and institutions) (collectively referred to as 'Shareholders'), and (where appropriate) the general investing public (including but not limited to potential investors in the Company and analysts reporting on and analyzing the performance of the Company), may equally and promptly obtain important information about the Company (including its financial performance, strategic objectives and plans, significant developments, governance and risk profiles), presented in a clear, balanced and comprehensible manner, enabling Shareholders to exercise their rights in an informed manner and facilitating active communication between Shareholders and the investment community and the Company; and
- 1.2 Maintain a consistent level of disclosure at all times.

2. GENERAL POLICY

- 2.1 The Board of Directors of the Company (the "**Board**") shall maintain dialogue with shareholders and the investment community. It shall also periodically review this policy to ensure its effectiveness and amend it from time to time (where applicable) to optimize communication with shareholders.
- 2.2 The primary methods for disseminating information to shareholders and the investment community shall be the Company's interim and annual financial reports, the Annual General Meeting and other extraordinary general meetings, as well as all disclosure documents, corporate communications and other corporate publications filed with The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") and published on the website of the Company.
- 2.3 At all times, the Company shall ensure the effective and timely dissemination of information to shareholders and the investment community. Any queries regarding this policy shall be directed to the Investor Relations Department of the Company. Matters falling under the direct responsibility of the Board shall be referred to the Board, while routine operational matters, such as proposals, enquiries and customer complaints, shall be referred to the General Manager of the Company.

3. COMMUNICATION POLICY**3.1 Shareholder Enquiries**

3.1.1 Enquiries regarding shareholders' shareholdings should be directed to the Hong Kong Share Registrar of the Company.

3.1.2 Shareholders and investment groups may request the publicly available information of the Company at any time.

3.1.3 Shareholders and investment groups wishing to enquire about the data of the Company may contact the Head of Investor Relations during office hours via the designated email address, fax number, telephone number, or postal address.

3.2 Corporate Communications

3.2.1 Corporate Communications refer to documents published or to be published by the Company for the purpose of providing information to holders of its securities or for taking action by them. Such documents include, but are not limited to, the reports of the directors and annual accounts together with copies of the reports of the auditors, interim reports, notices of meetings, circulars and proxy forms. These documents will be prepared in plain English and Chinese to facilitate shareholders' understanding. Shareholders have the right to choose the language (English or Chinese) or method (printed or electronic) of receiving corporate communications.

3.2.2 The Company encourages shareholders to provide, among other things, their email addresses to facilitate prompt and effective communication.

3.3 Company Website

3.3.1 The "Investor Relations" section of the website of the Company www.lzss.com is specifically designed for investor relations. The data contained on the website of the Company is updated from time to time.

3.3.2 Information submitted by the Company to the Hong Kong Stock Exchange is subsequently posted on the website of the Company in real time. Such data includes financial reports, results announcements, circulars and notices for general meetings, and related explanatory documents.

3.3.3 Presentation materials relating to the annual general meeting and results announcements of the Company will be made available on the website of the Company as soon as practicable after their release.

3.4 General Meetings

- 3.4.1 The Company encourages shareholders to attend General Meetings and vote at the meetings. Where unable to attend in person, shareholders may appoint a proxy to act on their behalf.
- 3.4.2 The Company shall make appropriate arrangements to encourage and facilitate the attendance of shareholders at the Annual General Meeting.
- 3.4.3 The Company shall monitor and review the procedures for general meetings from time to time, making changes as appropriate to ensure they meet the needs of shareholders.
- 3.4.4 The Annual General Meeting of the Company facilitates a full exchange of views between shareholders and the Board. Members of the Board, particularly the chairs of Board committees and their representatives, appropriate senior management and external auditors, shall attend the meeting to answer the questions from shareholders.
- 3.4.5 The Company encourages shareholders to participate in shareholder events organized by the Company, during which the Company shall distribute its materials, including its latest strategic plans, services, etc.

3.5 Investment Market Communications

- 3.5.1 The Company shall from time to time organize briefings, one-on-one meetings, domestic and international roadshows, media interviews, investor market events and industry expert forums for investors/analysts, with the aim of facilitating communication between the Company, its shareholders and the investment community.
- 3.5.2 Directors and employees of the Company shall comply with the disclosure obligations and requirements set out in the Model Code for Securities Transactions by Directors of Listed Issuers (Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) when engaging in contact or dialogue with investors, analysts, media or other external parties with relevant interests.

4. SHAREHOLDER PRIVACY

The Company values shareholder privacy and will not disclose shareholder data without their consent, except where required by law.

Attachment 2

**Procedures for the Nominator of Shareholder Standing for
Election as Directors at the General Meeting of the Company
and Procedures for Shareholders' Removal of Directors**

1. Procedures for the Nominator of Shareholder Standing for Election as Directors at the General Meeting of the Company

The following procedures shall be conducted in compliance with the provisions of the Articles of Association (the “**Articles**”) of the Company, the Company Law of the People’s Republic of China (the “**PRC**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and other applicable laws and regulations.

Pursuant to the Articles, directors of the Company (the “**Directors**”) shall be elected by ordinary resolution of the shareholders of the Company (the “**Shareholders**”) at a general meeting of the Company.

To nominate any candidate for election as a Director at a general meeting of the Company (the “**General Meeting**”), a Shareholder holding not less than three percent of the issued share capital of the Company and entitled to vote at the General Meeting shall submit a written proposal to the Board of Directors (the “**Board**”) not later than fourteen days prior to the date of the General Meeting. The Board shall, within two days of receiving such proposal, notify the other Shareholders of the proposal and include the matter on the agenda of the General Meeting.

To convene an extraordinary general meeting of the Company (the “**EGM**”) and to nominate any candidate for election as a director at the EGM, one or more shareholders holding, individually or collectively, ten percent or more of the issued share capital of the Company may, by written request, require the Board to convene an EGM. Provided the request is properly made and in accordance with procedure, the Board shall convene the EGM within two months of receiving such request. Should the Board fail to issue a notice convening the meeting within thirty days of receiving the aforementioned written request, the requesting shareholder(s) may themselves convene the meeting within four months of the Board receiving the request, following procedures as far as practicable identical to those for convening a general meeting by the Board. Where a shareholder convenes and holds a meeting themselves due to the Board failure to convene a meeting in response to the aforementioned request, the reasonable expenses incurred shall be borne by the Company and deducted from any sums owed by the Company to the defaulting directors.

Furthermore, for the nomination of any candidate for election as a director at any general meeting, the minimum period for giving notice to the Company of the intention to propose such candidate for election as a director, and for giving notice to the Company of such candidate’s willingness to be elected, shall be seven days. The period for submitting such notices shall commence upon the Company issuing the notice convening the meeting for such election and shall end no later than seven days prior to the date of the meeting.

