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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)

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

Reference is made to the section headed “Connected Transactions” in the Prospectus in relation to, among other things, (i) the Zhejiang Huangyan Water Supply Framework Agreement; and (ii) the Taizhou Luqiao Municipal Water Supply Framework Agreement.

Supplemental Zhejiang Huangyan Water Supply Framework Agreement

During a recent review by the Board on the existing continuing connected transactions of the Group, the Directors anticipated that the transactions pursuant to the Zhejiang Huangyan Water Supply Framework Agreement will exceed the previous sales projection and that the Original Zhejiang Huangyan Annual Cap will not be sufficient to meet the Group’s requirements for the financial year ending 31 December 2020. The Company proposes to revise the Original Zhejiang Huangyan Annual Cap.

On 13 August 2020, the Company and Zhejiang Huangyan Water Supply entered into the Supplemental Zhejiang Huangyan Water Supply Framework Agreement, pursuant to which the parties agreed to revise the Original Zhejiang Huangyan Annual Cap.

Supplemental Taizhou Luqiao Municipal Water Supply Framework Agreement

During a recent review by the Board on the existing continuing connected transactions of the Group, the Directors anticipated that the transactions pursuant to the Taizhou Luqiao Municipal Water Supply Framework Agreement will exceed the previous sales projection and that the Original Taizhou Luqiao Annual Cap will not be sufficient to meet the Group’s requirements for the financial year ending 31 December 2020. The Company proposes to revise the Original Taizhou Luqiao Annual Cap.

On 13 August 2020, Taizhou City Water and Taizhou Luqiao Water Supply entered into the Supplemental Taizhou Luqiao Water Supply Framework Agreement, pursuant to which the parties agreed to revise the Original Taizhou Luqiao Annual Cap.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, (i) Zhejiang Huangyan Water Supply is an indirect wholly-owned subsidiary of Huangyan SCOG, a substantial shareholder of the Company; and (ii) Taizhou Luqiao Water Supply is an indirect wholly-owned subsidiary of Taizhou Luqiao Public Assets Investment Management Co., Ltd.* (台州市路橋公共資產投資管理有限公司), a substantial shareholder of the Company. Accordingly, each of Zhejiang Huangyan Water Supply and Taizhou Luqiao Water Supply is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the respective Revised Annual Caps for the transactions contemplated under the Supplemental Zhejiang Huangyan Water Supply Framework Agreement and the Supplemental Taizhou Luqiao Water Supply Framework Agreements, on an annual basis, are more than 5%, such continuing connected transactions and Revised Annual Caps are subject to requirements including reporting, announcement, annual review and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

The Supplemental CCT Agreements and the Revised Annual Caps contemplated thereunder are subject to the approval by the Independent Shareholders by way of ordinary resolutions at the EGM.

An Independent Board Committee comprising all independent non-executive Directors will be established to advise the Independent Shareholders in relation to the Supplemental CCT Agreements and the Revised Annual Caps contemplated thereunder. Advent Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

A circular containing, among other things, (i) a letter from the Board containing further information on the Supplemental CCT Agreements and the Revised Annual Caps contemplated thereunder; (ii) recommendations of the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice in connection with the aforesaid; and (iv) a notice convening the EGM together with the proxy form and the reply slip, will be dispatched to the Shareholders on or before 3 September 2020.

INTRODUCTION

Reference is made to the section headed "Connected Transactions" in the Prospectus in relation to, among other things, (i) the Zhejiang Huangyan Water Supply Framework Agreement; and (ii) the Taizhou Luqiao Municipal Water Supply Framework Agreement.

THE EXISTING CCT AGREEMENTS

(A) Zhejiang Huangyan Water Supply Framework Agreement

The principal terms of the Zhejiang Huangyan Water Supply Framework Agreement are set out below:

Date	27 October 2019
Parties	(1) The Company (2) Zhejiang Huangyan Water Supply
Term	A renewable term commencing from 31 December 2019 (being the date of listing of the H shares of the Company on the Stock Exchange) to 31 December 2021 (both days inclusive).
Subject matter	The Company agreed to provide raw water supply services to Zhejiang Huangyan Water Supply.
Pricing guideline	The prices of the sales of raw water supply services provided by the Company to Zhejiang Huangyan 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.

