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*Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus dated 17 December 2019 (the “**Prospectus**”) issued by Taizhou Water Group Co., Ltd. (the “**Company**”).*

This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Company, the Hong Kong Public Offering and the International Offering described below before deciding whether or not to invest in the H Shares thereby being offered.

This announcement is not for release, publication, distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Offer Shares have not been, and will not be, registered under the U.S. Securities Act. The securities may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the U.S. Securities Act. There will be no public offer of securities in the United States.

*In connection with the Global Offering, Innovax Securities Limited, as stabilising manager (the “**Stabilising Manager**”), its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate H Shares or effect short sales or any other stabilising transactions with a view to stabilising or maintaining the market price of the H Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the last day for the lodging of applications under the Hong Kong Public Offering. However, there is no obligation on the Stabilising Manager or any person acting for it to conduct any such stabilising action, which if commenced, will be done at the sole and absolute discretion of the Stabilising Manager, its affiliates or any person acting for it, and may be discontinued at any time. Any such stabilising activity is required to be brought to an end on 30 days after the last date for the lodging of applications under the Hong Kong Public Offering.*

Stabilising action will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilisation and stabilisation action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilising) Rules under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Potential investors should be aware that stabilising actions cannot be taken to support the price of the H Shares for longer than the stabilisation period which begins on the Listing Date and is expected to expire on the 30th day after the last date for the lodging applications under the Hong Kong Public Offering, being 19 January 2020. After this date, no further stabilising action may be taken and demand for the H Shares and the price of the H Shares could fall.



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)

GLOBAL OFFERING

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|---|--|
| Number of Offer Shares | : 50,000,000 H Shares (subject to the Over-allotment Option) |
| Number of Hong Kong Offer Shares | : 5,000,000 H Shares (subject to reallocation) |
| Number of International Offer Shares | : 45,000,000 H Shares (subject to reallocation and the Over-allotment Option) |
| Maximum Offer Price | : HK\$5.01 per H Share, plus brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund on final pricing) |
| Nominal value | : RMB1.00 per H Share |
| Stock code | : 1542 |

Sole Sponsor



Sole Global Coordinator



Joint Bookrunners and Joint Lead Managers



* For identification purposes only

Application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any H Shares which may be issued as described in the Prospectus pursuant to the exercise of the Over-allotment Option). Assuming that the Global Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, 31 December 2019, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, 31 December 2019.

The Global Offering comprises the Hong Kong Public Offering of initially 5,000,000 H Shares (subject to reallocation), representing 10% of the total number of Offer Shares initially available under the Global Offering, and the International Offering of initially 45,000,000 H Shares (subject to reallocation and the Over-allotment Option), representing 90% of the total number of Offer Shares initially available under the Global Offering. The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering will be subject to reallocation as described in the section headed “Structure and conditions of the Global Offering” in the Prospectus.

The Sole Global Coordinator (for itself and on behalf of the Underwriters) may reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In accordance with Guidance Letter HKEX-GL91-18 issued by the Stock Exchange, if such reallocation is done other than pursuant to Practice Note 18 of the Listing Rules, the maximum total number of Offer Shares that may be reallocated to the Hong Kong Public Offering following such reallocation shall be not more than double the initial allocation to the Hong Kong Public Offering (i.e. 10,000,000 Offer Shares) and the final Offer Price shall be fixed at the bottom end of the indicative Offer Price range, being HK\$4.21 per Offer Share. For details, please refer to the section headed “Structure and conditions of the Global Offering” in the Prospectus.

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sole Global Coordinator for itself and on behalf of the International Underwriters at any time before the 30th day from the last day of lodging application under the Hong Kong Public Offering. Pursuant to the Over-allotment Option, the Company may be required by the Sole Global Coordinator to allot and issue up to an aggregate of 7,500,000 additional H Shares (representing 15% of the total number of the Offer Shares initially available under the Global Offering) at the Offer Price to cover over-allocations, if any, in the International Offering. In the event the Over-allotment Option is exercised, an announcement will be made by the Company which will be posted on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.zjtzwater.com. For details, please refer to the section headed “Structure and conditions of the Global Offering” in the Prospectus.

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and the Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

The Offer Price will not be more than HK\$5.01 per Offer Share and is expected to be not less than HK\$4.21 per Offer Share, unless otherwise announced by the Company no later than the morning of the last day for lodging applications under the Hong Kong Public Offering as further explained below. Applicants for the Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK\$5.01 per Offer Share together with brokerage of 1%, the SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price as finally determined is less than HK\$5.01 per Offer Share.

Applications for the Hong Kong Offer Shares will only be considered on the basis of the terms and conditions set out in the Prospectus, the Application Forms and the designated website www.eipo.com.hk for the White Form eIPO. Applicants who would like to have the allotted Hong Kong Offer Shares registered in their own names should either (i) complete and sign the **WHITE** Application Forms; or (ii) submit applications online through the designated website of the **White Form eIPO** Service Provider at www.eipo.com.hk under the **White Form eIPO** service. Applicants who would like to have the allotted Hong Kong Offer Shares registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants maintained in CCASS should either (i) complete and sign the **YELLOW** Application Forms; or (ii) give **electronic application instructions** to HKSCC via CCASS.

