THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Taizhou Water Group Co., Ltd.**, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

(1) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND MEMBER OF NOMINATION COMMITTEE;
(2) PROPOSED ISSUANCE OF DEBT FINANCING NOTES THROUGH PRIVATE PLACEMENT;
(3) PROPOSED AUTHORISATION TO THE BOARD OR THE EXECUTIVE DIRECTORS TO DEAL WITH THE MATTERS RELATING TO THE ISSUE OF THE 2025 PRIVATE PLACEMENT NOTES;
(4) PROPOSED INCREASE IN REGISTERED CAPITAL TO A SUBSIDIARY; AND
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 4 to 14 of this circular.

A notice convening the EGM of the Company to be held at Conference Room, Taizhou Water Group Co., Ltd., No. 308 Yin Quan Road, Xicheng Street, Huangyan District, Taizhou, Zhejiang Province, the PRC at 3:30 p.m. on Friday, 30 January 2026 is set out on pages EGM-1 to EGM-7 of this circular. A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you intend to attend and vote at the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the H Share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in respect of holders of H Shares), or to the Company's registered office in the PRC at No. 308 Yin Quan Road, Xicheng Street, Huangyan District, Taizhou, Zhejiang Province, the PRC (in respect of holders of Domestic Shares) as soon as possible but in any event by not later than 24 hours before the time appointed for holding of the EGM (i.e. before 3:30 p.m. on Thursday, 29 January 2026) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

* *For identification purposes only*

15 January 2026

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"2025 Private Placement Notes"	debt financing notes issued through private placement with an aggregate principal amount of not more than RMB1.0 billion proposed to be approved by the Shareholders by way of special resolution at the extraordinary general meeting of the Company
"Articles of Association"	the articles of association of the Company, as amended from time to time
"Binhai Water"	Taizhou Binhai Water Co., Ltd.* (台州市濱海水務有限公司), a limited liability company established in the PRC on 7 June 2016 and a subsidiary of the Company owned as to 51% by the Company and 49% by Taizhou City Water, the Company's subsidiary, as at the Latest Practicable Date
"Board" or "Board of Directors"	the board of Directors of the Company
"Business Day(s)"	a day (excluding Saturday, Sunday and public holiday in the PRC) on which commercial banks are open for business in the PRC
"Chairman"	the chairman of the Board
"China" or "PRC"	the People's Republic of China, but for the purpose of this circular and for geographical reference only and except where the context requires, references in this circular to "China" and the "PRC" do not apply to Taiwan, Macau Special Administrative Region and Hong Kong
"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 (stock code: 1542)
"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	issued ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB

"EGM"	the extraordinary general meeting of the Company to be held at Conference Room, Taizhou Water Group Co., Ltd., No. 308 Yin Quan Road, Xicheng Street, Huangyan District, Taizhou, Zhejiang Province, the PRC at 3:30 p.m. on Friday, 30 January 2026
"Group", "we" or "our"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in HKD
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	4 January 2026, being the latest practicable date prior to the publication of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Notice of EGM"	the notice convening the EGM set out on pages EGM-1 to EGM-7 of this circular
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the Domestic Share(s) and/or the H Share(s)
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary/(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules

"Taizhou City Water"	Taizhou City Water Co., Ltd.* (台州城市水務有限公司), a limited liability company established in the PRC on 30 September 2003 and a subsidiary of the Company owned as to 82% by the Company and 18% by Wenling Water Group Co., Ltd.* (溫嶺市水務集團有限公司), respectively, as at the Latest Practicable Date
"%"	per cent

* *For identification purposes only*

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)

Executive Directors:
Mr. Yang Jun *(Chairman)*
Mr. Pan Gang

Non-executive Directors:
Mr. Lin Genman
Ms. Fang Ya
Mr. Yu Yangbin
Mr. Lin Yang
Mr. Shao Aiping
Ms. Ying Nan
Mr. Ye Xiaofeng

Independent Non-executive Directors:
Mr. Huang Chun
Ms. Lin Suyan
Ms. Hou Meiwen
Mr. Li Wai Chung
Mr. Wang Yongyue

