

THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this supplemental 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 supplemental 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)**

**SUPPLEMENTAL CIRCULAR**  
**TO THE CIRCULAR TO THE SHAREHOLDERS DATED**  
**3 SEPTEMBER 2020**  
**(I) PROPOSED ISSUE OF THE CORPORATE BONDS;**  
**AND**  
**(II) SUPPLEMENTAL NOTICE OF**  
**THE 2020 FIRST EXTRAORDINARY GENERAL MEETING**

This supplemental circular should be read in conjunction with the circular of the Company dated 3 September 2020 in relation to, among other things, 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 Thursday, 24 September 2020 (the "First Circular").

A notice convening the EGM was set out in the First Circular. A supplemental notice of the EGM dated 3 September 2020 is set out on pages 10 to 15 of this supplemental circular.

Additional resolutions for the proposed issue of the Corporate Bonds will be proposed at the EGM. Details of the resolutions will be set out in this supplemental circular. The second form of proxy for the use at the EGM which contains the additional resolutions to be proposed at the EGM is enclosed herewith. The second form of proxy enclosed herewith shall supersede the form of proxy enclosed in the First Circular. Whether or not you are able to attend the EGM, please complete and return the enclosed second form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time fixed for holding the meeting or the adjourned meeting thereof. Completion and return of the second form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

<b>CONTENTS</b>
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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	3
1. Introduction .....	4
2. Proposed issue of the Corporate Bonds .....	4
3. The EGM .....	8
4. Recommendation .....	9
5. Responsibility Statement .....	9
<b>SUPPLEMENTAL NOTICE OF EGM</b> .....	10

## DEFINITIONS

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

“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China, which for the purpose of this supplemental circular 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 (stock code: 1542)
“Company Law”	Company Law of the People’s Republic of China (中華人民共和國公司法), as promulgated by the Standing Committee of the Eighth National People’s Congress on 29 December 1993 and effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time
“Corporate Bonds”	the corporate bonds with an aggregate principal amount of, or not more than, RMB1.0 billion as proposed under a public issuance by the Company
“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
“EGM”	the 2020 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 Thursday, 24 September 2020 or any adjournment thereof
“First Circular”	the circular of the Company dated 3 September 2020
“First Form of Proxy”	the form of proxy for the EGM accompanying the First Circular

## DEFINITIONS

“First Notice of EGM”	the notice of the EGM dated 3 September 2020 set out in the First Circular
“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 Hong Kong Dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“Second Form of Proxy”	the form of proxy accompanying this Supplemental Circular
“Share(s)”	the Domestic Share(s) and/or the H Share(s)
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Circular”	this supplemental circular of the Company dated 3 September 2020
“Supplemental Notice of EGM”	the supplemental notice convening the EGM, as set out on pages 10 to 15 of this Supplemental Circular

\* For identification purposes only



**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. Zhang Junzhou

*Non-executive Directors:*

Mr. Wang Haibo  
Mr. Wang Haiping  
Ms. Fang Ya  
Mr. Yu Yangbin  
Ms. Huang Yuyan  
Mr. Yang Yide  
Mr. Guo Dingwen  
Mr. Sun Hua

*Registered Office and Principal Place  
of Business in the PRC:*

No. 308 Yin Quan Road  
Xicheng Street  
Huangyan District  
Taizhou, Zhejiang Province  
The PRC

*Principal Place of Business  
in Hong Kong:*

14/F., Golden Centre  
188 Des Voeux Road Central  
Hong Kong

*Independent Non-executive Directors:*

Mr. Zheng Jianzhuang  
Ms. Lin Suyan  
Ms. Hou Meiwen  
Mr. Li Wai Chung  
Mr. Wang Yongyue

3 September 2020

*To the Shareholders*

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR  
TO THE CIRCULAR TO THE SHAREHOLDERS DATED  
3 SEPTEMBER 2020  
(I) PROPOSED ISSUE OF THE CORPORATE BONDS;  
AND  
(II) SUPPLEMENTAL NOTICE OF  
THE 2020 FIRST EXTRAORDINARY GENERAL MEETING**

## LETTER FROM THE BOARD

### 1. INTRODUCTION

Reference is made to the announcement of the Company dated 26 August 2020.

