

**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) CONTINUING CONNECTED TRANSACTIONS IN  
RESPECT OF THE 2025 HUANGYAN URBAN AND  
RURAL WATER SUPPLY FRAMEWORK AGREEMENT;  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 5 to 13 of this circular.

A letter from the Independent Board Committee is set out on pages 14 to 15 of this circular.

A letter from Honestum, containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, is set out on pages 16 to 25 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 2:30 p.m. on Friday, 25 October 2024 is set out on pages EGM-1 to EGM-3 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, 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 2:30 p.m. on Thursday, 24 October 2024) 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

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## DEFINITIONS

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

“2021 Huangyan Water Supply Framework Agreement”	the agreement entered into between the Company and Huangyan Urban and Rural Water Supply dated 1 September 2021 in relation to the provision of raw water supply services by the Company to Huangyan Urban and Rural Water Supply
“2025 Huangyan Urban and Rural Water Supply Framework Agreement”	the agreement entered into between the Company and Huangyan Urban and Rural Water Supply dated 27 September 2024 in relation to the provision of raw water supply services by the Group to Huangyan Urban and Rural Water Supply
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“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)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“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

## DEFINITIONS

“EGM”	the 2024 first 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 2:30 p.m. on Friday, 25 October 2024
“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
“Honestum” or “Independent Financial Adviser”	Honestum International Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser that has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Huangyan SCIOG”	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

## DEFINITIONS

“Huangyan Urban and Rural Water Supply”	Taizhou Huangyan Urban and Rural Water Supply Co., Ltd.* (台州市黃岩城鄉自來水有限公司) (formerly known as 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, and is owned as to 45% by the Company, 49% by Taizhou Huangyan Water Conservancy Development Group Co., Ltd.* (台州市黃岩水利發展集團有限公司) and 6% by Taizhou Shengshui Equity Investment Partnership (Limited Partnership)* (台州盛水股權投資合夥企業 (有限合夥)) as at the Latest Practicable Date
“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 2025 Huangyan Urban and Rural Water Supply Framework Agreement
“Independent Shareholders”	Shareholders who do not have a material interest in 2025 Huangyan Urban and Rural Water Supply Framework Agreement
“Independent Third Party(ies)”	party(ies) who is (are) not connected person(s) of the Company and its subsidiaries
“Latest Practicable Date”	4 October 2024, 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
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix C3 to the Listing Rules
“Notice of EGM”	the notice convening the EGM set out on pages EGM-1 to EGM-3 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)

## DEFINITIONS

“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
“Taizhou DRC”	Taizhou Development and Reform Commission (台州市發展和改革委員會)
“Supervisor(s)”	member(s) of the Supervisory Committee
“Yongning Financial Consulting”	Zhejiang Yongning Financial Consulting Co., Ltd.* (浙江永寧財務諮詢有限公司), a limited liability company established in the PRC which holds approximately 13.34% of the total issued share capital of the Company as at the Latest Practicable Date
“%”	per cent

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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)**

*Executive Directors:*

Mr. Yang Jun (Chairman)  
Mr. Pan Gang

*Non-executive Directors:*

Mr. Lin Genman  
Ms. Fang Ya  
Mr. Yu Yangbin  
Mr. Yang Yide  
Mr. Lin Yang  
Mr. Shao Aiping  
Ms. Ying Nan  
Ms. Mo Danjun

*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

*Independent Non-executive Directors:*

Mr. Huang Chun  
Ms. Lin Suyan  
Ms. Hou Meiwen  
Mr. Li Wai Chung  
Mr. Wang Yongyue

10 October 2024

*To the Shareholders*

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTIONS IN  
RESPECT OF THE 2025 HUANGYAN URBAN AND  
RURAL WATER SUPPLY FRAMEWORK AGREEMENT;  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

\* For identification purposes only

## LETTER FROM THE BOARD

### I. INTRODUCTION

Reference is made to (i) the 2021 Huangyan Water Supply Framework Agreement; and (ii) the announcement of the Company dated 27 September 2024 in relation to, among others, the continuing connected transactions in respect of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement.

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

### II. 2025 HUANGYAN URBAN AND RURAL WATER SUPPLY FRAMEWORK AGREEMENT

As the term of the 2021 Huangyan Water Supply Framework Agreement and the annual caps for the continuing connected transactions thereunder will expire on 31 December 2024, on 27 September 2024, the Company has entered into the 2025 Huangyan Urban and Rural Water Supply Framework Agreement to renew the transactions thereunder.

#### 1. 2025 Huangyan Urban and Rural Water Supply Framework Agreement

The principal terms of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement are set out below:

<b>Date</b>	27 September 2024
<b>Parties</b>	1. The Company; 2. Huangyan Urban and Rural Water Supply
<b>Term</b>	A renewable term commencing from 1 January 2025 to 31 December 2027 (both days inclusive)
<b>Subject matter</b>	The parties agreed that the Group shall provide raw water supply services to Huangyan Urban and Rural Water Supply
<b>Pricing guideline</b>	The prices of the sales of raw water supply services provided by the Group to Huangyan Urban and Rural 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



## LETTER FROM THE BOARD

As at the Latest Practicable Date, 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 raw water for Huangyan Urban and Rural Water Supply is set at RMB0.89/m<sup>3</sup> (excluding tax: RMB0.8165/m<sup>3</sup>).

**Payment term** Payment for the transactions contemplated under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement shall be made every month on the basis of the volume of raw water supplied by the Group

### *Annual cap and basis for determining the annual cap*

The historical transaction amount between the Company and Huangyan Urban and Rural Water Supply is as follows:

	<b>Year ended 31 December</b>		<b>Six months ended</b>
	<b>2022</b>	<b>2023</b>	<b>30 June</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<b>2024</b>
			<i>(RMB'000)</i>
Historical transaction amount	50,007	49,016	24,324

The annual caps for the transactions contemplated under the 2021 Huangyan Water Supply Framework Agreement are set out below:

	<b>Year ended 31 December</b>		<b>Year ending</b>
	<b>2022</b>	<b>2023</b>	<b>31 December</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<b>2024</b>
			<i>(RMB'000)</i>
Historical annual caps	55,250	56,790	58,480

## LETTER FROM THE BOARD

The annual caps for the transactions contemplated under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement are set out below:

	<b>Year ending 31 December</b>		
	<b>2025</b>	<b>2026</b>	<b>2027</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Expected annual caps	53,000	55,000	58,000

The above expected annual caps were determined with reference to (i) the historical transaction figures as listed above; (ii) the expected demand of raw water services from Huangyan Urban and Rural Water Supply; and (iii) the water prices as approved by Taizhou DRC.