Registered Office and Principal Place of Business in the PRC:
No. 308 Yin Quan Road
Xicheng Street
Huangyan District
Taizhou, Zhejiang Province
PRC

Principal Place of Business in Hong Kong:
19/F., Golden Centre
188 Des Voeux Road Central
Hong Kong

15 January 2026

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND MEMBER OF NOMINATION COMMITTEE;
(2) PROPOSED ISSUANCE OF DEBT FINANCING NOTES THROUGH PRIVATE PLACEMENT;
(3) PROPOSED AUTHORISATION TO THE BOARD OR THE EXECUTIVE DIRECTORS TO DEAL WITH THE MATTERS RELATING TO THE ISSUE OF THE 2025 PRIVATE PLACEMENT NOTES;
(4) PROPOSED INCREASE IN REGISTERED CAPITAL TO A SUBSIDIARY; AND
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING

* *For identification purposes only*

1. INTRODUCTION

Reference is made to the announcement of the Company dated 5 December 2025 in relation to, among others, (i) the proposed appointment of non-executive director and member of the Nomination Committee; (ii) the proposed issuance of the 2025 Private Placement Notes; (iii) the proposed authorisation to the Board or the executive Directors to deal with the matters relating to the issue of the 2025 Private Placement Notes; and (iv) the proposed increase in registered capital to a subsidiary.

The purpose of this circular is to give you the notice of the EGM and to provide you with information regarding the resolutions to be proposed at the EGM to enable you to make an informed decision on whether to vote for or against the resolutions at the EGM.

2. PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND MEMBER OF NOMINATION COMMITTEE

The Board has proposed to elect Mr. Yang Feng (楊峰) ("**Mr. Yang**") as a non-executive Director and a member of the Nomination Committee for a term commencing from the date of approval at the EGM until the expiration of the term of the sixth session of the Board. The appointment of Mr. Yang will only become effective after being approved by the Shareholders at the EGM.

The biographical details of Mr. Yang are as follows:

Mr. Yang Feng (楊峰), aged 49, graduated from Zhejiang Economic and Trade School (浙江經濟貿易學校) in July 1994. Mr. Yang has served as: (i) a staff of Wenling Pipeline Liquefied Gas Company (溫嶺市管道液化氣公司) from July 1994 to November 2001; and (ii) a staff of Zhejiang Zhijiang Group., LTD (浙江之江集團有限公司) from November 2001 to January 2009. Since January 2009, Mr. Yang has been serving as the chairman and general manager of Wenling Deyuan Education Technology Co., Ltd (溫嶺市德源教育科技有限公司). Since August 2008, he has been serving as a director of Zhejiang Mingji Real Estate Co., Ltd (浙江銘基置業有限公司). He has been serving as a director and the general manager of Taizhou Development Investment Co., Ltd and the chairman and the general manager of Qufeng Holdings Limited (渠豐控股有限公司) since August 2018 and September 2025, respectively. Mr. Yang is the son of the late Mr. Yang Yide, who was a non-executive Director before he passed away on 23 October 2025.

Mr. Yang will not be entitled to remuneration for acting as a non-executive Director of the Company.

As of the Latest Practicable Date, Mr. Yang is interested in 51% of the shares of Qufeng Holdings Limited, which in turn holds 10,058,338 Domestic Shares of the Company, representing approximately 5.03% of the total issued Shares of the Company.

Save as disclosed above, Mr. Yang confirmed that, (1) he does not hold any other positions in the Company or any of its subsidiaries and also has not served as a director nor a supervisor in any other listed companies in the past three years; (2) he does not have

any relationship with any other directors, supervisors, senior management or substantial or controlling shareholders of the Company or any of its subsidiaries; and (3) he does not have any interest in any shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as at the Latest Practicable Date.

Save as disclosed above, Mr. Yang confirmed that, there is no other information that needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters concerning the appointment of Mr. Yang as a non-executive Director that need to be brought to the attention of the Shareholders.

The resolution in respect of the appointment of Mr. Yang as a non-executive Director of the sixth session of the Board will be proposed at the EGM for consideration and approval by the Shareholders. In the event that Mr. Yang is appointed as a non-executive Director at the EGM, the Company will enter into a service agreement with Mr. Yang. Mr. Yang will be subject to retirement and re-election in accordance with the Articles of Association upon expiry of his term of office.