To enable shareholders to make informed decisions regarding the election of directors, written notices proposing candidates for election as directors must specify:

- (1) The full name of the candidate director;
- (2) Their biographical details (Pursuant to the Rule 13.51(2) of the Listing Rules)
- (3) Personal information including educational background, work experience and other positions held;
- (4) whether there is any connection with the Company or its controlling shareholders and actual controllers;
- (5) the number of shares held in the Company;
- (6) whether any penalties have been imposed by securities regulatory authorities or other relevant departments, or disciplinary actions by the stock exchanges; and
- (7) a notice signed by the candidate director indicating their willingness to stand for election, together with written consent for the publication of their personal particulars.

Provided that the proposal is appropriate and procedurally sound, the Company shall include it in the agenda of the general meeting or Extraordinary General Meeting (as applicable) for resolution by shareholders. Except for the election of directors by cumulative voting, each director candidate shall be proposed as a separate resolution.

Shareholders may post their proposals and requests to No. 16 Baizi Road, Jiangyang District, Luzhou Sichuan Province, the PRC, or email them to lxslwaterstock@lxss.com, addressed to the Company's secretary to the directors. The secretary to the directors shall forward such proposals and requests to the Board (where applicable).

2. Procedures for Shareholders' Removal of Directors

Shareholders may, in accordance with the provisions of the Articles, remove any elected director by an ordinary resolution before the expiration of his term of office.

3. Languages

In the event of any discrepancy between the Chinese and English versions of this document and procedure, the Chinese version shall prevail.

1 GENERAL PROVISIONS

- 1.1 The Rules are formulated by Luzhou Xinglu Water (Group) Co., Ltd.(hereinafter referred to as the “**Company**”) in accordance with the Company Law of the People’s Republic of China and the Articles of Association of Luzhou Xinglu Water (Group) Co., Ltd. (hereinafter referred to as the “**Articles of Association**”), in order to further regulate the method for discussion and the decision-making procedures of the board of directors of the Company, procure the directors of the Company (hereinafter referred to as the “**Directors**”) and the board of directors to effectively perform their duties and improve the level of standardized operation and scientific decision-making of the board of directors.
- 1.2 The Rules shall be equally binding upon all Directors, secretary, the senior management present at the board’s meeting and other relevant persons present at meetings of the board of directors.

2 GENERAL PROVISIONS FOR DIRECTORS

- 2.1 Directors shall be natural persons. Directors need not hold shares of the Company. The Company’s directors shall include executive directors, non-executive directors and independent non-executive directors. The term “executive director” means a director who serves in an operational/management position in the Company. The term “non-executive director” means a director who does not serve in an operational/management position with the Company but who by law is not considered independent. The term “independent non-executive director” means a director who satisfies the provisions of the Articles 149 and 150 of the Articles of Association.

A person who falls under any of the following circumstances shall not serve as a director of the Company:

- 2.1.1 having no capacity for civil conduct or having limited capacity for civil conduct;
- 2.1.2 Having been sentenced for crimes such as embezzlement, bribery, misappropriation of property, misappropriation of funds, or disruption of the socialist economic order; or having been deprived of political rights due to criminal offenses, with the execution period not having expired for more than five years; or having been granted probation, with the probationary period not having expired for more than two years;
- 2.1.3 having served as a director, factory director, or manager of a company or enterprise that underwent bankruptcy liquidation, and bearing personal responsibility for the bankruptcy of such company or enterprise, and less than three years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;
- 2.1.4 having served as the authorized representative of a company or enterprise that had its business license revoked or was ordered to close down due to illegal activities, and bearing personal responsibility therefor, and less than three years have elapsed since the revocation of the business license of or the order to close down for such company or enterprise;

- 2.1.5 having been listed by the people's court as a judgement defaulter due to failure to repay a significant amount of due debts;
- 2.1.6 having been subjected to a securities market entry ban by the CSRC, and the ban period has not yet expired;
- 2.1.7 a person who has been publicly determined by the stock exchanges to be not suitable to serve as a director or senior management personnel of a listed company, and the period has not elapsed;
- 2.1.8 other circumstances required by the applicable law, administrative regulations or departmental rules.

In the case of an election or appointment of a director in contravention of this Article, such election, appointment or engagement shall be invalid. If any of the circumstances stated in this Article occurs during the term of office of a director, the Company shall remove such director from office and cease his/her duties.

- 2.2 Non-employee representative directors shall be elected or changed at a general meeting, and can be removed before maturity of the term of office at a general meeting. The employee representative directors shall be democratically elected by the employee representative meeting, employee meeting or otherwise.

The term of office of a director is three years. A director may serve consecutive terms if re-elected.

A director's term of service commences from the date he takes office, until the current term of service of the board of directors ends. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association until a re-elected director takes office, if reelection is not conducted in a timely manner upon the expiry of his/her term of office.

Senior management may concurrently serve as a director, provided that the aggregate number of the directors, who concurrently serve as senior management, and the directors, who are employee representatives, shall not exceed half of all the directors of the Company.

- 2.3 A director shall take steps to avoid his/her own interests conflicting with the Company's interests and may not take advantage of position to seek improper benefits.

A director owes the following duties of loyalty to the Company:

- 2.3.1 may not appropriate property of the Company and misappropriate the Company's funds;
- 2.3.2 may not open an account in his or her own name or in the name of another individual and depositing the Company's assets or funds therein;
- 2.3.3 may not take advantage of position to offer bribery or receive other illegal income;
- 2.3.4 may not, directly or indirectly, enter into contracts or trade with the Company without reporting to the board of directors or general meeting and being approved by the board of directors or general meeting in accordance with the Articles of Association;
- 2.3.5 may not take advantage of position to seek business opportunities belonging to the Company for himself/herself or other people, except if reporting to the board of directors or general meeting and being approved by resolution at the general meeting, or if, according to the laws, administrative regulations or the Articles of Association, the Company cannot use such opportunity;
- 2.3.6 may not engage in the same type of business as that of the Company for himself/herself or other persons without reporting to the board of directors or general meeting, and after being approved by resolution at the general meeting;
- 2.3.7 may not accept commissions on transactions between other persons and the Company as his/her own;
- 2.3.8 may not unilaterally disclose the Company's secrets;
- 2.3.9 may not make use of related-party relationship to damage the Company's interests;
- 2.3.10 other duties of loyalty stated in the law, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Any income obtained by a director in violation of this Article should belong to the Company. In case it has caused losses to the Company, he/she should be responsible for compensation.

