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) REVISION OF THE ANNUAL CAPS OF THE 2025 WENLING WATER SUPPLY FRAMEWORK AGREEMENT; AND (2) PROPOSED CHANGE OF NON-EXECUTIVE DIRECTORS AND AN INDEPENDENT NON-EXECUTIVE DIRECTOR, AND CHANGES IN COMPOSITION OF BOARD COMMITTEES

REVISION OF THE ANNUAL CAPS OF THE 2025 WENLING WATER SUPPLY FRAMEWORK AGREEMENT

Reference is made to the announcement of Taizhou Water Group Co., Ltd. (the "**Company**") dated 27 September 2024 (the "**Announcement**") in relation to, among other things, the 2025 Wenling Water Supply Framework Agreement entered into between the Company and Wenling Water Supply and the annual caps for the transactions in relation to raw water supply services for the three years ending 31 December 2027 contemplated thereunder (the "**Existing Annual Caps**"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the expected annual caps for the transactions in relation to raw water supply services contemplated under the 2025 Wenling Water Supply Framework Agreement for the years ending 31 December 2026 and 31 December 2027 is RMB24,000,000 and RMB25,000,000, respectively (the "**2026&2027 Existing Annual Caps**"). Based on the actual volume of raw water provided by the Group to Wenling Water Supply, the actual transaction amount for each of the two years ending 31 December 2026 and 31 December 2027 is expected to exceed the 2026&2027 Existing Annual Caps. Accordingly, on 21 August 2026, the Board resolved to enter into a supplemental agreement to the 2025 Wenling Water Supply Framework Agreement ("**Supplemental 2025 Wenling Water Supply Framework Agreement**") to revise the 2026&2027 Existing Annual Caps for the two years ending 31 December 2027. Save for the revision of the 2026&2027 Existing Annual Caps, all other terms and provisions of the 2025 Wenling Water Supply Framework Agreement shall remain in full force and effect.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Wenling Water Supply is a wholly-owned subsidiary of Wenling Water Group Co., Ltd.* (溫嶺市水務集團有限公司) (the "**Wenling Water Group**"), which holds 18% equity interest in Taizhou City Water, a subsidiary of the Company. Hence, Wenling Water Supply is a connected person at the subsidiary level of the Company. As (i) the Board has approved the transactions contemplated under the Supplemental 2025 Wenling Water Supply Framework Agreement; and (ii) the independent non-executive Directors have confirmed that the terms of the transactions contemplated under the Supplemental 2025 Wenling Water Supply Framework Agreement are fair and reasonable, on normal commercial terms in the ordinary and normal course of business of the Group and in the interests of the Company and the Shareholders as a whole, the Supplemental 2025 Wenling Water Supply Framework Agreement is only subject to the reporting, announcement and annual review requirements, but is exempted from the circular, independent financial adviser's advices and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

CHANGE OF DIRECTORS

On 21 August 2026, Mr. Lin Yang and Mr. Shao Aiping resigned as non-executive Directors and members of the strategy committee of the Board (the "**Strategy Committee**") with immediate effect on the same date, due to job reassignment and retirement, respectively. Ms. Hou Meiwen resigned as an independent non-executive Director and a member of the Audit Committee and nomination committee of the Board (the "**Nomination Committee**") with effect from the conclusion of the forthcoming extraordinary general meeting to be convened by the Company on 11 September 2026 (the "**EGM**"), in order to comply with the Listing Rules regarding long-serving independent non-executive directors.

In accordance with the Articles of Association, the company law and applicable laws and regulations of the PRC, the Board proposes to appoint Ms. Yang Jia and Ms. Lin Meiya as non-executive Directors, and Mr. Guan Yunde as an independent non-executive Director of the sixth session of the Board. The above proposed appointments of Directors are subject to the approval of the Shareholders by way of ordinary resolutions at the EGM. Ms. Hou Meiwen, one of the independent non-executive Directors, will cease to serve as the independent non-executive Director of the Company from the date on which Mr. Guan Yunde is elected as an independent non-executive Director of the sixth session of the Board at the EGM.

A circular containing, among other things, details of the above proposed appointments of non-executive Directors and the independent non-executive Director and a notice of the EGM will be despatched to the Shareholders on or around 24 August 2026.

1. REVISION OF THE ANNUAL CAPS OF THE 2025 WENLING WATER SUPPLY FRAMEWORK AGREEMENT

BACKGROUND

Reference is made to the Announcement in relation to, among other things, the 2025 Wenling Water Supply Framework Agreement entered into between the Company and Wenling Water Supply and the Existing Annual Caps.