### **2. Reasons for and benefits of renewing the continuing connected transactions**

The Company has been providing raw water supply services in or incidental to its ordinary and usual course of business to Huangyan Urban and Rural Water Supply, which will then provide tap water after purification of raw water for use by the residents and enterprises in Huangyan District of Taizhou. The Company considers that the transactions contemplated under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement will allow the Group to continue to serve end-users in Huangyan district of Taizhou, and thus contribute to the turnover and the performance of the Group.

In light of the above, the Directors (including the independent non-executive Directors whose view is based on the advice from Honestum) consider that the 2025 Huangyan Urban and Rural Water Supply Framework Agreement is entered into in the usual and ordinary course of business of the Group, is conducted on an arm's length basis and on normal commercial terms between the Group and Huangyan Urban and Rural Water Supply, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **3. Internal control policies and procedures**

In order to ensure that the pricing mechanism and terms of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement are fair and reasonable and no less favourable than the terms provided by any Independent Third Parties to the Group, the Group has established a series of internal control procedures as follows:

- (1) The finance department of the Company shall regularly monitor the caps of connected transactions, count the accumulated amounts of transactions with Huangyan Urban and Rural Water Supply by the end of the month on a monthly basis and report to the management the unutilised balance of the annual caps by the end of the each month, to

## LETTER FROM THE BOARD

ensure the applicable annual caps are not exceeded. When the projected transaction amount approaches or reaches the applicable annual caps, the Company shall revise the annual cap in accordance with the internal control procedures governing the connected transactions.

- (2) The finance department of the Company will regularly keep abreast of the changes in policies for the water price promulgated by Taizhou DRC from time to time to ensure that the water price approved by the government authorities is timely executed.
- (3) The production departments of the Group will closely monitor and report any circumstances which may have impact on the applicable annual cap under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement such as water price adjustment as fixed and promulgated by the relevant government authorities.
- (4) The external auditors of the Group will issue a letter to the Board in relation to the continuing connected transactions, including the transactions under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, for each financial year in accordance with Rule 14A.56 of the Listing Rules.
- (5) The independent non-executive Directors will conduct an annual review with respect to the continuing connected transactions, including the transactions under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, throughout the preceding financial year, and give confirmation in accordance with Rules 14A.55 and 14A.71 of the Listing Rules.

#### **4. Information of the parties**

##### *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.

##### *Huangyan Urban and Rural Water Supply*

Huangyan Urban and Rural Water Supply principally engages in the business of centralised water supply services in Huangyan District of Taizhou. As at the Latest Practicable Date, Huangyan Urban and Rural Water Supply is owned as to 45% by the Company, 49% by Taizhou Huangyan Water Conservancy Development Group Co., Ltd.\* (台州市黃岩水利發展集團有限公司) and 6% by Taizhou Shengshui Equity Investment Partnership (Limited Partnership)\* (台州盛水股權投資合夥企業(有限合夥)). As at the Latest

## LETTER FROM THE BOARD

Practicable Date, Taizhou Huangyan Water Conservancy Development Group Co., Ltd. is an indirect wholly-owned subsidiary of Huangyan SCIOG, a substantial Shareholder of the Company, which is ultimately owned by the Finance Bureau of Huangyan District of Taizhou, a PRC Government Body. Taizhou Shengshui Equity Investment Partnership (Limited Partnership) is ultimately owned as to 99% by State-owned Assets Supervision and Administration Commission of the People's Government of Taizhou\* (台州市人民政府國有資產監督管理委員會) and 1% by Shanghai Shengpu Enterprise Management Partnership (Limited Partnership)\* (上海盛浦企業管理合夥企業(有限合夥)), which is ultimate owned by six individual Independent Third Parties.

### **5. Implications under the Listing Rules**

As at the Latest Practicable Date, Huangyan Urban and Rural Water Supply is indirectly owned as to 49% by Huangyan SCIOG, a substantial Shareholder of the Company, and is therefore a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, on an annual basis, exceed(s) 5%, the 2025 Huangyan Urban and Rural Water Supply Framework Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Ms. Fang Ya, a non-executive Director, is a director nominated by Yongning Financial Consulting, which is a subsidiary of Huangyan SCIOG, the holding company of Huangyan Urban and Rural Water Supply, she is deemed to have a material interest in the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, and has abstained from voting on the board resolutions in respect of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement.

Save as disclosed above, none of the Directors has material interest in the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, and therefore no other Director has abstained from voting on such board resolutions.

### **6. Independent Board Committee and independent financial adviser**

An Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in relation to the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder. Honestum has been appointed as the Independent Financial adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

## LETTER FROM THE BOARD

### 7. Additional information

Your attention is drawn to (i) the letter from the Independent Board Committee as set out on pages 14 to 15 of this circular which contains its recommendation to the Independent Shareholders as to voting at the EGM; and (ii) the letter from Honestum as set out on pages 16 to 25 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder.

### III. EGM

The form of proxy and the reply slip of the EGM are enclosed herewith.

The 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder are subject to the approval of the Independent Shareholders by way of ordinary resolution(s) at the EGM. Any Shareholder with a material interest in the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder and his/her/its associate(s) is (are) required to abstain from voting on the ordinary resolutions approving the same.

As at the Latest Practicable Date, Huangyan Urban and Rural Water Supply is owned as to 49% by Huangyan SCIOG, the holding company of Yongning Financial Consulting, which holds approximately 13.34% of the total issued share capital of the Company. Yongning Financial Consulting and its associates will abstain from voting at the EGM in respect of the resolution to approve the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder as a result of having a material interest therein.