When a close relative of a director or senior management personnel, an enterprise directly or indirectly controlled by a director, senior management personnel or his/her close relative, or a related party having other related-party relationship with a director or senior management personnel, enters into a contract or carries out transaction with the Company, the requirement of item 2.3.4 of the Article applies.

- 2.4 When performing duties, a director shall exercise reasonable care as a manager for the best interest of the Company.

A director bear the following obligations of diligence towards the Company:

- 2.4.1 prudently, conscientiously and diligently exercising the rights granted him or her by the Company, so as to ensure that the commercial acts of the Company comply with state laws, administrative regulations and the requirements of the various economic policies of the state, and that its commercial activities do not exceed the scope of business specified on the business license;
 - 2.4.2 treating all shareholders equally;
 - 2.4.3 timely keeping abreast of the Company's business operation and management situation;
 - 2.4.4 signing written confirmation opinions on the regular reports of the Company so as to ensure that the information disclosed by the Company is true, accurate and complete;
 - 2.4.5 providing true information and data to the Audit Committee and not interfering with the Audit Committee in the exercise of their functions and powers;
 - 2.4.6 in principle, attending meetings of the board of directors in person and expressing clear opinions on the matters under discussion; if he or she is unable to attend a meeting of the board of directors in person, carefully selecting a proxy;
 - 2.4.7 carefully reading the Company's commercial and financial reports and major reports on the Company by the media, timely understanding and keeping abreast of the Company's business position, management situation and the material events or potential materials events of the Company and their impact, timely reporting to the board of directors problems existing in the Company's business activities and not attempting to shirk his or her responsibilities on the grounds that he or she is not directly involved in operations or management or was not aware of the relevant problem or situation;
 - 2.4.8 other obligations of diligence stated in laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.
- 2.5 If a director fails to personally attend the meeting of the board of directors and to appoint another director to attend the meetings on his behalf on two consecutive occasions, he or she shall be deemed unable to perform his duties and the board of directors shall propose to the general meeting that he or she be replaced.

- 2.6 The non-executive directors shall have sufficient time and the necessary knowledge to perform their duties. When a non-executive director performs his or her duties, the company must provide the necessary information. The independent non-executive directors may report directly to the general meeting, China Securities Regulatory Commission and other relevant departments.

- 2.7 Directors may tender their resignations before the expiration of their term of office. To resign, a director shall submit a written resignation to the board of directors. The resignation shall take effect on the date when the Company receives the resignation report, and the Company shall disclose the situation within two trading days.

If the resignation of a director causes the number of occupied seats on the board of directors to fall below the statutory minimum, the incumbent director shall continue to perform his or her duties as a director in accordance with laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association until the incoming director assumes his or her position.

- 2.8 When a director's resignation becomes effective or his or her term of office expires, he or she shall duly carry out all handover procedures with the board of directors. His or her fiduciary duty to the Company and the shareholders shall not, as a matter of course, terminate at, and shall survive, the end of his or her term of office. The responsibility of a director due to performance of his/her duties during the term of office will not terminate or be discharged due to leave of office.

The director's obligation to maintain the confidentiality of the Company's trade secrets shall survive the end of his or her term, until such secrets enter the public domain. The term of survival of his or her other obligations shall be decided upon according to the principle of fairness, the time elapsed between the director's departure from office and the occurrence of the event, and the circumstances and conditions of the termination of his or her relationship with the Company.

- 2.9 A general meeting may resolve to remove a director. The removal takes effect on the date of the resolution made.

If, without proper reason, a director is removed before expiry of term of office, he/she may request compensation from the Company.

- 2.10 No director may act on behalf of the Company or the board of directors in his or her own name unless the Articles of Association specify that he or she may do so or he or she is lawfully authorized to do so by the board of directors. A director shall declare his position and capacity in advance if, when such director is acting in his or her private capacity, a third party would reasonably assume him or her to be acting on behalf of the Company or the board of directors.

- 2.11 When a director performs his/her duties in the Company, causing harm to others, the Company shall be liable for compensation. If a director is intentional or has gross negligence, he/she shall also be liable for compensation.

A director shall be personally liable for any loss suffered by the Company as a result of a violation by him/her of any laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association in the course of performing his/her duties.

3 INDEPENDENT NON-EXECUTIVE DIRECTORS

- 3.1 The Company shall have independent non-executive directors. An independent non-executive director has a fiduciary duty and an obligation of diligence toward the Company and all its shareholders. Independent non-executive directors shall, pursuant to the requirements of relevant laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, conscientiously perform their duties and responsibilities. They shall play the roles of participation in decision-making, supervision, checks and balances, and professional consultation in the board of directors, to safeguard the Company's interest as a whole, and to protect the lawful rights and interests of minority shareholders.

Unless otherwise provided in the Rules, the provisions on the qualifications and obligations of directors of the Articles of Association shall apply to independent non-executive directors.

- 3.2 Independent non-executive directors shall maintain their independence. The following persons may not serve as independent non-executive directors:
- 3.2.1 persons who hold posts in the Company or its affiliates and their spouses, parents, children and main social relations;
 - 3.2.2 natural person shareholders who directly or indirectly hold more than one percent of the outstanding shares of the Company or who rank among the top ten shareholders of the Company, and their spouses, parents and children;
 - 3.2.3 persons who hold positions in entities that directly or indirectly hold more than five percent of the outstanding shares of the Company or that rank among the top five shareholders of the Company, and their spouses, parents and children;
 - 3.2.4 persons who hold posts in affiliates of the Company's controlling shareholder or actual controller and their spouses, parents and children;
 - 3.2.5 persons who have significant business dealings with the Company and its controlling shareholder, actual controller or their respective affiliates, or persons who hold positions in organizations which have significant business dealings with the Company and its controlling shareholder or actual controller;

- 3.2.6 persons who provide financial, legal, advisory, sponsorship services etc. to the Company and its controlling shareholder, actual controller or their respective affiliates, including but not limited to all members of engagement team of an intermediary providing services, all levels of reviewers, persons signing the report, partners, directors, senior management personnel and principals;
- 3.2.7 persons who fell under the circumstances of item 3.2.1 to item 3.2.6 during the past 12 months;
- 3.2.8 any other non-independent personnel stipulated by laws, administrative regulations, the provisions of the CSRC, business rules of the stock exchanges and the Articles of Association.

Affiliates of the Company's controlling shareholder or actual controller referred to in item 3.2.4 to item 3.2.6 of the preceding paragraph shall exclude enterprises which are controlled by the same State-owned assets management agency as the Company and are not related to the Company pursuant to the relevant provisions.