This Supplemental Circular should be read in conjunction with the First Circular which contains, among other things, information to be dealt with at the EGM. The purpose of this Supplemental Circular is to provide you with the information of the additional resolutions to be proposed at the EGM regarding the proposed issue of the Corporate Bonds and to provide Shareholders with the Supplemental Notice of EGM and the Second Form of Proxy.

### 2. PROPOSED ISSUE OF THE CORPORATE BONDS

In order to cater for the business development needs of the Company, on 26 August 2020, the Board has resolved to submit to the Shareholders for consideration and approval the proposed issue of the Corporate Bonds with an aggregate principal amount of not more than RMB1.0 billion in accordance with the Company Law, the PRC Securities Law and other relevant laws and regulations.

According to the Company Law and the Articles of Association, the proposed issue of the Corporate Bonds is subject to the approval of the Shareholders by way of special resolution. The timetable for the issue of the Corporate Bonds depends on the conditions of the PRC bond market and the capital needs of the Company.

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

- |       |                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)   | Issuer:                        | The Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (ii)  | Place of issue:                | The PRC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| (iii) | Size of issue:                 | The aggregate principal amount of not more than RMB1.0 billion, in single or multiple tranche(s), issued publicly within the PRC upon the registration with the China Securities Regulatory Commission. It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine the specific issue size and issue method (including whether to issue in tranches and their respective issue size) of the Corporate Bonds according to the capital needs of the Company and the market conditions at the time of issue within the aforesaid scope. |
| (iv)  | Nominal Value and Issue Price: | Par value of RMB100 and issue at par.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

## LETTER FROM THE BOARD

- (v) Maturity and Type: The maturity of the Corporate Bonds shall not exceed five years (five years inclusive) with single or multiple maturity period(s). It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine the specific maturity structures of the Corporate Bonds and the offer size for Corporate Bonds with different maturity structures according to the capital needs of the Company and the market conditions at the time of issue.
- (vi) Coupon Rate: The Corporate Bonds are fixed interest bonds. The coupon rate will be determined by using the book-building method.
- (vii) Repayment of Principal and Interest: The Corporate Bonds will bear interest on an annual basis at simple rate rather than at compound rate. During the term of interest payment, interest will be paid annually and the total principal will be repaid in one lump sum on the maturity date together with the last interest payment.
- (viii) Target Investors and Issue Method: The Corporate Bonds shall be issued publicly to qualified investors as specified under relevant laws and regulations. No priority placement of the Corporate Bonds will be offered to the existing Shareholders.
- (ix) Guarantee: It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine whether the Corporate Bonds shall be guaranteed as well as the relevant guarantee arrangement according to the relevant requirements and the market conditions at the time of issue.
- (x) Redemption Terms or Repurchase Terms: It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine as to whether the Corporate Bonds shall include redemption terms or repurchase terms as well as the specific contents of relevant terms according to the capital needs of the Company and market conditions at the time of issue.

## LETTER FROM THE BOARD

- (xi) Use of Proceeds: After deducting the issue expenses, the proceeds are intended to be used to repay loans of the Company, replenish working capital of the Company and projects construction, as well as for other purposes as permitted by applicable laws and regulations. Subject to the granting of authorisation to the Board or the executive Directors at the EGM, the specific use of proceeds shall be determined by such executive Director in accordance with the capital needs of the Company within the scope approved at the EGM.
- (xii) Listing: Upon completion of the issuance, the Company will apply for listing of the Corporate Bonds on the Shanghai Stock Exchange. It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to deal with relevant matters pursuant to relevant regulations of the Shanghai Stock Exchange.
- (xiii) Source of Repayment: The Corporate Bonds shall be repaid with revenue generating from the business operation of the Company and/or credit facilities granted by financial institutions, etc.