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, except as disclosed above, there are no other Shareholders who have an interest in the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder which is materially different from the other Shareholders. Therefore, no other Shareholder will be required to abstain from voting at the EGM to approve the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder.

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 22 October 2024 to Friday, 25 October 2024 (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, 21 October 2024.

## LETTER FROM THE BOARD

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 2:30 p.m. on Thursday, 24 October 2024) 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, 18 October 2024.

#### **IV. 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.

#### **V. RECOMMENDATION**

Having considered the principal factors and reasons described above, the Directors (including the independent non-executive Directors whose view is based on the advice from Honestum) are of the view that the terms of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder are fair and reasonable, and such continuing connected transactions are in the ordinary course of business, on normal commercial terms which were arrived at after arm's length negotiations and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend all the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder.

## LETTER FROM THE BOARD

The Independent Board Committee, having taken into account, among other things, the advice of Honestum, is of the view that the terms of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder are fair and reasonable, and such continuing connected transactions are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder.

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

\* *For identification purposes only*

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

*The following is the letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.*



### **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)**

10 October 2024

*To the Independent Shareholders*

Dear Sir or Madam,

#### **CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF THE 2025 HUANGYAN URBAN AND RURAL WATER SUPPLY FRAMEWORK AGREEMENT**

We refer to the circular dated 10 October 2024 (the “**Circular**”) issued by the Company to the Shareholders of which this letter forms part. Unless the context otherwise requires, terms and expressions defined in the Circular shall have the same meanings when used in this letter.

We have been appointed by the Board as the Independent Board Committee to consider and advise you as to whether, in our opinion, the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Honestum International Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder.

Details of the advice from Honestum International Limited, together with the reasons for its opinion, the key assumptions made and the factors taken into consideration in forming its opinion, are set out on pages 16 to 25 of the Circular.

\* *For identification purposes only*



**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

Your attention is also drawn to the letter from the Board set out on pages 5 to 13 of the Circular and the information set out in Appendix I to the Circular.

Having considered the terms and conditions of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, the interests of the Independent Shareholders and the advice of Honestum International Limited, we are of the opinion that the terms of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder are fair and reasonable, and such transactions are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Independent Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM in the terms as set out in the notice of the EGM to approve the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder.

Yours faithfully,  
For and on behalf of  
**Independent Board Committee**

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

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*The following is the full text of a letter of advice from Honestum International Limited to the Independent Board Committee and the Independent Shareholders prepared for the purpose of inclusion in this circular.*



10 October 2024

*To the Independent Board Committee and the Independent Shareholders of  
Taizhou Water Group Co., Ltd.*

Dear Sirs,

### RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

#### INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in this circular (the “**Circular**”) dated 10 October 2024 issued by the Company, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined herein.

Reference is made to the 2021 Huangyan Water Supply Framework Agreement (the “**Existing CCT Agreement**”), details of which are set out in the announcement of the Company dated 1 September 2021 and in the announcement of the Company dated 27 September 2024 in relation to the Proposed Annual Caps (the “**Announcement**”). Since the annual caps of the continuing connected transactions of the Company as contemplated under the 2021 Huangyan Water Supply Framework Agreement are due to expire on 31 December 2024, the Company and Huangyan Urban and Rural Water Supply entered into 2025 Huangyan Urban and Rural Water Supply Framework Agreement for a term of three financial years commencing from 1 January 2025 and ending on 31 December 2027 with the proposed annual caps of approximately RMB53.0 million, RMB55.0 million and RMB58.0 million (“**Proposed Annual Caps**”), respectively.

As at the Latest Practicable Date, Huangyan Urban and Rural Water Supply is indirectly owned as to 49% by Huangyan SCIOG, a substantial Shareholder of the Company, and hence 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 Proposed Annual Caps for the transactions contemplated under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, on an annual basis, are more than 5%, such continuing connected transactions and the Proposed Annual Caps are subject to

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

requirements including reporting, announcement, annual review and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

Among the Directors, as Ms. Fang Ya, a non-executive Director, is a director nominated by Yongning Financial Consulting, which is a subsidiary of Huangyan SCIOG, the holding company of Huangyan Urban and Rural Water Supply, she is deemed to have a material interest in the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, and has abstained from voting on the board resolutions in respect of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement. Save as disclosed above, none of the Directors has material interest in the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, and therefore no other Director has abstained from voting on such board resolution.

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Mr. Huang Chun, Ms. Hou Meiwen, Mr. Li Wai Chung, Ms. Lin Suyan and Mr. Wang Yongyue, has been established to advise the Independent Shareholders as to whether the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the Proposed Annual Caps are in the ordinary course of business of the Company, on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to give a recommendation to the Independent Shareholders in respect of the voting on the resolution to be proposed at the EGM to approve the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder, including the Proposed Annual Caps. As an Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

### OUR INDEPENDENCE

As at the Latest Practicable Date, we, Honestum International Limited, were not aware of any relationships or interests between us and (i) the Group; (ii) Huangyan Urban and Rural Water Supply; and (iii) any other parties during the past two years under the Listing Rules that could be reasonably regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder, including the Proposed Annual Caps.

In the past two years immediately preceding the Latest Practicable Date, we have acted as the independent financial adviser to the then independent board committee and the then independent shareholders of the Company for the continuing connected transactions (the "**Previous Engagement**"), details of which are set out in the circular of the Company dated 31 May 2023. Under the Previous Engagement, we were required to express our opinion on and give recommendations to the independent board committee and independent shareholders of the Company in relation to the continuing connected transactions. Apart from the independent financial adviser roles in connection with the Previous Engagement and the transactions disclosed in the Circular, we have not acted in any capacity of the Group in the past two years immediately preceding the Latest

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Practicable Date. Apart from normal professional fees paid or payable to us in connection with this appointment as the independent financial adviser, no arrangement exist whereby we had received or will receive any fees or benefits from the Company or any other party to the transaction.