As disclosed in the Announcement, the expected 2026&2027 Existing Annual Caps for the transactions in relation to raw water supply services contemplated under the 2025 Wenling Water Supply Framework Agreement for the years ending 31 December 2026 and 31 December 2027 is RMB24,000,000 and RMB25,000,000, respectively. Based on the actual volume of raw water provided by the Group to Wenling Water Supply, the actual transaction amount for each of the two years ending 31 December 2026 and 31 December 2027 is expected to exceed the 2026&2027 Existing Annual Caps. Accordingly, on 21 August 2026, the Board resolved to enter into the Supplemental 2025 Wenling Water Supply Framework Agreement to revise the 2026&2027 Existing Annual Caps for the two years ending 31 December 2027. Save for the revision of the 2026&2027 Existing Annual Caps, all other terms and provisions of the 2025 Wenling Water Supply Framework Agreement shall remain in full force and effect.

SUPPLEMENTAL 2025 WENLING WATER SUPPLY FRAMEWORK AGREEMENT

Date

21 August 2026

Parties

Wenling Water Supply and the Company

Revision of 2026&2027 Existing Annual Caps

The 2026&2027 Existing Annual Caps are revised as follows:

	Year ended/ending 31 December		
	2025	**2026**	**2027**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Existing annual caps	24,000	24,000	25,000
Revised annual caps	24,000	39,000	39,000

The revised annual caps are determined based on arm's length negotiations between Wenling Water Supply and the Company having considered, among others, the following factors and assumptions:

(a) in light of the proposed substantial increase in raw water demand from Wenling Water Supply, the Group anticipates that its supply volume will be approximately 8.5% higher than originally projected for the two financial years ending 31 December 2026 and 31 December 2027;

(b) the scale and operations of each of the relevant members of the Group; and

(c) a buffer of approximately 10–30% to account for any potential material fluctuations of the demand and/or price of the raw water provided by the Group.

The above projection is assumed solely based on the information currently available to the Group for determining the revised annual caps and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of the Company or the Group.

Save for the revision of the 2026&2027 Existing Annual Caps, all other terms and conditions of the 2025 Wenling Water Supply Framework Agreement (including the pricing guideline and payment term) remain unchanged. As stated in the 2025 Wenling Water Supply Framework Agreement, the prices of the sales of raw water supply services and municipal water supply services provided by the Group to Wenling Water Supply shall be determined on the basis of (i) the water prices as approved by Taizhou DRC; and (ii) the price adjustment as fixed and promulgated by Taizhou DRC from time to time. As at the date of this announcement, (a) pursuant to the Notification on Temporary Water Prices for the Taizhou Water Diversion Project and the South Bay Water Diversion Project (Tai Fa Gai Price [2022] No. 263) (《關於台州市引水工程、南部灣區引水工程臨時水價的通知》(台發改價格[2022]263號)) issued by the Taizhou DRC, the approved and/or adjusted unit selling price of raw water for Taizhou South Bay Water Supply is set at RMB2.09/m³ (excluding tax: RMB1.9174/m³); (b) pursuant to the Notification on the Reform of Unified Pricing for Municipal Water Supply in Taizhou City (Tai Fa Gai Price [2024] No. 130) (《台州市發展和改革委員會關於市區供水同城同價改革的通知》(台發改價格[2024]130號)) issued by the Taizhou DRC, the approved and/or adjusted unit selling price of municipal water for Binhai Water is set at RMB2.25/m³ (excluding tax: RMB2.1845/m³); and (c) pursuant to the Notification on Adjusting the Raw Water Price of Changtan Reservoir (Tai Fa Gai Price [2017] No. 228) (《關於調整長潭水庫原水價格的通知》(台發改價格[2017]228號)) issued by the Taizhou DRC, the approved and/or adjusted unit selling price of municipal water for Taizhou City Water is set at RMB2.62/m³ (excluding tax: RMB2.5437/m³).

From 1 January 2026 to the date of this announcement, the transaction amount of the volume of raw water supplied by the Group under the 2025 Wenling Water Supply Framework Agreement has not exceeded the original annual cap for the financial year ending 31 December 2026. If the total transaction amount of any following financial years under the 2025 Wenling Water Supply Framework Agreement (as amended and supplemented by the Supplemental 2025 Wenling Water Supply Framework Agreement) are expected to exceed the revised annual caps, the Company will re-comply with the relevant requirements in accordance with the Listing Rules, such as by publishing a further announcement, as and when appropriate.

REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL 2025 WENLING WATER SUPPLY FRAMEWORK AGREEMENT

The Group has been providing raw water supply services and municipal water supply services to Wenling Water Supply in its ordinary course of business for use by the residents and enterprises in Wenling District of Taizhou. For the purpose of enhancing the business management and efficiency of the parties, the Company and Wenling Water Supply entered into the 2025 Wenling Water Supply Framework Agreement. As the increase in demand for the raw water by Wenling Water Supply is anticipated to exceed the original projection for the two years ending 31 December 2027, in order to capture the business opportunities, the Group believes it is prudent and necessary, to enter into the Supplemental 2025 Wenling Water Supply Framework Agreement to increase the 2026&2027 Existing Annual Caps to actively support the Group's business and development. Having considered the above factors, the Board (including the independent non-executive Directors) considers that the 2025 Wenling Water Supply Framework Agreement (as revised by the Supplemental 2025 Wenling Water Supply Framework Agreement) and the transactions contemplated thereunder (together with the revised annual caps) are negotiated on an arm's length basis and are on normal commercial terms or better, in the interests of the Company and the Shareholders as a whole, fair and reasonable and in the ordinary and usual course of business of the Group.

INFORMATION OF THE PARTIES

Wenling Water Supply

Wenling Water Supply is a limited liability company established in the PRC principally engages in the production and supply of municipal water in Wenling District of Taizhou. As at the date of this announcement, Wenling Water Supply is wholly owned by Wenling Water Group. Taizhou City Water Co., Ltd.* (台州城市水務有限公司) is a subsidiary of our Company owned as to 82% by the Company and 18% by Wenling Water Group. Therefore, Wenling Water Supply is a connected person at the subsidiary level of the Company. Wenling Water Group is ultimately wholly-owned by the Finance Bureau of Wenling City.

The Company

The Company is a leading water supply service provider in Taizhou principally engaged in the supply of raw water and municipal water. The Company also supplies tap water directly to end-users and engages in the installation of the water pipelines for distributing tap water to its end-users in Taizhou.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Wenling Water Supply is a wholly-owned subsidiary of Wenling Water Group, which holds 18% equity interest in Taizhou City Water, a subsidiary of the Company. Hence, Wenling Water Supply is a connected person at the subsidiary level of the Company. As (i) the Board has approved the transactions contemplated under the Supplemental 2025 Wenling Water Supply Framework Agreement; and (ii) the independent non-executive Directors have confirmed that the terms of the transactions contemplated under the Supplemental 2025 Wenling Water Supply Framework Agreement are fair and reasonable, on normal commercial terms in the ordinary and normal course of business of the Group and in the interests of the Company and the Shareholders as a whole, the Supplemental 2025 Wenling Water Supply Framework Agreement is only subject to the reporting, announcement and annual review requirements, but is exempted from the circular, independent financial adviser's advices and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

As none of the Directors has material interest in the Supplemental 2025 Wenling Water Supply Framework Agreement, no Director was required to abstain from voting on the Board resolution in relation to the Supplemental 2025 Wenling Water Supply Framework Agreement.

2. PROPOSED CHANGE OF NON-EXECUTIVE DIRECTORS AND AN INDEPENDENT NON-EXECUTIVE DIRECTOR, AND CHANGES IN COMPOSITION OF BOARD COMMITTEES

RESIGNATION OF NON-EXECUTIVE DIRECTORS

The Board hereby announces that Mr. Lin Yang ("**Mr. Lin**") has tendered his resignation as the non-executive Director and the member of the Strategy Committee on 21 August 2026 due to job reassignment. The Board further announces that Mr. Shao Aiping ("**Mr. Shao**") has tendered his resignation as the non-executive Director and the member of the Strategy Committee on 21 August 2026 due to his retirement. The resignations of both Mr. Lin and Mr. Shao take effect immediately. Each of Mr. Lin and Mr. Shao has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the Shareholders and the Stock Exchange. The Board has confirmed that there are no matters concerning the resignations of Mr. Lin and Mr. Shao that need to be brought to the attention of the Shareholders. The Board would like to take this opportunity to express its sincere gratitude to both Mr. Lin and Mr. Shao for their valuable contributions to the Company during their tenure of office.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board further announces that, in order to meet the requirements under Listing Rules in relation to long-serving independent non-executive directors who have served for more than nine years, Ms. Hou Meiwen ("**Ms. Hou**") has tendered her resignation as an independent non-executive Director and a member of the Audit Committee and the Nomination Committee with effect from the conclusion of the EGM. Ms. Hou has confirmed that she has no disagreement with the Board and there is no other matter relating to her resignation that needs to be brought to the attention of the Stock Exchange and the Shareholders. The Board has confirmed that there are no matters concerning the resignation of Ms. Hou that need to be brought to the attention of the Shareholders. The Board would like to take the opportunity to express its sincere gratitude to Ms. Hou for her valuable contributions to the Group during her tenure of office.

PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTORS AND INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE OF COMPOSITION OF AUDIT COMMITTEE AND STRATEGY COMMITTEE

The Board proposed to elect Ms. Yang Jia ("**Ms. Yang**") and Ms. Lin Meiya ("**Ms. Lin**") as non-executive Directors for a term commencing from the date of the EGM until the expiration of the term of the sixth session of the Board, and if their respective appointment is approved by the Shareholders at the EGM, they will replace Mr. Lin and Mr. Shao as members of the Strategy Committee. Ms. Yang and Ms. Lin confirmed that they have no disagreement on such nominations.

The Board also proposed to elect Mr. Guan Yunde ("**Mr. Guan**") as an independent non-executive Director for a term commencing from the date of the EGM until the expiration of the term of the sixth session of the Board, and if his appointment is approved by the Shareholders at the EGM, he will replace Ms. Hou as a member of each of the Audit Committee and Nomination Committee. Mr. Guan confirmed that he has no disagreement on such nominations.

The biographical details of each of Ms. Yang, Ms. Lin and Mr. Guan which are disclosed pursuant to Rule 13.51(2) of the Listing Rules are as follows:

Ms. Yang Jia (楊佳), aged 40, graduated with a bachelor's degree in journalism (financial journalism) from Central University of Finance and Economics (中央財經大學) in July 2008, and was accredited as an intermediate economist by the Zhejiang Province Human Resources and Social Security Department (浙江省人力資源和社會保障廳) in November 2014. Ms. Yang has served as: (i) a staff of the Business Management Office, the Policy Research Office (Risk Management Office), and the Development Planning Office of Zhejiang Rural Credit Cooperative Union (浙江省農村信用社聯合社) from July 2008 to January 2018; (ii) an assistant to the director of the General Administration Office and the Board Office of Zhejiang Zheshang Asset Management Co., Ltd. (浙江省浙商資產管理有限公司) from January 2018 to May 2020; (iii) the deputy director of the Board Office of Zhejiang Zheshang Asset Management

Co., Ltd. (浙江省浙商資產管理有限公司) from May 2020 to December 2021, and subsequently the director of the Board Office from December 2021 to November 2022; (iv) the Board Secretary and the director of the Board Office of Zhejiang Zheshang Asset Management Co., Ltd. (浙江省浙商資產管理有限公司) from November 2022 to June 2024; and (v) the director of the General Administration Office and the Board Secretary of Zhejiang Zheshang Asset Management Co., Ltd. (浙江省浙商資產管理有限公司) from June 2024 to August 2024. Ms. Yang has been serving as: (i) a director and the deputy general manager of Zhejiang Taixin Asset Management Co., Ltd.* (浙江台信資產管理有限公司) (the "**Zhejiang Taixin Asset**"), a substantial shareholder of the Company, from August 2024 to March 2025; and (ii) a director and the general manager of Zhejiang Taixin Asset since April 2026.

Ms. Lin Meiya (林美雅), aged 47, graduated with a master's degree in public administration from Zhejiang University (浙江大學) in June 2006, and a master's degree in finance from the School of Finance, Central University of Finance and Economics (中央財經大學金融學院) in June 2019. From September 1997 to February 2026, Ms. Lin served in various roles across multiple governmental and party institutions, including: (i) a staff member and the Chairwoman of the Women's Federation at the People's Government of Tangxia Town, Wenling City (溫嶺市塘下鎮人民政府); (ii) multiple roles at the Organization Department of the Wenling Municipal Committee of the Chinese Communist Party (溫嶺市委組織部), ultimately serving as the Chief of the Comprehensive Section of the Standing Committee Office of the Party Congress (黨代會常任制辦公室綜合科科長); (iii) multiple roles at the Propaganda Department of Luqiao District Committee (路橋區宣傳部), the Party School of Luqiao District Committee (路橋區委黨校), and the Luqiao District Commission for Discipline Inspection (路橋區紀委), ultimately serving as a member of the Standing Committee of the Commission for Discipline Inspection (紀委常委); (iv) multiple roles at the Taizhou Municipal Government Financial Affairs Office (台州市政府金融工作辦公室) and the General Office of Taizhou Municipal Government (台州市政府辦公室), ultimately serving as the Chief of the First Division of Financial Affairs (金融一處處長) and a Fourth-Level Researcher (四級調研員); (v) the Head of the Comprehensive Coordination Group of the Taizhou Municipal "Eight-Eight Strategy" Joint Office (台州市「八八戰略」聯席辦綜合協調組組長) from April 2023 to February 2026; and (vi) the Assistant to the Director of the Financial Services Bureau of Hongkou District, Shanghai (上海市虹口區金融服務局局長助理) from April 2018 to September 2018. Ms. Lin has been serving as the deputy general manager and a member of the Party Committee of Taizhou Urban Construction and Investment Development Group Co., Ltd. (台州市城市建設投資發展集團有限公司) (formerly known as Taizhou Infrastructure Construction Investment Co., Ltd.* (台州市基礎設施建設投資有限公司) and subsequently as Taizhou Infrastructure Construction Investment Group Co., Ltd.* (台州市基礎設施建設投資集團有限公司) before the current name was adopted), the Company's substantial shareholder, since February 2026.