The resolution on issue of the Corporate Bonds shall be effective from the date of approval at the EGM till 24 months after the date of registration of the issue of the Corporate Bonds with the China Securities Regulatory Commission.

The proposed issue of the Corporate Bonds is, if approved at the EGM, still subject to necessary approvals by and registration with the China Securities Regulatory Commission and/or other relevant regulatory authorities.

### **Authorisation to the Board or the executive Directors to deal with the matters relating to the issue of the Corporate Bonds**

In order to improve the efficiency to issue the Corporate Bonds, it is proposed that a special resolution be passed by the Shareholders generally and unconditionally at the EGM to authorise the Board or the executive Directors to deal with the matters relating to the issue of the Corporate Bonds. The authorisation shall include but not limit to the following matters:

- (i) to formulate the specific issue plan and amend and adjust the issue terms of the Corporate Bonds in accordance with the relevant laws and regulations and the condition of the Company and the market, including but not limited to all matters in relation to the proposed issue of the Corporate Bonds such as the

## LETTER FROM THE BOARD

issue size, maturity, type, coupon rate of the Corporate Bonds and its way of determination, listing place, timing of the issue, issue arrangement (including whether the Corporate Bonds will be issued in tranches, number of tranches and issue size for each tranche), guarantee arrangement, time and ways of repayment of principal and payment of interest, rating arrangement, specific subscription method, specific placing arrangement, whether the repurchase terms or redemption terms will be set and the specific contents thereof, establishment of a custodial account for the proceeds raised, use of proceeds and proportion of proceeds thereof, guarantee measures arrangement and listing of the Corporate Bonds;

- (ii) to determine and engage the professional advisers involved in the issue of the Corporate Bonds;
- (iii) to select the bond trustee, formulate and execute the bond trustee management agreement and formulate the rules for the bondholders' meeting;
- (iv) to handle matters in relation to the listing of the Corporate Bonds upon completion of the issue of the Corporate Bonds;
- (v) to execute contracts, agreements and documents in relation to the issue of the Corporate Bonds;
- (vi) to be responsible for implementing the issue and the listing of the Corporate Bonds, including but not limited to the authorisation, signing, execution, modification and completion of all the documents, contracts, agreements and indentures (including but not limited to the prospectus, underwriting agreement, bond trustee management agreement, other announcements and legal documents) and to make appropriate information disclosure in accordance with the relevant laws, regulations and other regulatory documents;
- (vii) save for matters which are subject to approval by the Shareholders at the general meeting in accordance with the requirements of relevant laws, regulations and the Articles of Association, to make corresponding adjustments to matters in relation to the issue of the Corporate Bonds based on the new policies and opinions issued by relevant regulatory authorities or new market conditions in case there is any change to the policies or the market conditions regarding the public issuance of the Corporate Bonds;
- (viii) to determine whether the issue of the Corporate Bonds shall proceed based on actual circumstances in the event that there is any substantial change to the market environment or the policies and regulations;
- (ix) to determine and formulate the guarantee arrangement, if any, in accordance with the relevant laws and regulations and the condition of the market;

## LETTER FROM THE BOARD

- (x) to further improve the Company's assets and liabilities management and the liquidity management, ensuring the source of repayment and its emergency support;
- (xi) to formulate the debt repayment guarantee mechanism and the dividend distribution limitation measures;
- (xii) to deal with matters relating to the default liabilities of the Company; and
- (xiii) to determine and deal with any other matters relating to the issue and the listing of the Corporate Bonds.

The above authority granted to the Board or any one of the executive Directors shall be effective from the date of the approval at the EGM till the date of completion of the aforesaid matters.