### **BASIS OF OUR OPINION**

In arriving at our recommendation, we have relied on the accuracy of the information and representations contained in the annual report of the Group for the year ended 31 December 2023, the Circular and have assumed that all information and representations made or referred to in the Circular as provided by the management (the “**Management**”) of the Company were true, accurate and complete at the time they were made and continue to be true as at the date of the Circular. We have also relied on our discussion with the Management regarding the continuing connected transactions including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the Management respectively in the Circular were reasonably made after due enquiry and careful consideration. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have no reason to suspect that any material facts or information have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Management. We have not, however, carried out any independent verification of the information provided by the Management, nor have we conducted an independent in-depth investigation into the business and affairs of (i) the Group; (ii) Huangyan Urban and Rural Water Supply or any of their respective subsidiaries or associates.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion and recommendation with regard to the terms of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder, including the Proposed Annual Caps, we have taken into account the following principal factors and reasons:

#### **1. Background information of the parties to the Continuing Connected Transactions**

##### ***1.1 Information on 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.

**1.2 Information on Huangyan Urban and Rural Water Supply**

Huangyan Urban and Rural Water Supply principally engages in the business of centralised water supply services in Huangyan District of Taizhou. As at the Latest Practicable Date, Huangyan Urban and Rural Water Supply is owned as to 45% by the Company, 49% by Taizhou Huangyan Water Conservancy Development Group Co., Ltd.\* (台州市黃岩水利發展集團有限公司) and 6% by Taizhou Shengshui Equity Investment Partnership (Limited Partnership)\* (台州盛水股權投資合夥企業(有限合夥)). As at the Latest Practicable Date, Taizhou Huangyan Water Conservancy Development Group Co., Ltd. is an indirect wholly-owned subsidiary of Huangyan SCIOG, a substantial Shareholder of the Company, which is ultimately owned by the Finance Bureau of Huangyan District of Taizhou, a PRC Government Body. Taizhou Shengshui Equity Investment Partnership (Limited Partnership) is ultimately owned as to 99% by State-owned Assets Supervision and Administration Commission of the People's Government of Taizhou\* (台州市人民政府國有資產監督管理委員會) and 1% by Shanghai Shengpu Enterprise Management Partnership (Limited Partnership)\* (上海盛浦企業管理合夥企業(有限合夥)), which is ultimately owned by six individual Independent Third Parties.

**2. The Proposed Annual Caps**

**2.1 Background of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and benefits for the Proposed Annual Caps**

The Group has established business cooperation with Huangyan Urban and Rural Water Supply since 1995. On 1 September 2021, the Group entered into the Existing CCT Agreement with Huangyan Urban and Rural Water Supply with a renewable term commencing from 1 January 2022 to 31 December 2024 (both days inclusive). Pursuant to the Existing CCT Agreement, the Group agreed to provide raw water supply services to Huangyan Urban and Rural Water Supply.

In light of the upcoming expiration of the 2021 Huangyan Water Supply Framework Agreement with Huangyan Urban and Rural Water Supply on 31 December 2024, the Company entered into the 2025 Huangyan Urban and Rural Water Supply Framework Agreement with Huangyan Urban and Rural Water Supply on 27 September 2024, which adopts substantially the same terms and conditions as the 2021 Huangyan Water Supply Framework Agreement with Huangyan Urban and Rural Water Supply, with the Proposed Annual Caps for the three years ending 31 December 2027. The details of the principal terms of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement are set out under the section headed "II. 2025 HUANGYAN URBAN AND RURAL WATER SUPPLY FRAMEWORK AGREEMENT" in the Letter from the Board.

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The Company considers that the Proposed Annual Caps will allow the Group to maintain a stable supply of raw water to Huangyan Urban and Rural Water Supply, to cater the changes in the market demands and ensure the Company's income and business growth.

Having considered the above and the respective background information of the Group and Huangyan Urban and Rural Water Supply, we concur with the Directors' view that the transactions contemplated under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, including the Proposed Annual Caps, are entered into in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

### ***2.2 Principal terms the 2025 Huangyan Urban and Rural Water Supply Framework Agreement***

#### *Subject matter*

#### *For the 2025 Huangyan Urban and Rural Water Supply Framework Agreement*

Pursuant to the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, the parties agreed that the Group shall provide raw water supply services to Huangyan Urban and Rural Water Supply for the three years ending 31 December 2027.

#### *Pricing basis*

The prices of the sales of raw water supply services to Huangyan Urban and Rural Water Supply to be provided by the Group 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.

#### *Payment term*

Payment for the transactions contemplated under 2025 Huangyan Urban and Rural Water Supply Framework Agreement shall be made every month on the basis of the volume of water supplied by the Group.

#### *Comparison of terms with Independent Third Parties*

We have discussed with the representatives of the Group, the pricing basis and payment terms of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement as set out above and the relevant terms under the Existing CCT Agreement. We have also obtained and reviewed 6 selected samples of raw water supply agreements signed with independent third parties (the "**Sample Contracts**") provided by the Group. Based on our discussion with the Group's representatives, the Sample Contracts already represented all the raw water supply agreements of the Group with

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independent third parties, and thus we consider the Sample Contracts that we have selected and reviewed to be fair and representative. Having compared the pricing basis for the raw water charged to Huangyan Urban and Rural Water Supply, respectively, with the pricing basis in the Sample Contracts and based on the aforementioned discussion with the representatives of the Group, we noted that the same pricing basis is consistently adopted where the unit prices charged are based on the water price determined and approved by Taizhou DRC. Furthermore, in assessing whether the payment term in the water supply agreements with Huangyan Urban and Rural Water Supply is fair and reasonable, we have reviewed the Sample Contracts and noted that their payment term is consistent with those stipulated in the 2025 Huangyan Urban and Rural Water Supply Framework Agreement.

Based on the above, we consider that the pricing basis and the payment term in relation to the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder are on normal commercial terms and are set at a fair and reasonable basis.

