

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



Taizhou Water Group Co., Ltd.*
台州市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: 1542)

**SUPPLEMENTAL NOTICE OF
EXTRAORDINARY GENERAL MEETING**

Reference is made to the notice (the “**First Notice of EGM**”) of the 2020 First Extraordinary General Meeting (the “**EGM**”) issued by Taizhou Water Group Co., Ltd.* (台州市水務集團股份有限公司) (the “**Company**”) dated 3 September 2020, which sets out, among other things, the time and venue of the EGM and contains the relevant resolutions to be proposed to the shareholders at the EGM for their consideration and approval. Unless otherwise indicated, capitalised terms used herein have the same meanings as those defined in the supplemental circular of the Company dated 3 September 2020 (the “**Supplemental Circular**”).

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the EGM will be held as originally scheduled at Conference Room, Taizhou Water Group Co., Ltd., No. 308 Yin Quan Road, Xicheng Street, Huangyan District, Taizhou, Zhejiang Province, the PRC at 2:30 p.m. on Thursday, 24 September 2020 for the purpose of considering and, if thought fit, passing the following additional resolutions, together with the other resolutions set out in the First Notice of EGM:

SPECIAL RESOLUTIONS

6. “**THAT** each of the following proposed arrangements in respect of the proposed issue of the Corporate Bonds in the PRC be and is hereby individually approved (subject to the approval of the China Securities Regulatory Commission and the conditions of the bonds market in the PRC):
- | | | |
|------|-----------------|-------------|
| (i) | Issuer: | The Company |
| (ii) | Place of issue: | The PRC |

* For identification purposes only

- | | | |
|-------|--------------------------------------|--|
| (iii) | Size of issue: | The aggregate principal amount of not more than RMB1.0 billion, in single or multiple tranche(s), issued publicly within the PRC upon the registration with the China Securities Regulatory Commission. It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine the specific issue size and issue method (including whether to issue in tranches and their respective issue size) of the Corporate Bonds according to the capital needs of the Company and the market conditions at the time of issue within the aforesaid scope. |
| (iv) | Nominal Value and Issue Price: | Par value of RMB100 and issue at par. |
| (v) | Maturity and Type: | The maturity of the Corporate Bonds shall not exceed five years (five years inclusive) with single or multiple maturity period(s). It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine the specific maturity structures of the Corporate Bonds and the offer size for Corporate Bonds with different maturity structures according to the capital needs of the Company and the market conditions at the time of issue. |
| (vi) | Coupon Rate: | The Corporate Bonds are fixed interest bonds. The coupon rate will be determined by using the book-building method. |
| (vii) | Repayment of Principal and Interest: | The Corporate Bonds will bear interest on an annual basis at simple rate rather than at compound rate. During the term of interest payment, interest will be paid annually and the total principal will be repaid in one lump sum on the maturity date together with the last interest payment. |

- (viii) Target Investors and Issue Method: The Corporate Bonds shall be issued publicly to qualified investors as specified under relevant laws and regulations. No priority placement of the Corporate Bonds will be offered to the existing Shareholders.
- (ix) Guarantee: It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine whether the Corporate Bonds shall be guaranteed as well as the relevant guarantee arrangement according to the relevant requirements and the market conditions at the time of issue.
- (x) Redemption Terms or Repurchase Terms: It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine as to whether the Corporate Bonds shall include redemption terms or repurchase terms as well as the specific contents of relevant terms according to the capital needs of the Company and market conditions at the time of issue.
- (xi) Use of Proceeds: After deducting the issue expenses, the proceeds are intended to be used to repay loans of the Company, replenish working capital of the Company and projects construction, as well as for other purposes as permitted by applicable laws and regulations. Subject to the granting of authorisation to the Board or the executive Directors at the EGM, the specific use of proceeds shall be determined by such executive Director in accordance with the capital needs of the Company within the scope approved at the EGM.
- (xii) Listing: Upon completion of the issuance, the Company will apply for listing of the Corporate Bonds on the Shanghai Stock Exchange. It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to deal with relevant matters pursuant to relevant regulations of the Shanghai Stock Exchange.