Independent directors shall conduct annual self-examination of independence and submit the self-examination findings to the board of directors.

- 3.3 A person holding the position of independent non-executive director shall satisfy the basic conditions set forth below:
 - 3.3.1 being eligible to hold the position of director in a listed company pursuant to the laws, administrative regulations, the listing rules of the place where the Company's shares are listed and other relevant Provisions;
 - 3.3.2 satisfying the independence requirements specified in the Articles of Association and the requirements regarding the qualifications of independent non-executive directors under the securities regulatory rules of the place where the Company's shares are listed;
 - 3.3.3 having a basic knowledge of the operation of listed companies and being familiar with relevant laws and rules;
 - 3.3.4 having more than five years of experience in law, economics, financial accounting or other work experience required for performing the duties and responsibilities of an independent non-executive director;
 - 3.3.5 ensuring that he or she has sufficient time and energy to effectively perform his or her duties and responsibilities and undertaking that he or she will scrupulously perform his or her duties in a steadfast manner and act with due diligence and care;
 - 3.3.6 having good moral character, without bad records of significant dishonest conduct, and any other criteria stipulated by laws, administrative regulations, the provisions of the CSRC, business rules of the stock exchange and the Articles of Association.

- 3.4 At least one-third of the members of the board of directors of the Company shall be independent non-executive directors, and the number of independent non-executive directors of the Company shall be at least three, of whom at least one shall be a financial or accounting professional as determined under the Listing Rules.

If an independent non-executive director fails to meet the conditions of independence or another circumstance arises which makes it inappropriate for him or her to perform his or her duties and responsibilities as an independent non-executive director, thereby causing the failure of the Company to meet the requirements of the Articles of Association concerning the number of independent non-executive directors, the Company shall make up the number of independent non-executive directors in accordance with regulations.

- 3.5 The term of office of independent non-executive directors shall be the same as that of the other directors of the Company. At the expiration of their terms, they may continue to serve if re-elected, but they may not serve more than six years in succession.

- 3.6 An independent non-executive director may not be removed without cause before the expiration of his or her term, unless any of the circumstances set forth in the Article 151, or the circumstance mentioned in the preceding paragraph or a circumstance under which a person may not hold the position of director specified in the Company Law, arises. If an independent non-executive director is removed before the expiration of his or her term, the Company shall disclose his or her removal as a matter for special disclosure. If the removed independent non-executive director is of the opinion that the Company's grounds for removing him or her are not justified, he or she may make a public statement to that effect.

- 3.7 An independent non-executive director may tender his or her resignation before the expiration of his or her term. When an independent non-executive director resigns, he or she shall submit a written resignation to the board of directors in which he or she provides information on any circumstances related to his or her resignation or any circumstances to which he or she believes the attention of the Company and its creditors must be drawn.

If the resignation of an independent non-executive director causes the number of independent non-executive directors on the Company's board of directors to fall below the minimum required by law, the written resignation of the said independent nonexecutive director shall enter into effect only after the incoming independent nonexecutive director fills the vacancy.

- 3.8 Independent non-executive directors shall, as members of the board of directors, bear the obligations of loyalty and diligence towards the Company and all its shareholders and perform the following duties prudently:
- 3.8.1 participating in decision-making by the board of directors and issuing specific opinions on the deliberated matters;
 - 3.8.2 supervising the potential significant conflict of interests between the Company and its controlling shareholders, actual controllers, directors, senior management personnel, and protecting the legitimate rights and interests of minority shareholders;
 - 3.8.3 providing professional and objective suggestions on the Company's business development, and promoting the improvement of the decision-making level of the board of directors;
 - 3.8.4 any other duties stipulated by laws, administrative regulations, the provisions of the CSRC and the Articles of Association.
- 3.9 In addition to the functions and powers granted directors under laws and the Articles of Association, independent non-executive directors shall have the following special functions and powers:
- 3.9.1 independent non-executive directors engaging intermediaries to carry out audit, advisory or verification of the Company's specific matters;
 - 3.9.2 proposing to the board of directors the convening of an extraordinary general meeting;
 - 3.9.3 proposing the convening of meetings of the board of directors;
 - 3.9.4 openly soliciting shareholder's rights from shareholders pursuant to the law;
 - 3.9.5 issuing independent opinions on matters which may harm the rights and interests of the Company or minority shareholders;
 - 3.9.6 any other powers stipulated by laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The expenses incurred by independent non-executive directors in engaging intermediary organizations or required when otherwise exercising their functions and powers shall be borne by the Company.

An independent non-executive director exercising the powers stipulated in item 3.9.1 to item 3.9.3 of the preceding paragraph shall obtain the consent of more than half of all the independent non-executive directors.

Where an independent non-executive director exercises the powers stipulated in the preceding paragraph, the Company shall promptly make disclosure. Where the powers are unable to be exercised, the Company shall disclose the specific circumstances and reason.

- 3.10 The following matters shall, upon consent by more than half of all the independent nonexecutive directors of the Company, be tabled at the board of directors for deliberation:
- 3.10.1 material connected transactions (as determined in accordance with standards promulgated from time to time by the competent regulatory authorities or the stock exchange on which the Company's shares are listed);
 - 3.10.2 plan for change or waiver of undertaking by the Company and the relevant parties;
 - 3.10.3 decisions made and measures adopted by the board of directors of the Company in respect of the acquisition;
 - 3.10.4 any other matters stipulated by laws, administrative regulations, the provisions of the CSRC and the Articles of Association.
- 3.11 In addition to performing the duties and responsibilities mentioned above, independent non-executive directors shall express their independent opinions to the board of directors or the general meeting on matters that require the independent opinions from the independent non-executive directors which required by the listing rule of the place where the Company's shares are listed.
- 3.12 All independent non-executive directors shall hold specialized meetings of independent non-executive directors on a regular or ad hoc basis to consider the matters listed in item (1) to item (3) of the Article 156, and Article 157 of the Articles of Association.

A specialized meeting of independent non-executive directors may study and discuss other matters of the Company where necessary.

A specialized meeting of independent non-executive directors shall be convened and chaired by an independent non-executive director jointly elected by more than half of independent non-executive directors; where the convener does not or is unable to perform his/her duties, two or more independent non-executive directors may convene a meeting and elect a representative to chair the meeting.

Minutes shall be prepared for specialized meeting of independent non-executive directors pursuant to the provisions, stating the opinions of the independent non-executive directors. The independent non-executive directors shall sign on the minutes for confirmation.

The Company shall provide convenience and support for holding of specialized meetings of independent non-executive directors.

