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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)

PROPOSED APPOINTMENT OF AUDITORS

This announcement is made by the board of directors (the “**Board**”) of Taizhou Water Group Co., Ltd. (the “**Company**”) in pursuance of Rule 13.51(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Reference is made to the announcement of the Company dated 13 June 2025 in relation to the delay in proposed appointment of auditors of the Company (the “**Announcement**”).

PROPOSED APPOINTMENT OF AUDITORS

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 (the “**Pan-China**”), and Ernst & Young, the international auditor of the Company (the “**EY**”), have expired immediately following the conclusion of the AGM.

As advised by the PRC legal advisers of the Company and as disclosed in the Announcement, 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). Therefore, the Company initiated a public tender process for the appointment of its domestic and international auditors on 16 May 2025 (the “**First Bid**”).

As Pan-China has served the Company consecutively for ten years, in accordance with the Notice on the Issuance of the “Administrative Measures for the Selection and Appointment of Accounting Firms by State-Owned Enterprises and Listed Companies” (關於印發《國有企業、上市公司選聘會計師事務所管理辦法》的通知) jointly issued by the Ministry of Finance of the People’s Republic of China (中國財政部), the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), and the China Securities Regulatory Commission (中國證監會) on 20 February 2023, the duration of cooperation between Pan-China and the Company has reached the maximum permissible term of ten (10) years. Consequently, Pan-China could not and did not participate in the First Bid. Pan-China has confirmed that there are no matters in relation to the end of the term that need to be brought to the attention of the Shareholders. The Board and the Audit Committee have also confirmed that there are no disagreement between the Company and Pan-China, and there are no other matter in respect of its end of term that need to be brought to the attention of the Shareholders.

The tender process for the role of the domestic auditor of the Company at the First Bid was succeeded, with Grant Thornton International Ltd. (致同會計師事務所) (“GTIL”) awarded the bid.

As disclosed in the Announcement, followed by the Unforeseeable Failed Tender, the Company initiated the New Bid on 9 June 2025. Based on the result of the New Bid, EY was awarded the bid.

Based on the results of the First Bid and the New Bid and with the approval of the audit committee of the Board the (“**Audit Committee**”), the Board resolved on 27 June 2025 to propose the appointment of GTIL as the domestic auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and the re-appointment of EY as the international auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and the authorization to the Board to fix their respective remunerations. These resolutions are subject to the consideration and approval by the shareholders of the Company at the EGM as ordinary resolutions.

The Audit Committee has considered various factors when evaluating the appointment of GTIL and the re-appointment of EY as the domestic and international auditors of the Company, including but not limited to (i) their audit work plans for the year ending 31 December 2025; (ii) their organizational structure and performance metrics; (iii) their integrity, independence and objectivity; (iv) their proposed audit fees; and (v) their qualifications and expertise. Based on the above, the Board and the Audit Committee have evaluated and are of the view that: (i) each of GTIL and EY is independent, qualified, and suitable to serve as the domestic and international auditors of the Company; (ii) given the Group’s size, structure and business complexity, the audit fees agreed upon with each of GTIL and EY are deemed to be fair, reasonable and consistent with prevailing market standards; and (iii) the appointment of each of GTIL and EY may ensure audit quality, and complies with the interests of the Company and the Shareholders as a whole.

The Board is not aware of any matters in relation to the proposed change of auditors that need to be brought to the attention of the shareholders of the Company.

The Board would like to express its sincere gratitude to Pan-China for the professional and quality services rendered to the Company during their term of office.

GENERAL

A circular containing, amongst others, details of the proposed appointment of GTIL and the re-appointment of EY as the new auditors of the Company will be despatched to the shareholders of the Company on or around 27 June 2025.

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
27 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, Ms. Ying Nan and Mr. Ye Xiaofeng; 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*