The Zhejiang Huangyan Water Supply Framework Agreement is subject to, among other things, the annual cap amounts for each of the financial years ended/ending 31 December 2019, 2020 and 2021 not exceeding the following:

	Year ended/ending 31 December		
	2019	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)
Amount of raw water supply services provided by the Company to Zhejiang Huangyan Water Supply	38,941	41,270	41,829

For the three years ended 31 December 2017, 2018 and 2019, the total transaction amounts of raw water supply services provided by the Company to Zhejiang Huangyan Water Supply were approximately RMB34.6 million, RMB40.5 million and RMB38.7 million, respectively.

(B) Taizhou Luqiao Municipal Water Supply Framework Agreement

The principal terms of the Taizhou Luqiao Municipal Water Supply Framework Agreement are set out below:

Date	27 October 2019
Parties	(1) Taizhou City Water (2) Taizhou Luqiao Water Supply
Term	A renewable term commencing from 31 December 2019 (being the date of listing of the H shares of the Company on the Stock Exchange) to 31 December 2021 (both days inclusive).
Subject matter	Taizhou City Water agreed to provide municipal water supply services to Taizhou Luqiao Water Supply.
Pricing guideline	The prices of the sales of municipal water supply services provided by Taizhou City Water to Taizhou Luqiao 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.

The Taizhou Luqiao Municipal Water Supply Framework Agreement is subject to, among other things, the annual cap amounts for each of the financial years ended/ending 31 December 2019, 2020 and 2021 not exceeding the following:

	Year ended/ending 31 December		
	2019	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)
Amount of municipal water supply services provided by Taizhou City Water to Taizhou Luqiao Water Supply	64,707	67,705	68,581

For the three years ended 31 December 2017, 2018 and 2019, the total transaction amounts of municipal water supply services provided by Taizhou City Water to Taizhou Luqiao Water Supply were approximately RMB61.9 million, RMB66.4 million and RMB64.3 million, respectively.

In respect of the continuing connected transactions with Taizhou Luqiao Water Supply, the Company has also entered into a raw water supply framework agreement with Taizhou Luqiao Water Supply on 27 October 2019 (the “**Taizhou Luqiao Raw Water Supply Framework Agreement**”), pursuant to which the Company agreed to provide Taizhou Luqiao Water Supply with raw water supply services. The annual caps of the transactions under the Taizhou Luqiao Raw Water Supply Framework Agreement for the three years ended/ending 31 December 2019, 2020 and 2021 are RMB31,184,040, RMB32,088,561 and RMB32,423,715, respectively. For further details of the Taizhou Luqiao Raw Water Supply Framework Agreement, please refer to the section headed “Connected Transactions” of the Prospectus.

Pursuant to Rules 14A.82 and 14A.83 of the Listing Rules, the transactions under the Taizhou Luqiao Raw Water Supply Framework Agreement and the Supplemental Taizhou Luqiao Municipal Water Supply Framework Agreement (collectively, the “**Taizhou Luqiao Water Supply Framework Agreements**”) have been aggregated.

REVISION OF ANNUAL CAPS UNDER THE SUPPLEMENTAL CCT AGREEMENTS

During a recent review by the Board on the existing continuing connected transactions of the Group, the Directors anticipated that the transactions pursuant to the Zhejiang Huangyan Water Supply Framework Agreement and the Taizhou Luqiao Municipal Water Supply Framework Agreement will exceed the previous sales projection and that the Original Annual Caps will not be sufficient to meet the Group’s requirements for the financial year ending 31 December 2020. The Company proposes to revise the Original Annual Caps as follows:

(A) Zhejiang Huangyan Water Supply Framework Agreement

Transaction value for the six months ended 30 June 2020

Based on the Company’s unaudited financial information as at 30 June 2020, the total transaction amount of raw water supply services provided by the Company to Zhejiang Huangyan Water Supply under the Zhejiang Huangyan Water Supply Framework Agreement for the six months ended 30 June 2020 amounted to approximately RMB20,644,000.