4 BOARD OF DIRECTORS

- 4.1 The board of directors is the permanent body responsible for making the business decisions of the Company, shall be accountable to the general meeting and safeguard the interests of the Company and all shareholders. The board of directors shall consist of nine directors, with three executive directors (including one employee representative director), three non-executive directors and three independent non-executive directors.
- 4.2 Directors exercise powers under the authorization granted by the meeting of the board of directors. The secretary to the board of directors (hereinafter referred to as the “**Secretary**”) is responsible for managing the meeting of the board of directors and information disclosure and shall report to the board of directors. The office of the board of directors (hereinafter referred to as the “**Office**”) established by the board of directors is responsible for the day-to-day affairs of the board of directors.
- 4.3 The board of directors shall respect the opinions or recommendations of the party committee and the congress of staff representatives.

5 THE CRITERIA OF PROCEDURES OF THE BOARD OF DIRECTORS

- 5.1 The criteria of procedures of the board of directors is as follows:
- 5.1.1 to convene general meetings and to report on its work to the general meeting;
 - 5.1.2 to implement the resolutions of the general meeting which involves decision-making matters requiring deliberation;
 - 5.1.3 to formulate the Company’s operational policies and investment plans, and to decide on business plans, investment proposals and investment projects within the scope of its authority;
 - 5.1.4 to approve financing plans and financing proposals above a certain amount, and to decide on the specific amount standards;
 - 5.1.5 to formulate the plans for annual financial budgets and final accounts of the Company;
 - 5.1.6 to formulate the profit distribution plans and plans for making up losses of the Company;
 - 5.1.7 to formulate plans for the increase or reduction of the registered capital of the Company and plans for the issuance of bonds or other securities as well as for the listing of the Company;
 - 5.1.8 to formulate plans for material acquisitions, purchase of shares of the Company;

- 5.1.9 to draft plans for the Company's merger, division, dissolution or change of corporate form;
 - 5.1.10 to decide on such matters as the Company's investments in third parties, purchase and sale of assets, asset mortgages, the provision of security for third parties, entrustment of financial services, connected transactions, external donations, etc., to the extent authorized by the general meeting;
 - 5.1.11 to formulate amendments to the Articles of Association;
 - 5.1.12 to elect the Chairman of the Board; to appoint or remove the general manager and the Secretary of the Company, to appoint or remove any other member of the senior management including the deputy general manager and the chief financial officer of the Company based on the nominations of the general manager, and to decide on their remuneration as well as reward and punishment issues;
 - 5.1.13 to decide on the establishment of the Company's internal management organization;
 - 5.1.14 to formulate the basic management systems of the Company;
 - 5.1.15 to manage the Company's information disclosure matters;
 - 5.1.16 to propose to the general meeting the appointment or replacement of an accounting firm as the Company's auditor;
 - 5.1.17 to listen to the work reports of the Company's general manager and inspect his or her work;
 - 5.1.18 other matters provided for in laws, administrative regulations, departmental rules and the Articles of Association and granted by the general meeting.
- 5.2 The board of directors shall give explanations to the general meeting in respect of audit reports with non-standard audit opinions issued by certified public accountants in respect of financial reports of the Company.
- 5.3 When the board of directors intends to dispose of fixed assets and the sum of the expected value of the consideration for the proposed disposal and the value of the consideration for disposal of fixed assets made in the four months immediately preceding the proposed disposal exceeds 33 percent of the value of the fixed assets shown in the last balance sheet placed before the general meeting, the board of directors may not dispose of or agree to the disposal of the fixed assets without the approval of the general meeting.

For the purposes of the Articles of Association, the term disposal of fixed assets shall include the assignment of certain interests in assets but exclude the provision of fixed assets as guarantee.

The validity of transactions whereby the Company disposes of fixed assets shall not be affected by the breach of the first paragraph of the Articles of Association.

5.4 The following matters shall, upon consent by more than half of all the independent nonexecutive directors of the Company, be tabled at the board of directors for deliberation:

5.4.1 material connected transactions (as determined in accordance with standards promulgated from time to time by the competent regulatory authorities or the stock exchange on which the Company's shares are listed);

5.4.2 plan for change or waiver of undertaking by the Company and the relevant parties;

5.4.3 decisions made and measures adopted by the board of directors of the Company in respect of the acquisition;

5.4.4 any other matters stipulated by laws, administrative regulations, the provisions of the CSRC and the Articles of Association.

6 CONVENING AND NOTICES OF MEETINGS

6.1 Meetings of the board of directors are divided into regular meetings and interim meetings.

6.2 Meetings of the board of directors shall be held at least four times a year and convened and presided over by the Chairman of the Board. If the Chairman of the Board is unable to perform his or her duties or fails to perform his or her duties, a director elected by more than one half of the directors shall perform such duties.

An interim meeting of the board of directors may be convened upon the proposal of shareholders holding more than 1/10 of the total number of shares carrying voting rights of the Company, more than 1/3 of the directors or Audit Committee. The chairman shall convene the meeting of the board of directors within 10 days after receiving such proposal.

6.3 The person who proposed the interim meeting shall, through the office of the board of directors or directly, deliver the written proposal with his/her signature (with his/her seal affixed) to the Chairman. The written proposal should describe the following issues:

6.3.1 the name of the person who proposed the interim meeting;

6.3.2 the reasons of the proposal or the objective fact on which the proposal is based;

6.3.3 the date or term, venue and method of the convening of the meeting for the proposal;

6.3.4 the clear and specific proposal;

6.3.5 the contact information of the person who proposed the interim meeting and the date of proposal.

- 6.4 When the board of directors calls a regular meeting or interim meeting, the office of the board of directors shall deliver a written meeting notice with seal of the office of the board of directors to all of the directors, general manager and the Secretary by hand, mail or fax 14 days prior to the date of a regular meeting or 5 days prior to an interim meeting of the board of directors.

If an interim meeting of the board of directors needs to be held as soon as possible due to urgent circumstances, a meeting notice may be given at any time by telephone or other oral method, provided that the convener gives an explanation thereof at the meeting and the same is included in the meeting minutes.

- 6.5 A notice of the meeting of the board of directors shall include the following particulars:

- 6.5.1 the date and venue of the meeting;
- 6.5.2 the method by which the meeting is to be held;
- 6.5.3 the duration of the meeting;
- 6.5.4 the reasons for holding the meeting and the topics to be discussed thereat;
- 6.5.5 the names of the convener and chairman of the Company, the name of the person who proposed the interim meeting and his or her written proposal;
- 6.5.6 the meeting materials necessary for the vote by the directors, including the background materials related to the topics to be discussed at the meeting and the information and data that would be of assistance to the directors in understanding the business development of the Company;
- 6.5.7 a request that the director attend in person or that he appoint another director to attend the meeting on his or her behalf;
- 6.5.8 the name of the contact person and his or her contact information;
- 6.5.9 the date of issuance of the notice.