3. PROPOSED ISSUANCE OF DEBT FINANCING NOTES THROUGH PRIVATE PLACEMENT

a. Background

In order to optimize the capital structure of the Company, reduce the financial costs, and further improve the comprehensive strength of the Company, the issuance of debt financing notes through private placement was approved by the Shareholders by way of special resolution at the extraordinary general meeting of the Company held on 23 December 2022 (the "**2022 Private Placement Notes**"). In June 2023, the 2022 Private Placement Notes received approval by the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) of the PRC, with a registered principal amount not exceeding RMB1.0 billion. As of the Latest Practicable Date, the Group has issued a total of three private placement notes, each amounting to RMB150 million. There remains one outstanding debt financing note due on 7 January 2026.

Given that the approvals for the issuance of private placements notes from the National Association of Financial Market Institutional Investors and the Shareholders have expired in June 2025, in order to ensure the smooth operation of the Group's subsequent financing channels and meet the capital requirements for business development, on 5 December 2025, the Board has resolved to submit to the Shareholders for consideration and approval the proposed re-application for the quota of registration of debt financing notes in the National Association of Financial Market Institutional Investors of the PRC with the registered principal amount of no more than RMB1.0 billion in the PRC and the issue of such debt financing notes through private placement (i.e. the 2025 Private Placement Notes) in accordance with the Articles of Association, the PRC Company Law, the PRC Securities Law and other relevant laws and regulations and subject to the business development and financial needs of the Company.

b. Proposed issuance of the 2025 Private Placement Notes

The proposed arrangements for the issuance of 2025 Private Placement Notes are as follows:

Issuer:	The Company
Place of issue:	The PRC
Size of issue:	The aggregate principal amount of not more than RMB1.0 billion, in single or multiple tranche(s), issued privately within the PRC upon the registration with the National Association of Financial Market Institutional Investors of the PRC. 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 2025 Private Placement Notes according to the capital needs of the Company and the market conditions at the time of issue within the aforesaid scope.
Nominal value and issue price:	Nominal value of RMB100 and issue price will be determined based on nominal value.
Maturity:	The term of the 2025 Private Placement Notes shall not exceed three years (three years inclusive), which can either be in a single or mixture of various maturity categories. 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 2025 Private Placement Notes and the offer size for the 2025 Private Placement Notes with different maturity structures according to the capital needs of the Company and the market conditions at the time of issue.

Coupon rate:	The 2025 Private Placement Notes are in the form of fixed interest rate. The coupon rate will be determined by using the bookbuilding method. It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine whether the 2025 Private Placement Notes are accompanied by the option to adjust the coupon rate, the option to sell back and the specific terms according to the capital needs of the Company and the market conditions at the time of issue.
Repayment of principal and interest:	The 2025 Private Placement Notes will bear interest on an annual basis at a simple rate rather than at a 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.
Target investors and issue method:	The 2025 Private Placement Notes shall be issued to qualified investors who satisfied the conditions stipulated in the "Special Institutional Investors Selection Rules for Targeted Debt Financing Instruments (2020 Edition)" (《定向債務融資工具專項機構投資人遴選細則(2020版)》) and "List of Investors for Special Institutions for Targeted Debt Financing Instruments" (《定向債務融資工具專項機構投資人名單》) and can participate in bond subscription and transfer (except for those prohibited by national laws and regulations). The bonds will not be preferentially allocated to the current Shareholders.
Guarantee:	It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine whether the 2025 Private Placement Notes shall be guaranteed as well as the relevant guarantee arrangement according to the relevant requirements and the market conditions at the time of issue.

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 fund 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 the Board or such executive Director in accordance with the actual needs of the Company.
Listing:	Upon completion of the issuance of the 2025 Private Placement Notes, the Company will apply to the National Interbank Funding Center (全國銀行間同業拆借中心) for listing and trading of the 2025 Private Placement Notes. 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 National Association of Financial Market Institutional Investors and the National Interbank Funding Center.
Source of repayment:	The 2025 Private Placement Notes shall be repaid with revenue generating from the business operation of the Company and/ or credit facilities granted by financial institutions, etc.
Bond labeling status:	If the issuance of the 2025 Private Placement Notes meets the conditions for labeling as green bonds after review by professional institutions, it will be issued in the form of labeled green bonds, and the corresponding use of raised funds will be adjusted accordingly based on the main project conditions. It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine the issuance of labeled green bonds and project selection according to the capital needs of the Company and the market conditions at the time of issue.