### 2.3 *The Proposed Annual Caps*

*For the 2025 Huangyan Urban and Rural Water Supply Framework Agreement*

Set out below are the historical transaction amounts and the annual caps:

	<b>Year ended/ending on 31 December</b>					
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Historical transaction amount of raw water supply services to Huangyan Urban and Rural Water Supply	50,007	49,016	Nil (up to the Latest Practicable Date)	N/A	N/A	N/A
Annual Cap	55,250	56,790	58,480	N/A	N/A	N/A
Utilisation rate	90.5%	86.3%	N/A	N/A	N/A	N/A
Proposed Annual Caps	N/A	N/A	N/A	53,000	55,000	58,000

We have obtained and reviewed the calculation of the Proposed Annual Caps from the Company and discussed with the representatives of the Group regarding the basis for determining the Proposed Annual Caps. We understand that the Proposed Annual Caps are determined with reference to the Group's projection of sales and the water supply capacity to Huangyan Urban and Rural Water Supply for the years ending 31 December 2025 to 2027,



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the basis of which has taken into consideration of (i) the unaudited historical transaction amounts with Huangyan Urban and Rural Water Supply for the eight months ended 31 August 2024 provided by the Group; and (ii) the growing demand for raw water.

(i) Historical transaction amounts

Based on our discussion with the representatives of the Group and the unaudited financial information in respect of the eight months ended 31 August 2024 provided to us, the sales amounts to Huangyan Urban and Rural Water Supply for the eight months ended 31 August 2024 were approximately RMB33.7 million, which accounted for only approximately 57.6% of the historical annual cap for 2024. As a result, the Directors determined to set the proposed annual cap for the year ending 31 December 2025 at approximately RMB53.0 million as compared to the historical annual cap for the year ending 31 December 2024 of approximately RMB58.5 million.

(ii) Growing demand for raw water

Based on the information provided by the Group, the raw water supplied to Huangyan Urban and Rural Water Supply for the eight months ended 31 August 2024 increased slightly by approximately 1.5%, as compared with their consumption in the corresponding period in 2023. In addition, based on our discussion with the representatives of the Group, Huangyan Urban and Rural Water Supply has commenced the construction of four new water pumping stations and are expected to be put into use in 2025. Such development is anticipated to increase the water supply capacity of Huangyan Urban and Rural Water Supply and enhance the water supply available to the general public in Taizhou, thereby increasing the demand of water from the Group. The Proposed Annual Cap will therefore ensure a stable supply of raw water from the Group to respond to the increase in market demands.

In conclusion, the Directors are of the view that as a public utilities service provider, it is of paramount importance for the Company to discharge their social responsibility to the general public by providing a steady and reliable supply of raw water in light of the increase in demand. Having considered the above analysis, we consider the Proposed Annual Caps are fair and reasonable.

However, the Proposed Annual Caps under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement are determined based on information currently available to the Company and the analysis as set out above, and the utilisation of the Proposed Annual Caps refer to future events associated with factors and uncertainties which may be beyond the control of the Management. Hence, we express no opinion as to the accuracy and the actual utilisation of the Proposed Annual Cap under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement.



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### INTERNAL CONTROL AND ANNUAL REVIEW OF THE CONTINUING CONNECTED TRANSACTIONS

As disclosed in the Letter from the Board, the Company has adopted the following internal control procedures to ensure the transactions under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement are in the interests of the Group and the Shareholders as a whole and in the compliance with the Listing Rules:

- (i) The finance department of the Company shall regularly monitor the caps of connected transactions, count the accumulated amounts of transactions with Huangyan Urban and Rural Water Supply by the end of the month on a monthly basis and report to the Management the unutilised balance of the annual caps by the end of each month, to ensure the applicable annual caps are not exceeded. When the projected transaction amount approaches or reaches the applicable annual caps, the Company shall revise the annual cap in accordance with the internal control procedures governing the connected transactions;
- (ii) The finance department of the Company will regularly keep abreast of the changes in policies for the water price promulgated by Taizhou DRC from time to time to ensure that the water price approved by the government authorities is timely executed;
- (iii) The production departments of the Group will closely monitor and report any circumstances which may have impact on the applicable annual cap under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement such as water price adjustment as fixed and promulgated by the relevant government authorities;
- (iv) The external auditors of the Group will issue a letter to the Board in relation to the continuing connected transactions, including the transactions under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, for each financial year in accordance with Rule 14A.56 of the Listing Rules; and
- (v) The independent non-executive Directors of the Company will conduct an annual review with respect to the continuing connected transactions, including the transactions under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement for each financial year, and give confirmation in accordance with Rules 14A.55 and 14A.71 of the Listing Rules.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In addition, we also noted that the Company has the following internal control measures in place to ensure that the continuing connected transactions are conducted on normal commercial terms:

- (i) the connected party(ies) with material interests in the connected transactions shall abstain from voting in respect of the resolution at the shareholders' meeting;
- (ii) the Group shall comply with the relevant reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for the continuing connected transactions; and
- (iii) the Group will duly disclose the continuing connected transactions in the Company's annual reports and accounts during each of the financial period, together with the conclusions drawn by the independent non-executive Directors.

As part of our independent work performed, we have discussed with management to understand the aforementioned internal control procedures and have obtained and reviewed the relevant internal control policy. We have also reviewed sample documents in relation to the abovementioned internal control measures, including the monthly management report of the accumulated amounts of continuing connected transactions and the water price adjustment notice promulgated by the relevant government authorities, and we noted that the above internal control measures are properly adopted.

We noted from the above the Group has adopted a set of internal control procedures governing the Group's transactions with Huangyan Urban and Rural Water Supply and considered that the procedures in place provide reasonable assurance that the conduct of the continuing connected transactions would be governed by the management level and in compliance with the terms and conditions as stated in the 2025 Huangyan Urban and Rural Water Supply Framework Agreement. Further, we noted from the annual report of the Group for the year ended 31 December 2023, that the auditor of the Company has reported on the Group's continuing connected transactions (including the transactions under the Existing CCT Agreement) in accordance with Rule 14A.56 of the Listing Rules and the independent non-executive Directors have also reviewed and confirmed that each of the continuing connected transactions of the Group (including the transactions under the Existing CCT Agreement) during the year ended 31 December 2023 has been (i) entered into in the ordinary and usual course of business of the Group; (ii) conducted on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) entered into in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholder as a whole.