A notice given orally shall, at minimum, include the particulars set forth in items 6.5.1 and 6.5.2 above and an explanation to the effect that circumstances are urgent and an interim meeting of the board of directors needs to be held as soon as possible.

7 PROPOSALS AT THE MEETING

- 7.1 The matters considered or decided by the board of directors shall be proposed to the board of directors in the manner of proposal. The proposal of the board of directors shall be under the following conditions:
- 7.1.1 The content is not in violation of laws, regulations, regulatory documents or regulations under the Article of Association, and is within the scope of duties of the board of directors;
- 7.1.2 The department responsible for handling the matters involved in the proposal shall ensure the authenticity, accuracy, and completeness of the submitted proposals and supporting materials, and that they have a clear purpose for review, so that the attending directors can analyze and judge the matters under review;
- 7.1.3 Proposals submitted by the responsible department must be reviewed by the relevant business leader before being submitted to the board office;
- 7.1.4 Proposals raised by the chairman of the Company and the general manager shall be prepared and submitted by the department responsible for the relevant matters.
- 7.2 The office of the board of directors is the department in charge of proposal management and shall be responsible for the collection and consolidation of proposals and the organization of relevant departments and persons to conduct review on such proposals.
- 7.3 Once the office of the board of directors receives the above proposal, the office must organize the relevant department to review. If the department is of the view that the contents of the proposal are not clear or detailed enough or the related materials provided are inadequate, the department may request the proposer to provide amendments or supplement. The reviewed proposal is arranged to the board to review and decide after the determination of the Secretary and the approval of the Chairman.
- 7.4 The office of the board of directors shall ask for opinions of the directors prior to the regular meeting convened by the board of directors and deliver the same to the chairman for review and decision upon the official formation of the proposal. the opinions of the operating management are required, if necessary, prior to the proposal to be reviewed and decided by the Chairman.
- 7.5 If the Chairman does not resolve the proposal proposed by the person on the agenda of discussion of the board, the Chairman shall explain reasons in writing. If the person who propose the proposal does not approve, whether to resolve the proposal on the agenda of discussion shall be determined by the board of directors in the manner of more than half of all Directors voting for it.

8 CONVENING OF THE MEETINGS

- 8.1 The meeting of the board of directors shall be convened and presided over by the Chairman of the Board. If the Chairman fails to perform the duties with special reasons, he may designate a Director to chair the meeting on his behalf; or if the Chairman fails to perform the duties with no reasons, and no specific person is designated, the meeting shall be chaired by a director nominated by more than half of the directors.
- 8.2 Meetings of the board of directors may be held only if more than one half of the directors are present. The general manager and the Secretary, if they do not concurrently serve as Directors, they shall attend meetings of the board of directors. When the convener of the meeting deems it necessary, he may notify other relevant persons to attend the meeting of the board of directors. The persons to attend the meeting are entitled to give opinions as to the relevant topics but without voting rights.
- 8.3 Meetings of the board of directors shall be attended by the directors in person. If a director is unable to attend a meeting for any reason, he shall appoint another director in writing to attend the meeting on his behalf. Such instrument of appointment shall specify the names of the proxy, the issues, the scope of authorization granted by the principal and the term of validity of the appointment and with principal's signature or seal. The director attending the meeting on behalf of the absent director shall exercise the director's rights to the extent authorized.
- 8.4 Such instrument of appointment shall specify the following:
- 8.4.1 the names of any proxy;
 - 8.4.2 the principal's brief opinion on each motion;
 - 8.4.3 the scope of authorization granted by the principal and his instructions on voting preferences with respect to the motions;
 - 8.4.4 the term of validity of the appointment;
 - 8.4.5 whether the proxy has the right to vote on extempore proposals that may be added to the agenda of the meeting of the board of directors and the specific instructions as to what vote to cast if he has such right to vote; and
 - 8.4.6 the principal's signature or seal and the date.

- 8.5 The principal and the proxy should attend the meeting of the board of directors in compliance with the following principles:
- 8.5.1 In considering related-party transactions, non-related Directors should not appoint a related Directors to attend the meeting on his/her behalf; related Directors should not accept the appointment of the non-related Directors;
- 8.5.2 The Directors should not fully appoint other Directors to attend the meeting on behalf of him/her without specifying his/her opinion on the proposal and expressing the determination. Relevant Directors should not accept the full appointment and appointment entitled unclearly;
- 8.5.3 A director should not accept appointment by more than two Directors. The Directors should not appoint a director who has already accepted appointment by two Directors to attend the meeting on his/her behalf.
- 8.6 If a director fails to attend the meeting of the board of directors and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at such meeting.
- 8.7 The Directors attend the on-site meeting by telephone meeting or by way of other such communication equipment, so long as the Directors attending the meeting in person can clearly hear what he/she says and communicate with him or her, they shall be deemed to have attended the meeting in person.
- 8.8 In the event that a quorum for holding a meeting cannot be satisfied due to the refusal or failure by a director to attend, the Chairman and the Secretary shall promptly report the same to the general meeting or the regulatory authority.
- 8.9 In the consideration at the meeting, the Chairman shall request the Directors present at the meeting to express an explicit opinion on each proposal. Directors shall read carefully relevant meeting materials, and independently and prudently express their opinions on a basis of full understanding of the situation.
- 8.10 Directors may require the submission of supplementary materials. Where over one-quarter of Directors or over two non-executive Directors determine that a proposal is unclear and unspecific, or they are unable to make an judgement on relevant matter due to insufficient meeting materials or other reasons, they may jointly propose to defer the discussion on certain matters to be discussed at the meeting of the board of directors, which shall be approved by the board of directors.
- Directors who propose to defer the discussion shall specify explicit requirements on the conditions to be fulfilled if the proposal is to be resubmitted for consideration.
- 8.11 Where a director makes repeated statements on the same proposal even beyond the scope of the proposal, which therefore affects other Directors to make statements or impedes the normal proceeding of the meeting, the presider of the meeting shall stop him/her in a timely fashion.
- 8.12 The board of directors may engage relevant experts or consulting agencies as needed to provide professional advisory opinions to the board of directors at the expense of the Company.
- 8.13 If the resolutions are considered to warrant further study or material changes based on the review opinions of the board, the resolutions shall be amended and improved for review according to the time and method determined by the meeting of the board of directors.