### **Reasons and benefits for the proposed issue of the Corporate Bonds**

The issue of the Corporate Bonds is to cater for the business development needs of the Company. The Board considers that the issuance of Corporate Bonds will benefit the Company in ensuring the openness of the bond financing channels, optimizing financing structure, reducing financing costs, maintaining financial stability and saving finance costs. Therefore, the Board considers that the proposed issue of the Corporate Bonds is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **3. THE EGM**

The votes at the EGM will be taken by poll.

The EGM will be held as originally scheduled at Conference Room, Taizhou Water Group Co., Ltd., No. 308 Yin Quan Road, Xicheng Street, Huangyan District, Taizhou, Zhejiang Province, the PRC. The Supplemental Notice of EGM is set out on pages 10 to 15 to this Supplemental Circular. The Supplemental Notice of EGM should be read in conjunction with the First Notice of EGM.

The First Form of Proxy was dispatched to the Shareholders on Thursday, 3 September 2020 and has also been published on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.zjtzwater.com](http://www.zjtzwater.com)). Since the First Form of Proxy does not contain the resolutions in relation to the proposed issue of the Corporate Bonds as set out in the Supplemental Notice of EGM, the Company has prepared the Second Form of Proxy for dispatch together with this Supplemental Circular. The additional resolutions are set out in the Supplemental Notice of EGM on pages 10 to 15 of this Supplemental Circular.

For holders of H Share(s), whether or not you intend to attend the EGM, you are requested to complete and return the proxy form applicable to the EGM in accordance with the instructions printed thereon not less than 24 hours before the time appointed for holding the EGM or the adjourned meeting thereof. Completion and return of the proxy form(s) applicable to the EGM will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

## LETTER FROM THE BOARD

Holders of H Share(s) who have lodged the First Form of Proxy with the Company should note that:

- (i) If the Second Form of Proxy is lodged with the Company's H Share registrar 24 hours prior to the time designated for convening the EGM (the "**Closing Time**"), the Second Form of Proxy will revoke and supersede the First Form of Proxy previously lodged by him/her. The Second Form of Proxy will be treated as a valid form of proxy lodged by the holder of H Share(s) if correctly completed and signed and returned in accordance with the instructions printed thereon.
- (ii) If no Second Form of Proxy is lodged with the Company's H Share registrar as at the Closing Time, the First Form of Proxy will be treated as a valid form of proxy lodged by the holder of H Share(s) if correctly completed. The proxy so appointed by the holder of H Share(s) will be entitled to vote at his/her discretion or to abstain from voting on any resolution properly put to the EGM including the resolutions in relation to the proposed issue of the Corporate Bonds as set out in the Supplemental Notice of EGM.

Shareholders are reminded that completion and delivery of the First Form of Proxy and/or the Second Form of Proxy will not preclude the Shareholders from attending and voting in person at the EGM or at any adjourned meeting(s) should they so wish.

#### 4. RECOMMENDATION

The Board considers that the proposed issue of the Corporate Bonds mentioned above is in the best interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the issue of the Corporate Bonds.

#### 5. RESPONSIBILITY STATEMENT

This Supplemental Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to our Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Supplemental Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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

\* For identification purposes only

SUPPLEMENTAL 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)**

**SUPPLEMENTAL NOTICE OF EGM**

Reference is made to the notice (the “**First Notice of EGM**”) of the 2020 First Extraordinary General Meeting (the “**EGM**”) issued by Taizhou Water Group Co., Ltd.\* (台州市水務集團股份有限公司) (the “**Company**”) dated 3 September 2020, which sets out, among other things, the time and venue of the EGM and contains the relevant resolutions to be proposed to the shareholders at the EGM for their consideration and approval. Unless otherwise indicated, capitalised terms used herein have the same meanings as those defined in the supplemental circular of the Company dated 3 September 2020 (the “**Supplemental Circular**”).