Mr. Guan Yunde (管雲德), aged 62, graduated with a diploma in law from Zhejiang Law School (浙江法律學校) in July 1984, and an associate degree in law from Zhejiang Radio and Television University (浙江廣播電視大學) in July 1988, and was accredited as a lawyer by the Zhejiang Provincial Department of Justice (浙江省司法廳) in July 1987, and obtained the certificate of completion for independent director training from the Shenzhen Stock Exchange in July 2016. Mr. Guan has served as: (i) a lawyer at Taizhou Legal Advisory Office (台州法律顧問處) from July 1984 to July 1989; (ii) the director of Taizhou Economic Law Firm (台州經濟律師事務所) from July 1989 to July 1993; (iii) the director of Zhejiang Xinghai Law Firm (浙江星海律師事務所) from July 1993 to July 1998; (iv) the director of Taizhou Legal Aid Center (台州市法律援助中心) from July 1998 to April 2015; (v) the vice president and a consultant of Taizhou Lawyers Association (台州市律師協會) from July 1998 to July 2016; (vi) the deputy director of the Criminal Law Committee of Zhejiang Lawyers Association (浙江律協刑委會) from May 2016 to May 2022; (vii) the president of Taizhou Corporate Legal Advisors Association (台州市企業法律顧問協會) since May 2015; and (viii) the director of Zhejiang Xinhu Law Firm (浙江鑫湖律師事務所) since June 2015.

None of Ms. Yang and Ms. Lin will be entitled to remuneration for acting as a non-executive Director of the Company; Mr. Guan's remuneration for his term of office as an independent non-executive Director will be determined by the Board as to be authorised by the Shareholders at the EGM in accordance with the remuneration policy of the Company.

Save as disclosed above, each of Ms. Yang, Ms. Lin and Mr. Guan confirmed that, (i) he/she 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; (ii) he/she 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 (iii) he/she 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 date of this announcement.

Mr. Guan has further confirmed (i) his independence as regards to each of the factors contained in Rule 3.13(1) to (8) of the Listing Rules; (ii) that he had no past or present financial or other interests in the business of the Company or its subsidiaries or any connection with any core connected persons (as defined in the Listing Rules) of the Company; and (iii) that there are no other factors that may affect his independence at the time of his appointment.

Save as disclosed above, each of Ms. Yang, Ms. Lin and Mr. Guan 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 proposed appointment of each of Ms. Yang and Ms. Lin as a non-executive Director and the proposed appointment of Mr. Guan as an independent non-executive Director that need to be brought to the attention of the Shareholders.

If the proposed appointment of each of Ms. Yang and Ms. Lin as a non-executive Director and the proposed appointment of Mr. Guan as an independent non-executive Director are approved by the Shareholders at the EGM, the Company will enter into relevant director's service contract with each of them for a term of service running from the date of the EGM until the end of the term of the current session of the Board. The information regarding the relevant director's service contract will be announced as appropriate.

A circular containing, among other things, details of the proposed appointment of each of Ms. Yang and Ms. Lin as a non-executive Director and the proposed appointment of Mr. Guan as an independent non-executive Director and a notice convening the EGM will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

The Board also announces that with effect from 21 August 2026:

Following the resignation of Mr. Lin and Mr. Shao as the non-executive Directors, each of Mr. Lin and Mr. Shao ceased to be a member of the Strategy Committee.

GENERAL

The proposed appointment of non-executive Directors and independent non-executive Director are subject to the approval of the Shareholders by way of ordinary resolutions at the EGM. A circular containing, among other things, details of the above proposed appointments of non-executive Directors and the independent non-executive Director and a notice of the EGM will be despatched to the Shareholders on or around 24 August 2026.

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
21 August 2026

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 Feng, 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*