Printed copies of the Prospectus, together with the **WHITE** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Tuesday, 17 December 2019 to 12:00 noon on Friday, 20 December 2019 from:

1. the following addresses of the Hong Kong Underwriters:

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|----------------------------|---|
| Innovax Securities Limited | Unit A-C, 20/F, Neich Tower 128 Gloucester Road Wan Chai Hong Kong |
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|--|--|
| China Everbright Securities (HK) Limited | 24/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong |
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2. any of the following branches of **CMB Wing Lung Bank Limited**:

| District | Branch name | Address |
|-------------------------|---------------------|---|
| Hong Kong Island | Head Office | 45 Des Voeux Road Central, Central, Hong Kong |
| | Kennedy Town Branch | 28 Catchick Street, Kennedy Town, Hong Kong |
| | North Point Branch | 361 King's Road, North Point, Hong Kong |
| | Aberdeen Branch | 201 Aberdeen Main Road, Aberdeen, Hong Kong |
| Kowloon | Mongkok Branch | Basement, CMB Wing Lung Bank Centre, 636 Nathan Road, Mongkok, Kowloon |

Printed copies of the Prospectus, together with the **YELLOW** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Tuesday, 17 December 2019 until 12:00 noon on Friday, 20 December 2019 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

The **WHITE** or **YELLOW** Application Form completed in accordance with the instructions printed thereon, together with a cheque or a banker's cashier order attached and marked payable to "**CMB WING LUNG (NOMINEES) LIMITED-TAIZHOU WATER GROUP CO., LTD. PUBLIC OFFER**" should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

9:00 a.m. to 5:00 p.m. – Tuesday, 17 December 2019
9:00 a.m. to 5:00 p.m. – Wednesday, 18 December 2019
9:00 a.m. to 5:00 p.m. – Thursday, 19 December 2019
9:00 a.m. to 12:00 noon – Friday, 20 December 2019

The application lists will be open from 11:45 a.m. to 12:00 noon on Friday, 20 December 2019, the last application day or such later time as described in the section headed "How to apply for Hong Kong Offer Shares – 10. Effect of bad weather and Extreme Conditions on the opening of the Application Lists" in the Prospectus.

Applicants applying by **White Form eIPO** Service may submit applications through the **White Form eIPO** Service Provider at www.eipo.com.hk (24 hours daily, except on the last application day) from 9:00 a.m. on Tuesday, 17 December 2019 until 11:30 a.m. on Friday, 20 December 2019 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Friday, 20 December 2019 or such later time as described in the section headed "How to apply for the Hong Kong Offer Shares – 10. Effect of bad weather and Extreme Conditions on the opening of the application Lists" in the Prospectus.

CCASS Participants can input electronic application instructions from 9:00 a.m. on Tuesday, 17 December 2019 until 12:00 noon on Friday, 20 December 2019 or such later time as described in the section headed “How to apply for the Hong Kong Offer Shares – 10. Effect of bad weather and Extreme Conditions on the opening of the application lists” in the Prospectus.

Please refer to the sections headed “Structure and conditions of the Global Offering” and “How to apply for the Hong Kong Offer Shares” in the Prospectus for details of the conditions and procedures of the Hong Kong Public Offering.

The Company expects to announce the final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allotment of the Hong Kong Offer Shares on the website of the Stock Exchange at www.hkexnews.hk and on the Company’s website at www.zjtzwater.com on Monday, 30 December 2019. The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants (where applicable) under the Hong Kong Public Offering will be available through a variety of channels from Monday, 30 December 2019 as described in the section headed “How to apply for the Hong Kong Offer Shares – 11. Publication of results” in the Prospectus.

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK\$5.01 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with the section headed “Structure and conditions of the Global Offering – Conditions of the Global Offering” in the Prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker’s cashier order will not be cleared.

The Company will not issue any temporary documents of title in respect of the H Shares. Share certificates will only become valid at 8:00 a.m. on Tuesday, 31 December 2019 provided that the Global Offering has become unconditional in all respects and the right of termination described in the section headed “Underwriting – Underwriting arrangements and expenses – Hong Kong Public Offering – Hong Kong Underwriting Agreement – Grounds for termination” in the Prospectus has not been exercised. No receipt will be issued for sums paid on application.

Dealings in the H Shares are expected to commence at 9:00 a.m. on Tuesday, 31 December 2019. The H Shares will be traded in board lots of 1,000 H Shares each. The stock code of the H Shares is 1542.

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
Yan Chuanhua
Chairman and Executive Director

Hong Kong, 17 December 2019

As at the date of this announcement, the executive Directors are Mr. Yan Chuanhua and Mr. Zhang Junzhou; the non-executive Directors are Mr. Wang Haiping, Mr. Wang Haibo, Ms. Fang Ya, Mr. Yu Yangbin, Mr. Ye Jianhua, Ms. Huang Yuyan, Mr. Yang Yide and Mr. Guo Dingwen; and the independent non-executive Directors are Mr. Zheng Jianzhuang, Ms. Hou Meiwen, Mr. Li Wai Chung, Ms. Lin Suyan and Mr. Wang Yongyue.