In light of the above, we are of the view that appropriate measures have been in place to govern the conduct of the continuing connected transactions under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and safeguard the interests of the Independent Shareholders and the Company as a whole.

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### RECOMMENDATION

Having taken into account the factors and reasons as stated above, we consider that the terms of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement, including the Proposed Annual Cap, are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, and we advise the Independent Shareholders, to vote in favour of the ordinary resolutions to be proposed at the EGM for approving the continuing connected transactions.

Yours faithfully,

For and on behalf of

**Honestum International Limited**

**Michael Chum**

*Chairman*

**Jacky Chu**

*Associate Director*

*Note:* Mr. Michael Chum is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Honestum International Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 25 years of experience in corporate finance industry. Mr. Jacky Chu is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Honestum International Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 10 years of experience in corporate finance industry.

## 1. 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.

## 2. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors, Supervisors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### Interests in Shares

Name of Director	Nature of interest	Class of Shares	Number of Shares held <sup>(1)</sup>	Approximate percentage of shareholding in the class of Shares issued (%)	Approximate percentage of shareholding in the total Shares issued (%)
Mr. Yang Yide	Interest of controlled corporation <sup>(2)</sup>	Domestic Shares	10,058,338 (L)	6.71%	5.03%
Ms. Ying Nan	Interest of controlled corporation <sup>(3)</sup>	Domestic Shares	10,058,338 (L)	6.71%	5.03%

#### Notes:

- (1) As at the Latest Practicable Date, the Company had issued 200,000,000 Shares in total, including 150,000,000 Domestic Shares and 50,000,000 H Shares. The letter "L" denotes the person's long position in the Shares.
- (2) Qufeng Holdings Limited, which is owned as to 80% by Mr. Yang Yide, directly held 10,058,338 Domestic Shares. By virtue of the SFO, Mr. Yang Yide was deemed to have an interest in the Shares held by Qufeng Holdings Limited.
- (3) Shanghai Lipin Sanmin Culture Communication Co., Ltd. which is held as to 99.7% by Ms. Ying Nan, directly held 10,058,338 Domestic Shares. By virtue of the SFO, Ms. Ying Nan was deemed to have an interest in Shares held by Shanghai Lipin Sanmin Culture Communication Co., Ltd..

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors or chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### 3. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the Latest Practicable Date, the following persons (not being a Director, Supervisor or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

#### Interests in Shares

Name of Shareholder	Nature of interest	Class of Shares	Number of Shares held <sup>(1)</sup>	Approximate percentage of shareholding in the class of Shares issued (%)	Approximate percentage of shareholding in the total Shares issued (%)
Taizhou State-owned Capital Operation Group Co., Ltd.* <sup>(2)</sup>	Interest in controlled corporation	Domestic Shares	43,250,855	28.83%	21.63%
Taizhou Urban Construction and Investment Development Group Co., Ltd.* <sup>(2)</sup>	Beneficial owner	Domestic Shares	43,250,855	28.83%	21.63%
The Finance Bureau of Huangyan District of Taizhou* <sup>(3)</sup>	Interest in controlled corporation	Domestic Shares	26,679,541	17.79%	13.34%
Taizhou Huangyan State-owned Capital Investment Operation Group Co., Ltd.* <sup>(3)</sup>	Interest in controlled corporation	Domestic Shares	26,679,541	17.79%	13.34%
Taizhou Huangyan Technology Innovation Investment Co., Ltd.* <sup>(3)</sup>	Interest in controlled corporation	Domestic Shares	26,679,541	17.79%	13.34%
Zhejiang Yongning Financial Consulting Co., Ltd.* <sup>(3)</sup>	Beneficial owner	Domestic Shares	26,679,541	17.79%	13.34%
Taizhou Finance Bureau of Jiaojiang District* <sup>(4)</sup>	Interest in controlled corporation	Domestic Shares	22,222,893	14.82%	11.11%
Taizhou Jiaojiang Infrastructure Investment Company <sup>(4)</sup>	Beneficial owner	Domestic Shares	22,222,893	14.82%	11.11%

Name of Shareholder	Nature of interest	Class of Shares	Number of Shares held <sup>(1)</sup>	Approximate percentage of shareholding in the class of Shares issued (%)	Approximate percentage of shareholding in the total Shares issued (%)
Zhejiang International Business Group Co., Ltd. <sup>(5)</sup>	Interest in controlled corporation	Domestic Shares	20,116,677	13.41%	10.06%
Zhejiang Zheshang Asset Management Co., Ltd.* <sup>(5)</sup>	Interest in controlled corporation	Domestic Shares	20,116,677	13.41%	10.06%
Taizhou State-owned Assets Investment Group Co., Ltd. <sup>(5)</sup>	Interest in controlled corporation	Domestic Shares	20,116,677	13.41%	10.06%
Zhejiang Taixin Asset Management Co., Ltd.* <sup>(5)</sup>	Beneficial owner	Domestic Shares	20,116,677	13.41%	10.06%
Taizhou Luqiao Public Assets Investment Management Group Co., Ltd.*	Beneficial owner	Domestic Shares	17,613,358	11.74%	8.81%
Qufeng Holdings Limited* <sup>(6)</sup>	Beneficial owner	Domestic Shares	10,058,338	6.71%	5.03%
Mr. Yang Yide <sup>(6)</sup>	Interest in controlled corporation	Domestic Shares	10,058,338	6.71%	5.03%
Ms. Ying Nan <sup>(7)</sup>	Interest in controlled corporation	Domestic Shares	10,058,338	6.71%	5.03%
Shanghai Yushen Enterprise Management Consulting Co., Ltd.* <sup>(7)</sup>	Interest in controlled corporation	Domestic Shares	10,058,338	6.71%	5.03%
Shanghai Lipin Sanmin Culture Communication Co., Ltd.* <sup>(7)</sup>	Beneficial owner	Domestic Shares	10,058,338	6.71%	5.03%
Mr. Lin Maoyuan <sup>(7)</sup>	Interest in controlled corporation	Domestic Shares	10,058,338	6.71%	5.03%
Shanghai Industrial Investment (Holdings) Company Limited <sup>(8)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%
Shanghai Industrial Investment Treasury Company Limited <sup>(8)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%
Shanghai Investment Holdings Limited <sup>(8)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%
Shanghai Industrial Holdings Limited <sup>(8)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%
S.I. Infrastructure Holdings Limited <sup>(8)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%
S.I. Triumph Power Limited <sup>(8)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%
SIIC Environment Holdings Ltd. <sup>(8)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%
SIIC Environment Tech (Hong Kong) Limited <sup>(8)</sup>	Interest in controlled corporation	H Shares	12,500,000	25.00%	6.25%