The resolution on the issue of the 2025 Private Placement Notes shall be effective from the date of approval at the EGM till 24 months after the date of registration of the issue of the 2025 Private Placement Notes with the National Association of Financial Market Institutional Investors.

The proposed issue of the 2025 Private Placement Notes is, if approved at the EGM, still subject to necessary approvals by and registration with the National Association of Financial Market Institutional Investors and/or other relevant regulatory authorities.

c. Reasons for and Benefits of the Proposed Issuance of the 2025 Private Placement Notes

The issue of the 2025 Private Placement Notes is to optimize the capital structure of the Company, reduce the financial costs, and further improve the comprehensive strength of the Company. The Board considers that the issuance of 2025 Private Placement Notes will benefit the Company in ensuring the openness of the bond financing channels, optimizing financing structure, reducing financing costs, maintaining financial stability and saving finance costs. Therefore, the Board considers that the proposed issue of the 2025 Private Placement Notes is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. PROPOSED AUTHORISATION TO THE BOARD OR THE EXECUTIVE DIRECTORS TO DEAL WITH THE MATTERS RELATING TO THE ISSUE OF THE 2025 PRIVATE PLACEMENT NOTES

In order to improve the efficiency to issue the 2025 Private Placement Notes, the Board has resolved to seek for Shareholders' approval at the EGM and authorise the Board or the executive Directors to deal with the matters relating to the issue of the 2025 Private Placement Notes. The authorisation shall include but not limit to the following matters:

(1) to formulate the specific issue plan and amend and adjust the issue terms of the 2025 Private Placement Notes 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 2025 Private Placement Notes such as the issue size, maturity, type, coupon rate of the 2025 Private Placement Notes and its way of determination, listing place, timing of the issue, issue arrangement (including whether the 2025 Private Placement Notes 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 2025 Private Placement Notes;

(2) to determine and engage the professional advisers involved in the issue of the 2025 Private Placement Notes;

(3) to select the bond trustee, formulate and execute the bond trustee management agreement and formulate the rules for the bondholders' meeting;

(4) to handle matters in relation to the listing of the 2025 Private Placement Notes upon completion of the issue of the 2025 Private Placement Notes;

(5) to execute contracts, agreements and documents in relation to the issue of the 2025 Private Placement Notes;

(6) to be responsible for implementing the issuance application and the listing of the 2025 Private Placement Notes, including but not limited to the formulation, approval, 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, fundraising supervision agreement and other announcements and legal documents) and to make appropriate information disclosure in accordance with the relevant laws, regulations and other regulatory documents;

(7) 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 2025 Private Placement Notes 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 issuance of the 2025 Private Placement Notes;

(8) to determine whether the issue of the 2025 Private Placement Notes shall proceed based on actual circumstances in the event that there is any substantial change to the market environment or the policies and regulations;

(9) to determine whether the 2025 Private Placement Notes shall be guaranteed and formulate the guarantee arrangement, if any, in accordance with the relevant laws and regulations and the condition of the market;

(10) to further improve the Company's assets and liabilities management and the liquidity management, ensuring the source of repayment and its emergency support;

(11) to formulate the debt repayment guarantee mechanism and the dividend distribution limitation measures;

(12) to deal with matters relating to the default liabilities of the Company; and

(13) to determine and deal with any other matters relating to the issue and the listing of the 2025 Private Placement Notes.

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.

5. PROPOSED INCREASE IN REGISTERED CAPITAL TO A SUBSIDIARY

Binhai Water was established on 7 June 2016, with a registered capital of RMB300 million. It is a subsidiary of the Company owned as to 51% by the Company and 49% by Taizhou City Water, as at the Latest Practicable Date. As of the Latest Practicable Date, Binhai Water has a paid-in capital of RMB300 million. It is principally engaged in the financing construction and operation management of the water diversion project in Taizhou (the "**Water Diversion Project**"), which has commenced supply of water since October 2022.