**SUPPLEMENTAL NOTICE IS HEREBY GIVEN** that the EGM will be held as originally scheduled 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 Thursday, 24 September 2020 for the purpose of considering and, if thought fit, passing the following additional resolutions, together with the other resolutions set out in the First Notice of EGM:

**SPECIAL RESOLUTIONS**

6. “**THAT** each of the following proposed arrangements in respect of the proposed issue of the Corporate Bonds in the PRC be and is hereby individually approved (subject to the approval of the China Securities Regulatory Commission and the conditions of the bonds market in the PRC):

- |      |                 |             |
|------|-----------------|-------------|
| (i)  | Issuer:         | The Company |
| (ii) | Place of issue: | The PRC     |

\* For identification purposes only

## SUPPLEMENTAL NOTICE OF EGM

- |       |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (iii) | Size of issue:                       | The aggregate principal amount of not more than RMB1.0 billion, in single or multiple tranche(s), issued publicly within the PRC upon the registration with the China Securities Regulatory Commission. It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine the specific issue size and issue method (including whether to issue in tranches and their respective issue size) of the Corporate Bonds according to the capital needs of the Company and the market conditions at the time of issue within the aforesaid scope. |
| (iv)  | Nominal Value and Issue Price:       | Par value of RMB100 and issue at par.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (v)   | Maturity and Type:                   | The maturity of the Corporate Bonds shall not exceed five years (five years inclusive) with single or multiple maturity period(s). It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine the specific maturity structures of the Corporate Bonds and the offer size for Corporate Bonds with different maturity structures according to the capital needs of the Company and the market conditions at the time of issue.                                                                                                        |
| (vi)  | Coupon Rate:                         | The Corporate Bonds are fixed interest bonds. The coupon rate will be determined by using the book-building method.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| (vii) | Repayment of Principal and Interest: | The Corporate Bonds will bear interest on an annual basis at simple rate rather than at compound rate. During the term of interest payment, interest will be paid annually and the total principal will be repaid in one lump sum on the maturity date together with the last interest payment.                                                                                                                                                                                                                                                                                            |

## SUPPLEMENTAL NOTICE OF EGM

- |        |                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (viii) | Target Investors and Issue Method:    | The Corporate Bonds shall be issued publicly to qualified investors as specified under relevant laws and regulations. No priority placement of the Corporate Bonds will be offered to the existing Shareholders.                                                                                                                                                                                                                                                                                                              |
| (ix)   | Guarantee:                            | It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine whether the Corporate Bonds shall be guaranteed as well as the relevant guarantee arrangement according to the relevant requirements and the market conditions at the time of issue.                                                                                                                                                                                                                         |
| (x)    | Redemption Terms or Repurchase Terms: | It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to determine as to whether the Corporate Bonds shall include redemption terms or repurchase terms as well as the specific contents of relevant terms according to the capital needs of the Company and market conditions at the time of issue.                                                                                                                                                                            |
| (xi)   | Use of Proceeds:                      | After deducting the issue expenses, the proceeds are intended to be used to repay loans of the Company, replenish working capital of the Company and projects construction, as well as for other purposes as permitted by applicable laws and regulations. Subject to the granting of authorisation to the Board or the executive Directors at the EGM, the specific use of proceeds shall be determined by such executive Director in accordance with the capital needs of the Company within the scope approved at the EGM. |

## SUPPLEMENTAL NOTICE OF EGM

- |                                   |                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (xii) Listing:                    | Upon completion of the issuance, the Company will apply for listing of the Corporate Bonds on the Shanghai Stock Exchange. It was proposed that the Board or the executive Directors shall be granted the authority at the EGM to deal with relevant matters pursuant to relevant regulations of the Shanghai Stock Exchange. |
| (xiii) Source of Repayment:       | The Corporate Bonds shall be repaid with revenue generating from the business operation of the Company and/or credit facilities granted by financial institutions, etc.                                                                                                                                                       |
| (xiv) Validity of the resolution: | The resolution on the issue of the Corporate Bonds shall be effective from the date of approval till 24 months after the date of registration of the issue of the Corporate Bonds with the China Securities Regulatory Commission"; and                                                                                       |