Name of Shareholder	Nature of interest	Class of Shares	Number of Shares held <sup>(1)</sup>	Approximate percentage of shareholding in the class of Shares issued (%)	Approximate percentage of shareholding in the total Shares issued (%)
Shanghai Yangtze River Delta Water Environment Investment Fund Limited <sup>(8)</sup>	Beneficial owner	H Shares	12,500,000	25.00%	6.25%
Mr. Chung Chi Man <sup>(9)</sup>	Interest in controlled corporation	H Shares	11,999,000	23.99%	6.00%
Billion Shine International Investment Limited <sup>(9)</sup>	Interest in controlled corporation	H Shares	11,999,000	23.99%	6.00%
Innovax Holdings Limited <sup>(9)</sup>	Interest in controlled corporation	H Shares	11,999,000	23.99%	6.00%
Ms. Lee Yin Har <sup>(10)</sup>	Interest of spouse	H Shares	11,999,000	23.99%	6.00%
Orient Fund Management Co., Ltd.*	Trustee	H Shares	4,860,000	9.72%	2.43%
PING AN TRUST CO., LTD.	Trustee	H Shares	3,616,000	7.23%	1.81%

\* For identification purposes only

Notes:

- (1) As at the Latest Practicable Date, the Company had issued 200,000,000 Shares in total, including 150,000,000 Domestic Shares and 50,000,000 H Shares.
- (2) Taizhou Urban Construction and Investment Development Group Co., Ltd. is ultimately wholly-owned by Taizhou State-owned Capital Operation Group Co., Ltd.. By virtue of the SFO, Taizhou State-owned Capital Operation Group Co., Ltd. is deemed to have an interest in the Domestic Shares held by Taizhou Urban Construction and Investment Development Group Co., Ltd..
- (3) Zhejiang Yongning Financial Consulting Co., Ltd. is a state-owned enterprise indirectly wholly-owned by the Finance Bureau of Huangyan District of Taizhou through its wholly-owned subsidiary, Taizhou Huangyan State-owned Capital Investment Operation Group Co., Ltd., and through the wholly-owned subsidiary of Taizhou Huangyan State-owned Capital Investment Operation Group Co., Ltd., Taizhou Huangyan Technology Innovation Investment Co., Ltd.. By virtue of the SFO, each of the Finance Bureau of Huangyan District of Taizhou, Taizhou Huangyan State-owned Capital Investment Operation Group Co., Ltd. and Taizhou Huangyan Technology Innovation Investment Co., Ltd. is deemed to have an interest in the Domestic Shares held by Zhejiang Yongning Financial Consulting Co., Ltd..
- (4) Taizhou Jiaojiang Infrastructure Investment Company is a state-owned enterprise wholly-owned by the Taizhou Finance Bureau of Jiaojiang District. By virtue of the SFO, the Taizhou Finance Bureau of Jiaojiang District is deemed to have an interest in the Domestic Shares held by Taizhou Jiaojiang Infrastructure Investment Company.
- (5) Zhejiang Taixin Asset Management Co., Ltd. is held as to (i) 40% by Taizhou State-owned Assets Investment Group Co., Ltd., a company wholly owned by Taizhou State Owned Capital Operation Group Co., Ltd.; and (ii) 60% by Zhejiang Zheshang Asset Management Co., Ltd., which is in turn owned as to approximately 58.64% by Zhejiang International Business Group Co., Ltd. By virtue of the SFO, each of Taizhou State-owned Assets Investment Group Co., Ltd., Zhejiang Zheshang Asset Management Co., Ltd., Taizhou State Owned Capital Operation Group

Co., Ltd., and Zhejiang International Business Group Co., Ltd., is deemed to have an interest in the Domestic Shares held by Zhejiang Taixin Asset Management Co., Ltd..

- (6) Qufeng Holdings Limited is owned as to 80% by Mr. Yang Yide. By virtue of the SFO, Mr. Yang Yide was deemed to have an interest in the Shares held by Qufeng Holdings Limited.
- (7) Shanghai Lipin Sanmin Culture Communication Co., Ltd. is held as to 99.7% by Ms. Ying Nan and 0.3% by Shanghai Yushen Enterprise Management Consulting Co., Ltd., the latter is in turn wholly owned by Mr. Lin Maoyuan. By virtue of the SFO, Ms. Ying Nan is deemed to be interested in a total of 10,058,338 Domestic Shares of the Company held by Shanghai Lipin Sanmin Culture Communication Co., Ltd..
- (8) Shanghai Yangtze River Delta Water Environment Investment Fund Limited is held as to 40% by SIIC Environment Tech (Hong Kong) Limited, which is in turn wholly-owned by SIIC Environment Holdings Ltd.. SIIC Environment Holdings Ltd. is held as to 6.36% by S.I. Infrastructure Holdings Limited and as to 37.92% by S.I. Triumph Power Limited, which is in turn wholly-owned by S.I. Infrastructure Holdings Limited. S.I. Infrastructure Holdings Limited is wholly-owned by Shanghai Industrial Holdings Limited, which is in turn held as to 55.13% by Shanghai Investment Holdings Limited. Shanghai Investment Holdings Limited is wholly-owned by Shanghai Industrial Investment Treasury Company Limited, which is in turn wholly-owned by Shanghai Industrial Investment (Holdings) Company Limited. By virtue of the SFO, SIIC Environment Tech (Hong Kong) Limited, SIIC Environment Holdings Ltd., S.I. Triumph Power Limited, S.I. Infrastructure Holdings Limited, Shanghai Industrial Holdings Limited, Shanghai Investment Holdings Limited, Shanghai Industrial Investment Treasury Company Limited and Shanghai Industrial Investment (Holdings) Company Limited are deemed to have an interest in the H Shares held by Shanghai Yangtze River Delta Water Environment Investment Fund Limited.
- (9) Innovax Holdings Limited is owned as to 75% by Billion Shine International Investment Limited, which is wholly-owned by Mr. Chung Chi Man.
- (10) Ms. Lee Yin Har is the spouse of Mr. Chung Chi Man. By virtue of the SFO, Ms. Lee Yin Har is deemed to be interested in all the H Shares held by Mr. Chung Chi Man.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any other persons (other than the Directors, Supervisors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