Based on the current operation conditions of Binhai Water, on 5 December 2025, the Board has considered and approved the capital increase of RMB300 million by the Company to Binhai Water (the "**Capital Increase**"), with RMB153 million and RMB147 million to be paid by the Company and Taizhou City Water, respectively. Immediately after the Capital Increase, registered capital of Binhai Water shall be increased to RMB600 million. The Capital Increase shall be subject to approval by the Shareholders by way of ordinary resolution at the EGM.

The Capital Increase will be strategically directed towards upgrading infrastructure, optimizing operational capabilities, and enhancing a variety of water management solutions. The Company believes that the capital investment will significantly strengthen the core operations and management practices associated with the Water Diversion Project, thereby improving overall operational effectiveness, which aligns with the Company's long-term strategic objectives and the overall interests of the Company and the Shareholders as a whole.

6. EGM

An EGM will be convened to consider, and if thought fit, to approve (i) the proposed election of Mr. Yang as a non-executive Director; (ii) the issue of the 2025 Private Placement Notes; (iii) the authorisation to the Board and the executive Directors to deal with the matters relating to the issue of the 2025 Private Placement Notes; and (iv) the increase in registered capital of Binhai Water.

To the best of the knowledge, information and belief of the Directors, as at the Latest Practicable Date, Qufeng Holdings Limited, which is owned by Mr. Yang Feng as to 51% and in turn holds 10,058,338 Domestic Shares of the Company, representing approximately 5.03% of the total issued Shares of the Company, will abstain from voting at the EGM regarding the proposed appointment of Mr. Yang Feng as a non-executive Director. To the best of the knowledge, information and belief of the Directors, and saved as disclosed above, no other Shareholder is required to abstain from voting at the EGM.

7. CLOSURE OF REGISTER OF MEMBERS AND ACTIONS TO BE TAKEN

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 27 January 2026 to Friday, 30 January 2026 (both days inclusive), during which period no transfer of Shares will be effected. In order to be eligible for attending the EGM, all completed transfer forms accomplished by the relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Monday, 26 January 2026.

Whether or not you intend to attend and vote at the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the H Share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in respect of holders of H Shares), or to the Company's registered office in the PRC at No. 308 Yin Quan Road, Xicheng Street, Huangyan District, Taizhou, Zhejiang Province, the PRC (in respect of holders of Domestic Shares) as soon as possible but in any event by not later than 24 hours before the time appointed for holding of the EGM (i.e. before 3:30 p.m. on Thursday, 29 January 2026) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

If you intend to attend the EGM in person or by proxy, you are required to complete the enclosed reply slip and return the same to Computershare Hong Kong Investor Services Limited (in respect of holders of H Shares) and the Company's registered office in the PRC (in respect of holders of Domestic Shares) on or before Friday, 23 January 2026.

8. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, voting by any Shareholders at a general meeting shall be by way of poll, except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the general meeting shall require each of the resolutions proposed at the EGM to be voted by way of poll according to the Articles of Association.

During voting by way of poll, each Shareholder who attends in person or by proxy (or if the Shareholder is a company, then its officially authorised representative) may have one vote for each Share recorded under his/her/its name as set out in the register of members of the Company. The Company will announce the poll results after the EGM in the manner as stipulated under Rule 13.39(5) of the Listing Rules.

9. RECOMMENDATION

The Directors consider that resolutions referred to in this circular and in the Notice of EGM for consideration and approval by Shareholders are in the interests of our Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions as set out in the Notice of EGM.

10. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular or this circular misleading.

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

* *For identification purposes only*

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)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the "**EGM**") of Taizhou Water Group Co., Ltd.* (台州市水務集團股份有限公司) (the "**Company**") will be held at Conference Room, Taizhou Water Group Co., Ltd., No. 308 Yin Quan Road, Xicheng Street, Huangyan District, Taizhou, Zhejiang Province, the PRC at 3:30 p.m. on Friday, 30 January 2026 to consider and, if thought fit, to pass, with or without modifications, the following resolutions of the Company. Unless otherwise stated, capitalised terms used in this notice shall have the same meanings as defined in the circular of the Company dated 15 January 2026.