7. "THAT the Board or any one of the executive Directors be and is hereby generally and unconditionally authorised to handle all matters relating to the proposed issue of the Corporate Bonds, including but not limited to the following:

- (i) to formulate the specific issue plan and amend and adjust the issue terms of the Corporate Bonds in accordance with the relevant laws and regulations and the condition of the Company and the market, including but not limited to all matters in relation to the proposed issue of the Corporate Bonds such as the issue size, maturity, type, coupon rate of the Corporate Bonds and its way of determination, listing place, timing of the issue, issue arrangement (including whether the Corporate Bonds will be issued in tranches, number of tranches and issue size for each tranche), guarantee arrangement, time and ways of repayment of principal and payment of interest, rating arrangement, specific subscription method, specific placing arrangement, whether the repurchase terms or redemption terms will be set and the specific contents thereof, establishment of a custodial account for the proceeds raised, use of proceeds and proportion of proceeds thereof, guarantee measures arrangement and listing of the Corporate Bonds;
- (ii) to determine and engage the professional advisers involved in the issue of the Corporate Bonds;

## SUPPLEMENTAL NOTICE OF EGM

- (iii) to select the bond trustee, formulate and execute the bond trustee management agreement and formulate the rules for the bondholders' meeting;
- (iv) to handle matters in relation to the listing of the Corporate Bonds upon completion of the issue of the Corporate Bonds;
- (v) to execute contracts, agreements and documents in relation to the issue of the Corporate Bonds;
- (vi) to be responsible for implementing the issue and the listing of the Corporate Bonds, including but not limited to the authorisation, signing, execution, modification and completion of all the documents, contracts, agreements and indentures (including but not limited to the prospectus, underwriting agreement, bond trustee management agreement, other announcements and legal documents) and to make appropriate information disclosure in accordance with the relevant laws, regulations and other regulatory documents;
- (vii) save for matters which are subject to approval by the Shareholders at the general meeting in accordance with the requirements of relevant laws, regulations and the Articles of Association, to make corresponding adjustments to matters in relation to the issue of the Corporate Bonds based on the new policies and opinions issued by relevant regulatory authorities or new market conditions in case there is any change to the policies or the market conditions regarding the public issuance of the Corporate Bonds;
- (viii) to determine whether the issue of the Corporate Bonds shall proceed based on actual circumstances in the event that there is any substantial change to the market environment or the policies and regulations;
- (ix) to determine and formulate the guarantee arrangement, if any, in accordance with the relevant laws and regulations and the condition of the market;
- (x) to further improve the Company's assets and liabilities management and the liquidity management, ensuring the source of repayment and its emergency support;
- (xi) to formulate the debt repayment guarantee mechanism and the dividend distribution limitation measures;
- (xii) to deal with matters relating to the default liabilities of the Company;  
and

## SUPPLEMENTAL NOTICE OF EGM

- (xiii) to determine and deal with any other matters relating to the issue and the listing of the Corporate Bonds.

The above authority granted to the Board or any one of the executive Directors shall be effective from the date of the approval at the EGM till the date of completion of the aforesaid matters.”

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

Taizhou, the PRC  
3 September 2020

*Notes:*

1. This supplemental notice of EGM should be read in conjunction with the First Notice of EGM, the First Circular and the Supplemental Circular.
2. Save for the inclusion of the newly submitted resolutions, there are no other changes to the resolutions set out in the First Notice of EGM. Please refer to the First Notice of EGM and the First Circular for details of other resolutions to be tabled at the EGM, closure of register of members, eligibility of the EGM, the voting arrangements, the poll procedure at the EGM and other relevant matters.
3. **Form of Proxy**  
  
Since the First Form of Proxy does not contain the additional resolutions as set out in this supplemental notice of EGM, the Second Form of Proxy has been prepared and is enclosed with this supplemental notice of EGM.