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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)

**UPDATE ON MAJOR TRANSACTIONS IN RELATION TO
ACQUISITION OF 45% EQUITY INTEREST IN
TAIZHOU WATER SUPPLY, JIAOBEI WATER SUPPLY AND
LUQIAO WATER SUPPLY**

Reference is made to the announcement of Taizhou Water Group Co., Ltd. (the “**Company**”) dated 20 May 2021 and the circular of the Company dated 24 June 2021 (the “**Circular**”) in relation to the acquisition of 45% equity interest in each of Taizhou Water Supply Co., Ltd., Taizhou Jiaobei Water Supply Co., Ltd. and Taizhou Luqiao Water Supply Co., Ltd.. Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Circular.

COMPLETION OF THE TAIZHOU WATER SUPPLY ACQUISITION AND JIAOBEI WATER SUPPLY ACQUISITION

The Board is pleased to announce that all the conditions precedent under the Jiaojiang Equity Transfer Agreement in respect of the Taizhou Water Supply Acquisition and Jiaobei Water Supply Acquisition had been fulfilled and the completion of the Taizhou Water Supply Acquisition and Jiaobei Water Supply Acquisition took place on 30 September 2021. Upon completion, the Company holds 45% equity interest in Taizhou Water Supply and Jiaobei Water Supply and each of Taizhou Water Supply and Jiaobei Water Supply will be accounted for as an associate of the Company in the consolidated financial statements of the Company.

DELAY IN COMPLETION OF THE LUQIAO WATER SUPPLY ACQUISITION

Pursuant to the terms of the Luqiao Equity Transfer Agreement, completion of the Luqiao Water Supply Acquisition is expected to take place on or before 30 September 2021. As at the date of this announcement, certain conditions precedent, in particular, the completion of the business registration for the equity transfer with the relevant industrial and commercial administration, have not yet been satisfied, and Luqiao Water Supply is undergoing the business registration change procedures.

The parties to the Luqiao Equity Transfer Agreement have agreed that the completion of the Luqiao Water Supply Acquisition will be postponed to on or before 29 October 2021 or such later date as they may further agree. Save for the above, the terms and conditions of the Luqiao Equity Transfer Agreement remain unchanged in all respects. The Company will provide further update as and when appropriate in accordance with the requirements of the Listing Rules.

By order of the Board
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
30 September 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