ORDINARY RESOLUTION

1. To consider and approve the appointment of Mr. Yang Feng as a non-executive Director and authorise the Board to determine his remuneration.

SPECIAL RESOLUTIONS

2. "**THAT** each of the following proposed arrangements in respect of the proposed issuance of the 2025 Private Placement Notes in the PRC be and is hereby individually approved (subject to the necessary approvals by and registration with the National Association of Financial Market Institutional Investors and/or other relevant regulatory authorities):

   Issuer: The Company

   Place of issue: The PRC

* *For identification purpose only*

Size of issue:	The aggregate principal amount of not more than RMB1.0 billion, in single or multiple tranche(s), issued privately within the PRC upon the registration with the National Association of Financial Market Institutional Investors of the PRC. 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 2025 Private Placement Notes according to the capital needs of the Company and the market conditions at the time of issue within the aforesaid scope.
Nominal value and issue price:	Nominal value of RMB100 and issue price will be determined based on nominal value.
Maturity:	The term of the 2025 Private Placement Notes shall not exceed three years (three years inclusive), which can either be in a single or mixture of various maturity categories. 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 2025 Private Placement Notes and the offer size for the 2025 Private Placement Notes with different maturity structures according to the capital needs of the Company and the market conditions at the time of issue.
Coupon rate:	The 2025 Private Placement Notes are in the form of fixed interest rate. The coupon rate will be determined by using the bookbuilding method. It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine whether the 2025 Private Placement Notes are accompanied by the option to adjust the coupon rate, the option to sell back and the specific terms according to the capital needs of the Company and the market conditions at the time of issue.
Repayment of principal and interest:	The 2025 Private Placement Notes will bear interest on an annual basis at a simple rate rather than at a 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.

Target investors and issue method:	The 2025 Private Placement Notes shall be issued to qualified investors who satisfied the conditions stipulated in the "Special Institutional Investors Selection Rules for Targeted Debt Financing Instruments (2020 Edition)" (《定向債務融資工具專項機構投資人遴選細則(2020版)》) and "List of Investors for Special Institutions for Targeted Debt Financing Instruments" (《定向債務融資工具專項機構投資人名單》) and can participate in bond subscription and transfer (except for those prohibited by national laws and regulations). The bonds will not be preferentially allocated to the current Shareholders.
Guarantee:	It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine whether the 2025 Private Placement Notes shall be guaranteed as well as the relevant guarantee arrangement according to the relevant requirements and the market conditions at the time of issue.
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 fund 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 the Board or such executive Director in accordance with the actual needs of the Company.
Listing:	Upon completion of the issuance of the 2025 Private Placement Notes, the Company will apply to the National Interbank Funding Center (全國銀行間同業拆借中心) for listing and trading of the 2025 Private Placement Notes. 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 National Association of Financial Market Institutional Investors and the National Interbank Funding Center.
Source of repayment:	The 2025 Private Placement Notes shall be repaid with revenue generating from the business operation of the Company and/ or credit facilities granted by financial institutions, etc.

Bond labeling status: If the issuance of the 2025 Private Placement Notes meets the conditions for labeling as green bonds after review by professional institutions, it will be issued in the form of labeled green bonds, and the corresponding use of raised funds will be adjusted accordingly based on the main project conditions. It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine the issuance of labeled green bonds and project selection according to the capital needs of the Company and the market conditions at the time of issue."

3. "**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 2025 Private Placement Notes, including but not limited to the following:

(1) to formulate the specific issue plan and amend and adjust the issue terms of the 2025 Private Placement Notes 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 2025 Private Placement Notes such as the issue size, maturity, type, coupon rate of the Private Placement Notes and its way of determination, listing place, timing of the issue, issue arrangement (including whether the Private Placement Notes 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 Private Placement Notes;

(2) to determine and engage the professional advisers involved in the issue of the 2025 Private Placement Notes;

(3) to select the bond trustee, formulate and execute the bond trustee management agreement and formulate the rules for the bondholders' meeting;

