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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)

DELAY IN PROPOSED APPOINTMENT OF AUDITORS

This is an announcement made by Taizhou Water Group Co., Ltd. (the “**Company**”) in relation to the delay in proposed appointment of auditors of the Company.

SCHEDULED AGM AND AUDITORS APPOINTMENT REQUIREMENTS

The annual general meeting of the Company for year 2025 (the “**AGM**”) is scheduled to be held on 27 June 2025. As an H-share listed company, the Company is required to comply with both the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the laws of its place of incorporation (the “**PRC Laws**”).

Pursuant to Rule 13.88 of the Listing Rules, a listed issuer must at each annual general meeting appoint an auditor to hold office from the conclusion of that meeting until the next annual general meeting.

As advised by the PRC legal advisers of the Company, the Company shall comply with the supplier selection and supplier independence requirements in accordance with the relevant PRC Laws (including the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》)) and the Regulation on the Implementation of the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》)) and the Company's internal Procurement and Materials Management Policy (採購和物資管理制度).

In view of the above, to comply with (i) Rule 13.88 of the Listing Rules; (ii) the aforementioned PRC Laws; and (iii) the Company's internal Procurement and Materials Management Policy, the Company initiated a public tender process for the appointment of its domestic and international auditors on 16 May 2025 via the Taizhou Sunshine Procurement Platform (台州市陽光採購服務平台). Pursuant to the Taizhou Sunshine Procurement Platform Transaction Rules (Provisional) (台州市陽光採購平台交易規則(試行)), the bid opening was opened on 6 June 2025 ("**Bid Opening Date**"). Based on the Bid Opening Date, the Company originally scheduled to: (a) convene a board meeting by 13 June 2025 to propose the appointment of the successful bidders (i.e. the domestic and international auditors who won the bids); (b) publish a supplementary circular on the same date; and (c) propose the appointment of the domestic and international auditors for consideration and approval at the AGM, with the auditors to hold office from the conclusion of the AGM until the next annual general meeting.

UNFORESEEN CIRCUMSTANCES LEADING TO FAILED TENDER

On 6 June 2025 (i.e. the Bid Opening Date), the Company was notified by the tender agent Taizhou Construction Consulting Co., Ltd. (台州市建設諮詢有限公司) that one of the three bidding accounting firms bidding for the international auditor role was disqualified due to certain errors found in its submitted documentations (which were unrelated to and outside the control of the Company) ("**Notification**"). As a result, the number of qualified bidders for the international auditor role fell below the minimum threshold of three under the relevant PRC Laws, rendering the tender process for the international auditor role invalid ("**Unforeseeable Failed Tender**"). For the avoidance of doubt, the tender process for the role of the domestic auditor of the Company was succeeded.

The Company, as soon as it received the Notification, actively negotiated with the tender agent, re-prepared the tender documents, relaunched the tender process for bidding for the international auditor role, and issued a new tender announcement on the Taizhou Sunshine Procurement Service Platform on 9 June 2025 for bidding for its international auditor role ("**New Bid**"). Pursuant to the Taizhou Sunshine Procurement Platform Transaction Rules (Provisional), the minimum tender period for an open tender is no less than seven days (including at least five working days) from the announcement date to the bid submission deadline. As a result, the opening for the New Bid will inevitably occur after 13 June 2025 (the latest date for issuing the AGM supplementary circular to propose any resolution to be considered and approved by the shareholders of the Company at the AGM), with the New Bid opening scheduled for 17 June 2025. Therefore, to ensure compliance with both the applicable PRC laws and regulations governing auditor appointments and the Company's internal policy, the proposed resolution regarding the auditor appointment cannot be processed in time for submission to and consideration by shareholders at the AGM.

PROPOSED APPOINTMENT OF AUDITORS AT THE EGM

The terms of office of Pan-China Certified Public Accountants LLP (天健會計師事務所 (特殊普通合夥)), the domestic auditor of the Company, and Ernst & Young, the international auditor of the Company, will expire upon the conclusion of the AGM. Given the reasons stated above and having considered that the short delay in appointment of the domestic and international auditors will not affect their review work concerning the Group's interim results for the six months ending 30 June 2025, the Company has decided that the resolutions for appointment of auditors (both domestic and international auditors) of the Company and the fixing of their respective remuneration will be considered at another general meeting to be held subsequent to the AGM.

Subject to (1) the successful completion of the New Bid, (2) the successful publication of the formal announcement of the New Bid's tender results on 17 June 2025, and (3) no objections being raised during the public notice period for the New Bid's tender results from 18 June to 20 June 2025, the Company expects to hold a board meeting on 27 June 2025, to propose the appointment of the successful bidders (i.e. the domestic and international auditors who won the bids) at an extraordinary general meeting (“**EGM**”) to be held on or around 18 July 2025.

Further announcement(s) will be issued by the Company as and when appropriate. A circular containing, among other things, details of the proposed appointment of the domestic and international auditors and a notice convening the EGM will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

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
13 June 2025

As at the date of this announcement, the executive Directors are Mr. Yang Jun and Mr. Pan Gang; the non-executive Directors are Mr. Lin Genman, Ms. Fang Ya, Mr. Yu Yangbin, Mr. Yang Yide, Mr. Lin Yang, Mr. Shao Aiping and Ms. Ying Nan; and the independent non-executive Directors are Mr. Huang Chun, Ms. Hou Meiwen, Mr. Li Wai Chung, Ms. Lin Suyan and Mr. Wang Yongyue.

* For identification purpose only