The Directors confirm that, based on the Company’s unaudited financial information, the annual cap for the provision of raw water supply services under the Zhejiang Huangyan Water Supply Framework Agreement for the year ending 31 December 2020 has not been exceeded up to the date of this announcement.

The Revised Zhejiang Huangyan Annual Cap

**For the year ending
31 December 2020
(RMB’000)**

Original Zhejiang Huangyan Annual Cap	41,270
Revised Zhejiang Huangyan Annual Cap	45,720

Basis for the Revised Zhejiang Huangyan Annual Cap

The Revised Zhejiang Huangyan Annual Cap for the transactions contemplated under the Supplemental Zhejiang Huangyan Water Supply Framework Agreement was determined with reference to the following factors:

- (1) The historical transaction amount of raw water supply services provided by the Company to Zhejiang Huangyan Water Supply for the six months ended 30 June 2020 recorded in the unaudited financial information of the Company which accounted for approximately 50.0% of the Original Zhejiang Huangyan Annual Cap. Such increase in water consumption during the six months ended 30 June 2020 was due to the decrease in rainfall in Taizhou as reflected in the rainfall statistics of Taizhou Water Resources Bureau* (台州市水利局) as compared to the corresponding period of 2019.
- (2) The estimated increase in demand of raw water supply services from Zhejiang Huangyan Water Supply for the year ending 31 December 2020 due to expected increase in residential and non-residential water consumption. The recent outbreak of novel coronavirus pandemic (“**COVID-19 outbreak**”) has heightened people’s health and hygiene awareness, leading to a higher frequency of cleaning in both household and commercial settings. Such change in the cleaning habits of the general public in Taizhou has resulted in increase in water usage and consumption.

Despite the decline in demand from industrial and commercial users due to the temporary suspension of work and production caused by COVID-19 outbreak in the first half of 2020, with the gradual ease of COVID-19 outbreak, industries are expected to resume normal production levels in the second half of 2020. In particular, with the support of favourable government initiatives, it is expected that the local government would enhance the scale of governmental investments and accelerate the development in large-scale public infrastructure. The Directors expect that the more dynamic macroeconomic environment in Zhejiang Province, including Taizhou, would further drive up the water consumption of non-residential users.

The Supplemental Zhejiang Huangyan Water Supply Framework Agreement

On 13 August 2020, the Company and Zhejiang Huangyan Water Supply entered into the Supplemental Zhejiang Huangyan Water Supply Framework Agreement, pursuant to which the parties agreed to revise the annual cap for the provision of raw water supply services for the year ending 31 December 2020 from RMB41,270,133 to RMB45,720,133. Save for the Revised Zhejiang Huangyan Annual Cap, all other terms and conditions of the Zhejiang Huangyan Water Supply Framework Agreement remain unchanged.

(B) Taizhou Luqiao Municipal Water Supply Framework Agreement

Transaction value for the six months ended 30 June 2020

Based on the Company's unaudited financial information as at 30 June 2020, the total transaction amount of municipal water supply services provided by Taizhou City Water to Taizhou Luqiao Water Supply under the Taizhou Luqiao Municipal Water Supply Framework Agreement for the six months ended 30 June 2020 amounted to approximately RMB33,128,000.

The Directors confirm that, based on the Company's unaudited financial information, the annual cap for the provision of municipal water supply services under the Taizhou Luqiao Municipal Water Supply Framework Agreement for the year ending 31 December 2020 has not been exceeded up to the date of this announcement.

