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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)

INSIDE INFORMATION
PROPOSED ISSUE OF BONDS

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board hereby announces that, to cater for the business development needs of the Company, on 25 August 2021, the Board has resolved to submit to the Shareholders for consideration and approval the proposed issue of the Bonds of not more than US\$200,000,000 (or equivalent foreign currency).

PROPOSED ISSUE OF BONDS

The proposed arrangements for the issue of the Bonds are as follows:

Issuer:	The Company
Issue size:	No more than US\$200,000,000 (or equivalent foreign currency), in single or multiple tranches
Type:	Senior unsecured bonds
Term:	Not more than five years since the date of issue and can be either of single term or multiple terms. The term of issue of the Bonds will be determined subject to the capital requirement of the Company and market conditions prevailing at the time of issue.
Interest rate:	Fixed interest to be determined at the time of issue
Place of issue:	Hong Kong. The Company will apply to the Stock Exchange for the listing of, and permission to deal with the Bonds.
Target investors:	The Bonds will be offered and sold outside the United States to non-United States persons in reliance on Regulation S under the Securities Act
Use of proceeds:	For projects construction, meeting the capital needs of business development of the Company and replenishing working capital of the Company
Source of repayment:	The Bonds shall be repaid with revenue generating from the business operation of the Company and/or credit facilities granted by financial institutions, etc.

Pursuant to the relevant laws and regulations of the PRC and the Articles of Association, the issue of the Bonds is subject to the approval of the Shareholders at the General Meeting and filing and registration with the National Development and Reform Commission of the PRC and other relevant regulatory authorities.

The resolution on the issue of the Bonds shall be effective from the date of approval at the General Meeting till the completion of the issue of the Bonds.

AUTHORISATION TO THE BOARD OR THE EXECUTIVE DIRECTORS TO DEAL WITH THE MATTERS RELATING TO THE ISSUE OF THE BONDS

In order to improve the efficiency to issue the Bonds, the Board has resolved to seek for Shareholders' approval at the General Meeting and authorise the Board or the executive Directors to deal with the matters relating to the issue of the Bonds. The authorisation shall include but not limited to the following matters:

- (1) to determine and amend the issue terms, conditions and other matters in relation to the proposed issue of the Bonds, including but not limited to the issue method, type, time, size, target investors, place of listing, denominated foreign currency, maturity, coupon rate, issue price, whether the Bonds will be issued in tranches and number of tranches, termination of the issue, rating arrangement, guarantee arrangement (where applicable), establishment of a bank account and passing of the required resolutions in relation thereto and, within the scope as approved by the Shareholders at General Meeting, determine or adjust the use of proceeds;
- (2) to authorise the Board or the executive Directors to handle all matters related to the listing of the Bonds;
- (3) to determine the appointment of and payment of professional fees to intermediaries involved in the issue of the Bonds;
- (4) within the scope of the above authorisation, prepare, modify, sign, confirm, execute, report and publish all the application materials, agreements, contracts and other documents in relation to the issue of the Bonds (including but not limited to announcements, terms and conditions, offering circular, subscription agreement, trust agreement, agent agreement, engagement agreements of intermediaries, listing application documents and other disclosure documents) and handle the relevant reporting, registration, listing application and information disclosure in relation to the issue of the Bonds;
- (5) save and except for matters which shall be subject to the approval of the Shareholders in general meeting pursuant to the requirements of applicable laws, regulations and the Articles of Association, to make corresponding adjustment to the relevant matters regarding the specific plan for the issue of the Bonds according to the opinions of the regulatory authorities (if any) in the events of change in the policies of regulatory authorities or change in market condition;
- (6) to handle matters in relation to the listing of the Bonds, including but not limited to preparing, modifying and submitting the application materials as required by the relevant regulatory authorities, signing the relevant application and other legal documents, and handling the approval, registration and filing procedures of the relevant regulatory authorities and stock exchanges;
- (7) to handle other relevant matters of the issue of the Bonds including custody registration, interest payment and redemption; and

(8) to deal with any other matters relating to the issue and the listing of the Bonds.

The above authorisation shall be effective from the date of the approval at the General Meeting till the date of completion of the aforesaid matters.

REASONS AND BENEFIT FOR THE PROPOSED ISSUE OF THE BONDS

The issue of the Bonds is to cater for the business development needs of the Company. The Board considers that the issuance of Bonds will benefit the Company in ensuring the openness of the bond financing channels, optimising financing structure, reducing financing costs, maintaining financial stability and saving finance costs. Therefore, the Board considers that the proposed issue of Bonds is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL MEETING

Special resolution will be proposed at the General Meeting to be held to consider, and, if thought fit, to approve, among other things, the issue of the Bonds. A circular of the Company containing, among other things, detailed information of the issue of the Bonds and the notice of the General Meeting will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

The registration and issuance of the Bonds are subject to approval by the Shareholders at the General Meeting and the obtaining of the approval from the relevant government departments or regulatory authorities. Shareholders and potential investors of the Company should exercise caution when dealing in the shares and other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Articles of Association”	the articles of association of the Company
“Board”	the board of directors of the Company
“Bonds”	the bonds denominated in foreign currencies in an aggregate principal amount of not more than US\$200,000,000 (or equivalent foreign currency) proposed to be issued by the Company
“China” or “PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Company”	Taizhou Water Group Co., Ltd.* (台州市水務集團股份有限公司), a joint stock company established in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“General Meeting”	the general meeting of the Company to be held for the purposes of approving, among others, the special resolution on the proposed issue of Bonds by the Company
“Group”	the Company, its subsidiaries and its consolidated affiliated entities from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America
“USD” or “US\$”	United States dollars, the lawful currency of the United States of America

By order of the Board of Directors
Taizhou Water Group Co., Ltd.*
 台州市水務集團股份有限公司
Yang Jun
Chairman and Executive Director

Taizhou, the PRC
 25 August 2021

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.

* For identification purpose only