#### 4. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, each of the following Directors is a director or employee in the following companies, each of which has an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (i) Mr. Lin Genman, a non-executive Director of the Company, is a manager of the finance and treasury department and a director 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);
- (ii) Mr. Yang Yide, a non-executive Director of the Company, is an executive director and general manager of Qufeng Holdings Limited;



- (iii) Mr. Lin Yang, a non-executive Director of the Company, is the chairman of the board of directors, the general manager and party branch member (黨支部委員) of Zhejiang Taixin Asset Management Co., Ltd.\* (浙江台信資產管理有限公司);
- (iv) Mr. Shao Aiping, a non-executive Director of the Company, is a party committee member and deputy general manager of Taizhou Urban Construction and Investment Development Group Co., Ltd.; and
- (v) Ms. Ying Nan, a non-executive Director of the Company, is an executive director of Shanghai Lipin Sanmin Culture Communication Co., Ltd.\* (上海力品三民文化傳播有限公司).

#### **5. DIRECTORS' AND SUPERVISORS' INTERESTS IN ASSETS AND CONTRACTS**

As at the Latest Practicable Date, none of the Directors and the Supervisors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated accounts of the Company were made up.

None of the Directors and the Supervisors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

#### **6. DIRECTORS' SERVICE CONTRACT**

None of the Directors and the Supervisors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

#### **7. INTEREST OF DIRECTORS IN COMPETING BUSINESS**

As at the Latest Practicable Date, the Directors were not aware that any of them or any of their close associates (as defined in the Listing Rules) had interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which would fall to be disclosed under the Listing Rules.

#### **8. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or operation position of the Group since 31 December 2023, being the date to which the latest published audited consolidated accounts of the Group were made up.

## 9. LITIGATION

As at the Latest Practicable Date, the Group was not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## 10. EXPERT'S QUALIFICATION AND CONSENT

The qualification of the expert who has provided its advice which are contained in this circular is set out as follow:

Expert	Qualification
Honestum International Limited	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO

The expert mentioned above has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, report and/or opinions and/or the references to its name in the form and context in which it respectively appears.

As at the Latest Practicable Date, the expert mentioned above (i) did not have any interest, either directly or indirectly, in any assets which had been, since 31 December 2023, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group; and (ii) did not have any shareholding interests in any member of the Group and it did not have any right, whether legally enforceable or not, to subscribe for or nominate persons to subscribe for securities of any members of the Group.

## 11. MISCELLANEOUS

- (a) The registered office and the principal place of business in the PRC of the Company are at No. 308 Yin Quan Road, Xicheng Street, Huangyan District, Taizhou, Zhejiang Province, the PRC.
- (b) The H Share registrar and transfer office in Hong Kong of the Company is Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (c) The joint company secretaries of the Company are Ms. Zheng Ranhan and Ms. Siu Pui Wah, who is a certified public accountant and a member of the Hong Kong Institute of Certified Public Accountants.

**12. DOCUMENTS ON DISPLAY**

Copies of the following documents are published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.zjtzwater.com](http://www.zjtzwater.com)) during the period of 14 days from the date of this circular:

- (1) the 2025 Huangyan Urban and Rural Water Supply Framework Agreement;
- (2) the letter from Independent Financial Adviser, as set out on pages 16 to 25 of this circular; and
- (3) the written consent of the Independent Financial Adviser referred to in the section headed “10. EXPERT’S QUALIFICATION AND CONSENT” in this appendix.

## NOTICE OF EGM



# 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 2:30 p.m. on Friday, 25 October 2024 to consider and, if thought fit, to pass, with or without modifications, the following resolution 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 10 October 2024.

### ORDINARY RESOLUTION

**“THAT:**

- (a) the agreement dated 27 September 2024 (the “**2025 Huangyan Urban and Rural Water Supply Framework Agreement**”) (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose) entered into between the Company and Huangyan Urban and Rural Water Supply in relation to, among others, the provision of raw water supply services by the Group to Huangyan Urban and Rural Water Supply and the transactions contemplated thereunder, be and are hereby confirmed, approved and ratified;
- (b) the proposed annual caps for the three years ending 31 December 2027 in relation to the transactions contemplated under the 2025 Huangyan Urban and Rural Water Supply Framework Agreement be and are hereby approved; and
- (c) any one or more director(s) of the Company be and is/are hereby authorised to do all such acts and things, to sign and execute all such documents (and to affix the common seal of the Company thereon, if necessary) as he/she/they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the 2025 Huangyan Urban and Rural Water Supply Framework Agreement and the transactions contemplated thereunder, and to make and agree to make such variations of the terms of the 2025 Huangyan Urban and Rural Water Supply Framework Agreement as he/she/they may in

## NOTICE OF EGM

his/her/their discretion consider to be appropriate, necessary or desirable and in the interests of the Company and its shareholders as a whole.”

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

Taizhou, the PRC  
10 October 2024

*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, 22 October 2024 to Friday, 25 October 2024 (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, 21 October 2024.
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 2:30 p.m. on Thursday, 24 October 2024). 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, 18 October 2024.

\* *For identification purposes only*

## NOTICE OF EGM

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. Yang Yide, Mr. Lin Yang, Mr. Shao Aiping, Ms. Ying Nan and Ms. Mo Danjun; and the independent non-executive Directors are Mr. Huang Chun, Ms. Hou Meiwen, Mr. Li Wai Chung, Ms. Lin Suyan and Mr. Wang Yongyue.*