9 VOTING BY THE BOARD OF DIRECTORS

9.1 Once motions have been fully discussed, the Chairman shall put forward such motion for the directors present at the meeting to vote on each motion thereon. Voting at the meeting shall be conducted by name and in writing, and each director shall have one vote.

9.2 The voting options open to directors are consent, opposition or abstention. The directors present at a meeting shall select one from the foregoing options. If a director fails to select any of the options or selects two or more of the options, the presider of the meeting shall require him to select again. If he refuses to make a selection, he shall be deemed to abstain. If a director leaves the venue during the course of a meeting without returning to make a selection, he shall be deemed to abstain.

Directors who vote against or abstain shall state the reasons, which shall be recorded in the minutes of the meeting.

9.3 Subject to ensuring the full expression by the directors of their opinions, a meeting of the board of directors may be conducted and resolved by voting by way of telecommunications (by the way of fax), which shall be signed by the directors present (by fax). The voting by way of telecommunications shall be stipulated with an effective time limit, and any director who fails to express his/her opinion within the prescribed time limit shall be deemed to have abstained from voting.

9.4 In case of one of the following circumstances, the director shall disclose relevant information to the board of directors and shall abstain from attending and voting and shall not exercise voting rights on behalf of other directors. The director shall not be included in the number of directors required for passing resolutions by the board of directors. Reasons for the director abstaining from voting shall be recorded in the meeting minutes of the board of directors:

9.4.1 Matters considered by the board of directors that involve contracts or arrangements in which them or any of their close associates have a material interest, or any other recommendations thereof;

Under circumstance set forth above, such a meeting of the board of directors may be held only if more than one half of the Directors without a related-party relationship are present, and the resolutions made at such a meeting of the board of directors shall require adoption by more than one half of the Directors without a related-party relationship. If the meeting of the board of directors is attended by less than three Directors without a related-party relationship, the matter shall be submitted to the general meeting for consideration.

9.4.2 the circumstance where the director believes he/she shall abstain from voting;

9.4.3 Other circumstances where the director shall abstain from voting under the securities regulatory rules or the listing rules guidelines in the place where the Shares of the Company are listed.

9.5 Unless agreed unanimously by all directors present at the meeting, proposals unlisted in the notice of the meeting shall not be voted on at the meeting of the board of directors.

9.6 When the board of directors considers matters for ordinary resolution, the resolution shall be passed if more than half of all directors agree; when considering matters for special resolution, the resolution shall be passed only if more than two-thirds of all directors agree.

The following matters shall be approved by special resolutions:

9.6.1 to formulate proposals for the increase or reduction of the registered capital of the Company;

9.6.2 to formulate plans for the merger, division, dissolution, liquidation or change in corporate form of the Company;

9.6.3 to formulate the draft Articles of Association and the proposals for any amendment to the Articles of Association;

9.6.4 to formulate proposals for major investments in non-principal businesses;

9.6.5 matters required by laws and administrative regulations or recognized by the general meeting to be adopted by special resolutions.

7 After the conclusion of voting by the Directors present at the meeting, relevant working personnel shall collect the votes of the Directors in a timely fashion, and votes shall be counted by the Secretary. At an on-sit meeting, the presider shall decide whether the resolution of the board of directors is passed based on the voting result and announce the voting result at the meeting. In case of voting by correspondence, Directors shall be informed of the voting result before the next business day after the end of the specified time limit for voting.

10 MEETING MINUTES AND RESOLUTIONS OF THE BOARD OF DIRECTORS

- 10.1 Meeting minutes shall be prepared regarding the deliberation and voting on the motions, and the directors shall sign the resolutions of the board of directors.
- 10.2 The office of the board of directors shall be responsible for recording and organizing the content of the meeting, which shall be confirmed by each of the attending directors. Meeting minutes shall contain the following particulars:
- 10.2.1 the session, time and venue of the meeting and the method by which it was held;
 - 10.2.2 details on the issuance of the meeting notice;
 - 10.2.3 the names of the convener and presider of the meeting;
 - 10.2.4 the names of the attending Directors and the names of the Directors (proxies) attending the meeting upon appointment by other Directors;
 - 10.2.5 the meeting agenda;
 - 10.2.6 the proposals considered at the meeting, and the gist of the statements and the main opinions of the Directors;
 - 10.2.7 the voting method for, and outcome of, each matter that was the subject of a resolution (the results of the vote shall state the number of votes for, votes against and abstentions);
 - 10.2.8 other matters that the attending Directors deem necessary to include in the minutes.
- 10.3 directors present at the meeting and the person taking the minutes shall sign the minutes of the meeting. If a director has an objection to the meeting minutes or a resolution of the meeting of the board of directors, he may give a written explanation thereof at the time of signing. When necessary, he shall promptly report the same to the securities regulator, or he may make a public statement thereon.
- 10.4 if a director fails to sign the meeting minutes in confirmation in accordance with the preceding paragraph, does not give a written explanation of his objections and does not report to the securities regulator or make a public statement, he shall be deemed as being in full agreement with the meeting minutes and the record of resolutions and may not be released from liability for the contents of the relevant meeting minutes and resolutions.

- 10.5 The Directors shall be liable for the resolutions of the meeting of the board of directors. If a resolution of the board of directors is in violation of laws, regulations or the Articles of Association, thereby causing the Company to sustain a loss, the Directors who took part in the resolution shall be liable to the Company accordingly. However, if a director is proved to have expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, such director may be released from such liability.
- 10.6 Where different resolutions contradict each other in terms of contents and connotations, the resolution made at a later time shall prevail.
- 10.7 the resolutions and minutes of meetings of the board of directors, together with the meeting notice, meeting materials, sign-in register, the instruments of appointment of director proxies, the sound recording of the meeting and the vote ballots shall serve as company files and be kept by the office of the board of directors for a period of not less than 20 years.

11 CONFIDENTIALITY MANAGEMENT

- 11.1 The Company shall announce the resolutions of the board of directors in accordance with the requirements of the listing rules in the place where the Shares of the Company are listed, relevant applicable laws and rules and regulations. Prior to announcement, the Directors, Secretary, senior management, the department undertaking the proposal, the office of the board of directors and other relevant insiders shall perform confidentiality obligation in accordance with the Administrative Measures for Information Disclosure, the Administrative Measures for Confidential Work and other relevant provisions, and shall not disclose the contents of the resolutions.