The Revised Taizhou Luqiao Annual Cap

**For the year ending
31 December 2020
(RMB'000)**

Original Taizhou Luqiao Annual Cap	67,705
Revised Taizhou Luqiao Annual Cap	71,315

Basis for the Revised Taizhou Luqiao Annual Cap

The Revised Taizhou Luqiao Annual Cap for the transactions contemplated under the Supplemental Taizhou Luqiao Municipal Water Supply Framework Agreement was determined with reference to the following factors:

- (1) The historical transaction amount of municipal water supply services provided by Taizhou City Water to Taizhou Luqiao Water Supply for the six months ended 30 June 2020 recorded in the unaudited financial information of the Company which accounted for approximately 48.9% of the Original Taizhou Luqiao Annual Cap. Such increase in water consumption during the six months ended 30 June 2020 was due to the decrease in rainfall in Taizhou as reflected in the rainfall statistics of Taizhou Water Resources Bureau as compared to the corresponding period of 2019.
- (2) The estimated increase in demand of municipal water supply services from Taizhou Luqiao Water Supply for the year ending 31 December 2020 due to expected increase in residential and non-residential water consumption. The recent COVID-19 outbreak has heightened people's health and hygiene awareness, leading to a higher frequency of cleaning in both household and commercial settings. Such change in the cleaning habits of the general public in Taizhou has resulted in increase in water usage and consumption.

Despite the decline in demand from industrial and commercial users due to the temporary suspension of work and production caused by COVID-19 outbreak in the first half of 2020, with the gradual ease of COVID-19 outbreak, industries are expected to resume normal production levels in the second half of 2020. In particular, with the support of favourable government initiatives, it is expected that the local government would enhance the scale of governmental investments and accelerate the development in large-scale public infrastructure. The Directors expect that the more dynamic macroeconomic environment in Zhejiang Province, including Taizhou, would further drive up the water consumption of non-residential users.

The Supplemental Taizhou Luqiao Municipal Water Supply Framework Agreement

On 13 August 2020, Taizhou City Water and Taizhou Luqiao Water Supply entered into the Supplemental Taizhou Luqiao Municipal Water Supply Framework Agreement, pursuant to which the parties agreed to revise the annual cap for the provision of municipal water supply services for the year ending 31 December 2020 from RMB67,705,448 to RMB71,315,448. Save for the Revised Taizhou Luqiao Annual Cap, all other terms and conditions of the Taizhou Luqiao Water Supply Framework Agreement remain unchanged.

REASONS FOR AND BENEFITS OF REVISING THE ORIGINAL ANNUAL CAPS

In view of increased demand in raw water supply services and municipal water supply services from Zhejiang Huangyan Water Supply and Taizhou Luqiao Water Supply, respectively, the Board anticipates that the transactions with Zhejiang Huangyan Water Supply and Taizhou Luqiao Water Supply pursuant to the Existing CCT Agreements will exceed the original sales projection and that the Original Annual Caps will not be sufficient to cover all transactions contemplated under the Existing CCT Agreements for the year ending 31 December 2020. Accordingly, the Company proposes to revise the aforementioned annual caps and enter into the Supplemental CCT Agreements to maintain a stable supply of raw water and municipal water to Zhejiang Huangyan Water Supply and Taizhou Luqiao Water Supply, respectively, cater the changes in the market demands and ensure the Company's income and business growth.

In light of the above, the Directors (other than the independent non-executive Directors whose view will be given after taking the advice from the Independent Financial Adviser) consider that the Revised Annual Caps under the Supplemental CCT Agreements are entered into in the usual and ordinary course of business of the Group, are conducted on an arm's length basis and on normal commercial terms between our Group and each of Zhejiang Huangyan Water Supply and Taizhou Luqiao Water Supply, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES TO THE SUPPLEMENTAL CCT AGREEMENTS

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.

Taizhou City Water

Taizhou City Water is principally engaged in the operation and management of water treatment projects of the Taizhou Second Phase Water Supply Project (台州二期供水工程) of the Group and possesses the health permit, and is a 82%-owned subsidiary of the Company.