(4) to handle matters in relation to the listing of the Private Placement Notes upon completion of the issue of the 2025 Private Placement Notes;

(5) to execute contracts, agreements and documents in relation to the issue of the 2025 Private Placement Notes;

(6) to be responsible for implementing the issuance application and the listing of the 2025 Private Placement Notes, including but not limited to the formulation, approval, 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, fundraising supervision agreement and other announcements and legal documents) and to make appropriate information disclosure in accordance with the relevant laws, regulations and other regulatory documents;

(7) 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 Private Placement Notes 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 issuance of the Private Placement Notes;

(8) to determine whether the issue of the 2025 Private Placement Notes shall proceed based on actual circumstances in the event that there is any substantial change to the market environment or the policies and regulations;

(9) to determine whether the 2025 Private Placement Notes shall be guaranteed and formulate the guarantee arrangement, if any, in accordance with the relevant laws and regulations and the condition of the market;

(10) to further improve the Company's assets and liabilities management and the liquidity management, ensuring the source of repayment and its emergency support;

(11) to formulate the debt repayment guarantee mechanism and the dividend distribution limitation measures;

(12) to deal with matters relating to the default liabilities of the Company; and

(13) to determine and deal with any other matters relating to the issue and the listing of the 2025 Private Placement Notes.

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."

ORDINARY RESOLUTION

4. To approve the increase in registered capital of Taizhou Binhai Water Co., Ltd.* (台州市濱海水務有限公司) to RMB600 million.

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

Taizhou, the PRC
15 January 2026

Notes:

1. For details of the resolutions to be approved in this EGM, please refer to the circular.

2. The register of members of the Company will be closed from Tuesday, 27 January 2026 to Friday, 30 January 2026 (both days inclusive), during which period no transfer of shares of the Company (the "**Shares**") will be effected. In order to be qualified to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company, namely Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, 26 January 2026.

3. Shareholders of the Company (the "**Shareholders**") who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and, in the event of a poll, vote on their behalf. A proxy needs not be a Shareholder.

4. Shareholder shall entrust a proxy by a written form of proxy which shall be signed by such Shareholder or an agent entrusted by such Shareholder under the hand of a Shareholder in writing. If the Shareholder is a legal person, the power of attorney shall be affixed with its official seal or signed by its director or an agent or other personnel officially entrusted thereby. Such power of attorney shall specify the number of Shares held by the Shareholder represented by each proxy.

5. In order to be valid, the form of proxy must be deposited, for the holders of H Shares, to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or, for the holders of Domestic Shares, to the Company's registered office in the PRC, not less than 24 hours prior to the commencement of the EGM (i.e. before 3:30 p.m. on Thursday, 29 January 2026). If the proxy form is signed by a person authorised by the Shareholder, the power of attorney or other authorisation documents shall be notarised. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meetings should you so wish.

6. Shareholders shall show their identity papers when attending the EGM. A proxy, who is on behalf of a Shareholder, shall show his/her identity paper, proxy form and a copy of identity paper of the Shareholder.

7. Corporate Shareholder shall appoint its legal representative or authorised representative to attend the EGM. Such person shall show his/her identity paper and a copy of corporate's business certificate affixed with its official seal. If corporate Shareholders appoint authorised representative to attend the EGM, the authorised representative shall show his/her identity paper, the original document of power of attorney issued by the such legal person and a copy of corporate's business certificate affixed with its official seal (except for a clearing house or its proxy).

8. Shareholders who intend to attend the EGM should complete and return the reply slip in writing by hand or by post to the H Share registrar of the Company, namely Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) or the registered office of the Company in the PRC (for holders of Domestic Shares) on or before Friday, 23 January 2026.

9. The EGM is expected to take less than half a day. Shareholders who attend the EGM shall be responsible for their own travel and accommodation expenses.

10. The name and address of the Company's H Share registrar in Hong Kong is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

11. The registered office of the Company in the PRC is as follows:

No. 308 Yin Quan Road
Xicheng Street
Huangyan District
Taizhou, Zhejiang Province
PRC

12. If more than one of joint Shareholders attend the meeting, whether in person or by proxy, the vote of the senior joint Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.

As at the date of this notice, 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. 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.