12 EXECUTION OF THE RESOLUTIONS

- 12.1 The Chairman shall supervise and procure the implementation of the resolutions of the board of directors. The Secretary shall be responsible for the management of follow up of and feedback on the resolutions of the board of directors. The office of the board of directors shall be responsible for the daily work in relation to follow up and feedback.
- 12.2 The office of the board of directors shall examine the implementation of resolutions based on the actual situation, and may engage relevant intermediary when necessary, and report the implementation of decisions to the board of directors on a regular basis.
- 12.3 Where the decisions of the board of directors fail to be implemented properly, or fail to be completed on schedule or satisfactorily, the board of directors will launch the accountability mechanism.

13 SUPPLEMENTARY PROVISIONS

- 13.1 The board of directors shall be responsible for construing the Rules of Procedures. Where the interpretation of the terms set forth in the Rules of Procedures are ambiguous to members of the board of directors, the board of directors shall provide official interpretation of the ambiguous terms.
- 13.2 Any matters unstated in the Rules of Procedures shall be executed in accordance with relevant provisions of relevant national laws, administrative regulations, department rules and regulations and the Articles of Association. If the Rules of Procedure are in conflict with the provisions of relevant national laws, regulations, and the Articles of Association amended through legal procedures in the future, the provisions of such relevant national laws, administrative regulations, department rules and regulations and the Articles of Association shall prevail; and amendments shall be made to the Rules of Procedures and submitted to the general meeting for consideration and approval.
- 13.3 The appendices to these rules constitute special regulation. Where any special regulation conflicts with the main body of these rules, the special regulation shall prevail.
- 13.4 The Rules of Procedures shall be executed from the date of approval at the general meeting.

Notes : 1. Board diversity policy

2. Terms of Reference of the Board of our Directors on corporate governance duties

Attachment 1

BOARD DIVERSITY POLICY**1. PURPOSE**

The Company recognizes the importance of board diversity for effective corporate governance and board performance.

This policy aims to outline fundamental principles to ensure an appropriate balance of diversity in the skills, experience, and perspectives of the members of the Company's Board of Directors (the "**Board**"), thereby enhancing the effective operation of the Board and maintaining high standards of corporate governance.

2. NOMINATION AND APPOINTMENT

The nomination and appointment of members of the board will continue to be based on merit, taking into account day-to-day business needs, and considering the benefits of board diversity.

The Nomination and Remuneration Committee (the "**Nomination and Remuneration Committee**") of our Company is primarily responsible for identifying individuals with suitable qualifications to serve as our directors and fully considering the board diversity policy in the selection process.

3. MEASURABLE OBJECTIVES

Candidate selection will be based on a range of diversity criteria, taking into account the Company's business model and specific needs, including but not limited to gender, ethnicity, language, cultural background, educational background, industry experience, and professional experience.

4. MONITORING AND REPORTING

The Nomination and Remuneration Committee shall review this policy, expanding and reviewing the measurable targets to ensure their implementation, and monitoring progress towards achieving the measurable objectives.

The Nomination and Remuneration Committee will review this policy and the measurable objectives at least annually to ensure the board's continued effectiveness.

5. DISCLOSURE OF THIS POLICY

A summary of this policy, as well as the measurable targets and progress towards achieving them, will be disclosed in the Company's annual report and/or as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Attachment 2

**TERMS OF REFERENCE OF THE BOARD OF OUR DIRECTORS
ON CORPORATE GOVERNANCE DUTIES****1. Responsibilities**

1.1 The Board is responsible for the following corporate governance responsibilities:

- (a) Formulating and reviewing the Company's corporate governance policies and practices, and making recommendations to the Board;
- (b) Reviewing and monitoring the training and ongoing professional development of the Company's directors and senior management;
- (c) Reviewing and monitoring the Company's policies and practices regarding compliance with laws and regulations;
- (d) Formulating, reviewing, and monitoring the Company's codes of conduct and compliance manuals (if any) for its employees and directors; and
- (e) Reviewing the Company's compliance with the Corporate Governance Code set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and its disclosures in the corporate governance report.

1.2 The Board of directors shall be provided with adequate resources to perform its duties. If necessary, the board shall seek independent professional advice at the expense of the Company.

2. Continued Application of the Company's Articles of Association

The provisions in the Company's Articles of Association governing the procedures for meetings of the board of directors shall continue to apply.

3. Validity

The board of directors may amend, supplement, and repeal this Terms of Reference at any time, subject to compliance with the Company's Articles of Association and the Listing Rules (including Appendix C1 of the Listing Rules (the Corporate Governance Code)).

4. Language

In the event of any discrepancy between the Chinese and English versions of this Terms of Reference and Procedures, the Chinese version shall prevail.

NOTICE OF THE EGM



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 2025 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 first extraordinary general meeting (the “**EGM**”) of Luzhou Xinglu Water (Group) Co., Ltd.* (the “**Company**”) will be held at 9:30 a.m. on Friday, 28 November 2025 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:

SPECIAL RESOLUTION

1. To consider and approve the amendments to the Articles of Association;

ORDINARY RESOLUTIONS

2. To consider and approve the abolition of the Supervisory Committee;
3. To consider and approve the adoption of the Rules of the General Meeting; and
4. To consider and approve the adoption of the Rules of the Board of Directors.

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

Luzhou, Sichuan Province, the PRC
13 November 2025

* *For identification purposes only*

NOTICE OF THE EGM

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 the EGM shall be by way of poll. The poll results of the EGM will be published on the websites of the Stock Exchange and the Company in accordance with the requirements of the Listing Rules.
2. In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 24 November 2025 to Friday, 28 November 2025 (both days inclusive), during which period no transfer of Shares will be effected. Holders of H shares of the Company who intend to attend and vote at the EGM shall deliver all transfer documents together with the relevant share certificates to the Company’s Hong Kong H share registrar, Computershare Hong Kong Investor Services Limited at Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, on or before 4:30 p.m. on Friday, 21 November 2025.
3. Any shareholder of the Company (the “**Shareholder**”) who is entitled to attend and vote at the EGM 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 of the Company located at the registered office of the Company in the PRC (for the Shareholders of domestic shares) or 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 (for the Shareholders of H shares) not later than 24 hours before the time appointed for the holding of the EGM (i.e. not later than 9:30 a.m. on Thursday, 27 November 2025) or any adjourned meeting thereof (as the case may be) in order to be effective.
6. Any Shareholder who wishes to attend the EGM 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 the Shareholders of domestic shares) or 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 (for the Shareholders of H shares), by hand or by post, on or before Friday, 21 November 2025.
7. The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor and 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
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 EGM 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 EGM is expected to last for no more than half a day. Shareholders who attend the EGM in person or their proxies shall be responsible for their own travelling and accommodation expenses. Shareholders or their proxies who attend the EGM 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