Zhejiang Huangyan Water Supply

Zhejiang Huangyan Water Supply principally engages in the business of centralised water supply services in Huangyan District of Taizhou. As of the date of this announcement, Zhejiang Huangyan Water Supply is ultimately wholly-owned by the Finance Bureau of Huangyan District of Taizhou* (台州市黃岩區財政局).

Taizhou Luqiao Water Supply

Taizhou Luqiao Water Supply principally engages in the business of centralised water supply services in Luqiao District of Taizhou. As of the date of this announcement, Taizhou Luqiao Water Supply is ultimately owned as to 96.8% and 3.2% by the State-owned Assets Administration Commission of Luqiao District* (路橋區國有資產管理委員會) and Zhejiang Provincial Department of Finance (浙江省財政廳), respectively.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, (i) Zhejiang Huangyan Water Supply is an indirect wholly-owned subsidiary of Huangyan SCOG, a substantial shareholder of the Company; and (ii) Taizhou Luqiao Water Supply is an indirect wholly-owned subsidiary of Taizhou Luqiao Public Assets Investment Management Co., Ltd.* (台州市路橋公共資產投資管理有限公司), a substantial shareholder of the Company. Accordingly, each of Zhejiang Huangyan Water Supply and Taizhou Luqiao Water Supply is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the respective Revised Annual Caps for the transactions contemplated under the Supplemental Zhejiang Huangyan Water Supply Framework Agreement and the Taizhou Luqiao Water Supply Framework Agreements, on an annual basis, are more than 5%, such continuing connected transactions and Revised Annual Caps are subject to requirements including reporting, announcement, annual review and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

As Ms. Fang Ya, a non-executive Director, is a director nominated by Zhejiang Huangyan Financial Development Company* (浙江黃岩財務開發公司), the holding company of Zhejiang Huangyan Water Supply, she is deemed to have a material interest in the Supplemental Zhejiang Huangyan Water Supply Framework Agreement and the transactions contemplated thereunder, including the Revised Zhejiang Huangyan Annual Cap. Ms. Fang Ya is required to abstain from voting on the relevant Board resolutions approving the Supplemental Zhejiang Huangyan Water Supply Framework Agreement.

As Ms. Huang Yuyan, a non-executive Director, is the deputy general manager of and a Director nominated by Taizhou Luqiao Public Assets Investment Management Co., Ltd., the holding company of Taizhou Luqiao Water Supply, she is deemed to have a material interest in the Supplemental Taizhou Luqiao Municipal Water Supply Framework Agreement and the transactions contemplated thereunder, including the Revised Taizhou Luqiao Annual Cap. Ms. Huang Yuyan is required to abstain from voting on the relevant Board resolutions approving the Supplemental Taizhou Luqiao Municipal Water Supply Framework Agreement.

Save as disclosed above, none of the Directors has a material interest in the Supplemental CCT Agreements and the transactions contemplated thereunder, including the Revised Annual Caps.

GENERAL

The Supplemental CCT Agreements and the Revised Annual Caps contemplated thereunder are subject to the approval by the Independent Shareholders by way of ordinary resolutions at the EGM.

An Independent Board Committee comprising all independent non-executive Directors will be established to advise the Independent Shareholders in relation to the Supplemental CCT Agreements and the Revised Annual Caps contemplated thereunder. Advent Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