- (xiii) Source of Repayment: The Corporate Bonds shall be repaid with revenue generating from the business operation of the Company and/or credit facilities granted by financial institutions, etc.
- (xiv) Validity of the resolution: The resolution on the issue of the Corporate Bonds shall be effective from the date of approval till 24 months after the date of registration of the issue of the Corporate Bonds with the China Securities Regulatory Commission”; and

7. “**THAT** the Board or any one of the executive Directors be and is hereby generally and unconditionally authorised to handle all matters relating to the proposed issue of the Corporate Bonds, including but not limited to the following:

- (i) to formulate the specific issue plan and amend and adjust the issue terms of the Corporate Bonds in accordance with the relevant laws and regulations and the condition of the Company and the market, including but not limited to all matters in relation to the proposed issue of the Corporate Bonds such as the issue size, maturity, type, coupon rate of the Corporate Bonds and its way of determination, listing place, timing of the issue, issue arrangement (including whether the Corporate Bonds will be issued in tranches, number of tranches and issue size for each tranche), guarantee arrangement, time and ways of repayment of principal and payment of interest, rating arrangement, specific subscription method, specific placing arrangement, whether the repurchase terms or redemption terms will be set and the specific contents thereof, establishment of a custodial account for the proceeds raised, use of proceeds and proportion of proceeds thereof, guarantee measures arrangement and listing of the Corporate Bonds;
- (ii) to determine and engage the professional advisers involved in the issue of the Corporate Bonds;
- (iii) to select the bond trustee, formulate and execute the bond trustee management agreement and formulate the rules for the bondholders’ meeting;
- (iv) to handle matters in relation to the listing of the Corporate Bonds upon completion of the issue of the Corporate Bonds;
- (v) to execute contracts, agreements and documents in relation to the issue of the Corporate Bonds;

- (vi) to be responsible for implementing the issue and the listing of the Corporate Bonds, including but not limited to the authorisation, signing, execution, modification and completion of all the documents, contracts, agreements and indentures (including but not limited to the prospectus, underwriting agreement, bond trustee management agreement, other announcements and legal documents) and to make appropriate information disclosure in accordance with the relevant laws, regulations and other regulatory documents;
- (vii) save for matters which are subject to approval by the Shareholders at the general meeting in accordance with the requirements of relevant laws, regulations and the Articles of Association, to make corresponding adjustments to matters in relation to the issue of the Corporate Bonds based on the new policies and opinions issued by relevant regulatory authorities or new market conditions in case there is any change to the policies or the market conditions regarding the public issuance of the Corporate Bonds;
- (viii) to determine whether the issue of the Corporate Bonds shall proceed based on actual circumstances in the event that there is any substantial change to the market environment or the policies and regulations;
- (ix) to determine and formulate the guarantee arrangement, if any, in accordance with the relevant laws and regulations and the condition of the market;
- (x) to further improve the Company's assets and liabilities management and the liquidity management, ensuring the source of repayment and its emergency support;
- (xi) to formulate the debt repayment guarantee mechanism and the dividend distribution limitation measures;
- (xii) to deal with matters relating to the default liabilities of the Company; and
- (xiii) to determine and deal with any other matters relating to the issue and the listing of the Corporate Bonds.

The above authority granted to the Board or any one of the executive Directors shall be effective from the date of the approval at the EGM till the date of completion of the aforesaid matters.”

By order of the Board
Taizhou Water Group Co., Ltd.*
YANG Jun
Chairman

Taizhou, the PRC
3 September 2020

Notes:

1. This supplemental notice of EGM should be read in conjunction with the First Notice of EGM, the First Circular and the Supplemental Circular.
2. Save for the inclusion of the newly submitted resolutions, there are no other changes to the resolutions set out in the First Notice of EGM. Please refer to the First Notice of EGM and the First Circular for details of other resolutions to be tabled at the EGM, closure of register of members, eligibility of the EGM, the voting arrangements, the poll procedure at the EGM and other relevant matters.
3. **Form of Proxy**

Since the First Form of Proxy does not contain the additional resolutions as set out in this supplemental notice of EGM, the Second Form of Proxy has been prepared and is enclosed with this supplemental notice of EGM.

As at the date of this announcement, the executive Directors are Mr. Yang Jun and Mr. Zhang Junzhou; the non-executive Directors are Mr. Wang Haiping, Mr. Wang Haibo, Ms. Fang Ya, Mr. Yu Yangbin, Ms. Huang Yuyan, Mr. Yang Yide, Mr. Guo Dingwen and Mr. Sun Hua; and the independent non-executive Directors are Mr. Zheng Jianzhuang, Ms. Hou Meiwen, Mr. Li Wai Chung, Ms. Lin Suyan and Mr. Wang Yongyue.