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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)**

**PROPOSED ISSUANCE OF RENEWABLE CORPORATE BONDS  
IN THE PRC  
AND  
PROPOSED AUTHORISATION TO THE BOARD OR  
THE EXECUTIVE DIRECTORS TO DEAL WITH THE MATTERS  
RELATING TO THE ISSUE OF THE RENEWABLE CORPORATE  
BONDS IN THE PRC**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board hereby announces that, in order to enhance the Company's financing capabilities, optimize its capital structure, and reduce financing costs, on 27 December 2024, the Board has resolved to submit to the Shareholders for consideration and approval (1) the proposed issuance of Renewable Corporate Bonds in the PRC, and (2) the proposed authorisation to the Board or the executive Directors to deal with the matters relating to the issue of Renewable Corporate Bonds in the PRC.

Pursuant to the relevant laws and regulations of the PRC and the articles of association of the Company, the above resolutions are subject to the approval of the Shareholders by way of special resolutions at the EGM. A circular, containing, among others (i) details of the proposed issuance of Renewable Corporate Bonds in the PRC, and the proposed authorisation to the Board or the executive Directors to deal with the matters relating to the issue of Renewable Corporate Bonds in the PRC, and (ii) a notice of the EGM, will be dispatched to the Shareholders in due course.

## **PROPOSED ISSUANCE OF RENEWABLE CORPORATE BONDS IN THE PRC**

The proposed arrangements for the issuance of Renewable Corporate Bonds are as follows:

1. Issuer: The Company
2. Type of bonds: Renewable Corporate Bonds
3. Size of issue: The issue size of the Renewable Corporate Bonds shall not exceed RMB400 million (inclusive), in single or multiple tranche(s)
4. Term of the bonds and extension period: The term of the Renewable Corporate Bonds shall not exceed five years (inclusive) for each repricing cycle. At the end of each repricing cycle, the Company is entitled to extend the maturity of the Renewable Corporate Bonds for one repricing cycle or to redeem the Renewable Corporate Bonds in full
5. Method of issue and issue targets: Non-public issuance to professional institutional investors, excluding any pre-emptive placing to the existing Shareholders
6. Use of proceeds: The proceeds from the non-public issue of Renewable Corporate Bonds are proposed to be used for replenishment of working capital or repayment of debts of the Company and/or its subsidiaries
7. Type of interest rate: Fixed interest rate, which shall be determined based on prevailing market rates at the time of issuance
8. Interest payment method: In the event that the Company does not exercise the right to defer interest payment, interest on the Renewable Corporate Bonds shall be calculated on a simple interest basis, with payments made annually
9. Place of listing: Shanghai Stock Exchange

10. Special Provisions:

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| (a) Option for deferring interest payment:                 | The Renewable Corporate Bonds shall confer a right to the issuer to defer interests payment, so that the Company may, on each interests payment date of Renewable Corporate Bonds, choose to defer the payment of interests for the current period and any deferred interest and the accreted interest thereof to the next interest payment date, without any limitation with respect to the number of deferrals, subject to any restrictions on deferred interest payment and except for occurrence of any triggering events for compulsory interest payment. The above-mentioned deferring of interest payment does not constitute the issuer's default of interest payment in full as agreed |
| (b) Repricing period and coupon rate adjustment mechanism: | The coupon rate for the repricing period shall be adjusted to the benchmark interest rate for the current period plus the initial interest rate spread plus an additional 300 basis points  |

The proposed issue of the Renewable Corporate Bonds is, if approved at the EGM, still subject to the approval of the Shanghai Stock Exchange for filing.

**AUTHORISATION TO THE BOARD OR THE EXECUTIVE DIRECTORS TO DEAL WITH THE MATTERS RELATING TO THE ISSUE OF THE RENEWABLE CORPORATE BONDS IN THE PRC**

In order to improve the efficiency to issue the Renewable Corporate Bonds, the Board has resolved to seek Shareholders' approval at the EGM to authorise the Board or the executive Directors to deal with the matters relating to the issue of the Renewable Corporate Bonds in the PRC. The authorisation shall include but not limited to the following matters:

1. To determine the specific terms, conditions, and related matters for the issuance of Renewable Corporate Bonds, including but not limited to determining the issuance interest rate, term, rating, guarantees, guarantee measures for repayment, any redemption clauses, allocation arrangements, the option for deferring interest payment, the compulsory interests payment event as well as the restriction on deferred interests payment, the option for adjusting the coupon interest rate, and the use of proceeds;
2. To make all necessary and ancillary arrangements in accordance with the requirements for the issuance of Renewable Corporate Bonds, including but not limited to obtaining approvals, engaging intermediaries, determining underwriting arrangements, preparing and submitting relevant application documents to regulatory authorities, and seeking regulatory authorities' approval;
3. To undertake all necessary procedures in relation to the issuance of Renewable Corporate Bonds, including but not limited to the execution of all required documents and making relevant disclosures in accordance with applicable laws;

4. In the event of changes in regulatory policies or market conditions, to make corresponding adjustments to the specific plan of the issuance and related matters based on the opinions of regulatory authorities;
5. To make decisions and approvals regarding matters related to the existing bonds of the Company based on the specific circumstances of the Company and prevailing market conditions, including but not limited to adjustments to the coupon interest rate (if applicable), bond redemption, and extension of term of the Renewable Corporate Bonds.

The above authority granted to the Board or the executive Directors shall be effective from the date of the approval at the EGM until the completion of the full issuance of the Renewable Corporate Bonds within the issue size and the fulfillment of all related procedural requirements thereafter.

### **REASONS AND BENEFIT FOR THE PROPOSED ISSUE OF THE RENEWABLE CORPORATE BONDS IN THE PRC**

The proposed issue of the Renewable Corporate Bonds is to optimize the capital structure of the Company, reduce the financial costs, and further improve the comprehensive strength of the Company. The Board considers that the issuance of the Renewable Corporate Bonds adheres to government policies favoring additional financing for industrial companies and offers a cost-effective alternative to equity financing. It will avoid the dilution of shareholding and benefit the Company in optimizing financing structure, maintaining financial stability and saving finance costs. Therefore, the Board considers that the proposed issue of the Renewable Corporate Bonds is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **EGM**

Special resolutions will be proposed at the EGM scheduled to be held on Friday, 17 January 2025 for the Shareholders to consider, and, if thought fit, to approve, among other things, the issue of the Renewable Corporate Bonds in the PRC. A circular of the Company containing, among other things, detailed information of the issue of the Renewable Corporate Bonds in the PRC and the notice of the EGM will be dispatched to the Shareholders in due course.

### **CLOSURE OF REGISTER OF MEMBERS**

In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 14 January 2025 to Friday, 17 January 2025 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending and voting 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, 13 January 2025.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“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
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened by the Company, at which, among other things, the proposed issue of the Renewable Corporate Bonds will be proposed to be approved by the Shareholders
“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Renewable Corporate Bonds”	the renewable corporate bonds to be issued by the Company in the PRC with an aggregate principal amount of not more than RMB400 million (RMB400 million inclusive)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of the 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

By order of the Board  
**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  
27 December 2024

*As at the date of this announcement, the executive Directors are Mr. Yang Jun and Mr. Pan Gang; the non-executive Directors are Mr. Lin Genman, Ms. Fang Ya, Mr. Yu Yangbin, Mr. Yang 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.*

\* For identification purpose only