A circular containing, among other things, (i) a letter from the Board containing further information on the Supplemental CCT Agreements and the Revised Annual Caps contemplated thereunder; (ii) recommendations of the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice in connection with the aforesaid; and (iv) a notice convening the EGM together with the proxy form and the reply slip, will be dispatched to the Shareholders on or before 3 September 2020.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“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
“connected person(s)”	has the meaning in rules 14A.07 to 14A.11 the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened by the Company to consider the Supplemental CCT Agreements and the Revised Annual Caps as contemplated thereunder
“Existing CCT Agreements”	collectively, the Zhejiang Huangyan Water Supply Framework Agreement and the Taizhou Luqiao Municipal Water Supply Framework Agreement
“Group”	the Company, its subsidiaries and its consolidated affiliated entities from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huangyan SCOG”	Taizhou Huangyan State-owned Capital Investment Operation Group Co., Ltd.* (台州市黃岩國有資本投資運營集團有限公司) (formerly known as Taizhou Huangyan State-owned Assets Operation Group Co., Ltd.* (台州市黃岩區國有資產經營集團有限公司)), a wholly state-owned enterprise with limited liability established in the PRC on 2 November 2011
“Independent Board Committee”	an independent committee of the Board, comprising all five independent non-executive Directors, established to advise the Independent Shareholders in respect of the continuing connected transactions under the Supplemental CCT Agreements and the Revised Annual Caps contemplated thereunder
“Independent Financial Adviser”	Advent Corporate Finance Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Supplemental CCT Agreements and the Revised Annual Caps contemplated thereunder
“Independent Shareholders”	Shareholders who do not have a material interest in the Supplemental CCT Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited

“Original Annual Caps”	collectively, the Original Zhejiang Huangyan Annual Cap and the Original Taizhou Luqiao Annual Cap
“Original Taizhou Luqiao Annual Cap”	the original annual cap amount for the year ending 31 December 2020 for the transactions contemplated under the Taizhou Luqiao Municipal Water Supply Framework Agreement
“Original Zhejiang Huangyan Annual Cap”	the original annual cap amount for the year ending 31 December 2020 for the transactions contemplated under the Zhejiang Huangyan Water Supply Framework Agreement
“Prospectus”	the prospectus of the Company dated 17 December 2019
“Revised Annual Caps”	collectively, the Revised Zhejiang Huangyan Annual Cap and the Revised Taizhou Luqiao Annual Cap
“Revised Taizhou Luqiao Annual Cap”	the proposed annual cap amount for the year ending 31 December 2020 for the transactions contemplated under the Supplemental Taizhou Luqiao Municipal Water Supply Framework Agreement
“Revised Zhejiang Huangyan Annual Cap”	the proposed annual cap amount for the year ending 31 December 2020 for the transactions contemplated under the Supplemental Zhejiang Huangyan Water Supply Framework Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of our Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental CCT Agreements”	collectively, the Supplemental Taizhou Luqiao Municipal Water Supply Framework Agreement and the Supplemental Zhejiang Huangyan Water Supply Framework Agreement
“Supplemental Taizhou Luqiao Municipal Water Supply Framework Agreement”	the agreement dated 13 August 2020 entered into between Taizhou City Water and Taizhou Luqiao Water Supply to supplement the Taizhou Luqiao Municipal Water Supply Framework Agreement
“Supplemental Zhejiang Huangyan Water Supply Framework Agreement”	the agreement dated 13 August 2020 entered into between the Company and Zhejiang Huangyan Water Supply to supplement the Zhejiang Huangyan Water Supply Framework Agreement

“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 82%-owned subsidiary of the Company
“Taizhou DRC”	Taizhou Development and Reform Commission (台州市發展和改革委員會)
“Taizhou Luqiao Water Supply”	Taizhou Luqiao Water Supply Co., Ltd.* (台州市路橋自來水有限公司), a limited liability company established in the PRC on 7 March 2000
“Taizhou Luqiao Municipal Water Supply Framework Agreement”	the agreement entered into between Taizhou City Water and Taizhou Luqiao Water Supply dated 27 October 2019 in relation to the provision of municipal water supply services by Taizhou City Water to Taizhou Luqiao Water Supply
“Zhejiang Huangyan Water Supply”	Zhejiang Huangyan Water Supply Co., Ltd.* (浙江黃岩自來水公司), a limited liability company established in the PRC on 1 January 1989
“Zhejiang Huangyan Water Supply Framework Agreement”	the agreement entered into between the Company and Zhejiang Huangyan Water Supply dated 27 October 2019 in relation to the provision of raw water supply services by the Company to Zhejiang Huangyan Water Supply
“%”	per cent

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
 13 August 2020

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

* For identification purpose only