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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)

CONTINUING CONNECTED TRANSACTION IN RESPECT OF CHANGTAN RESERVOIR WATER SUPPLY

Reference is made to the announcement of the Company dated 30 January 2026. Since 1 January 2026, Huangyan Reservoir Development has continued to provide raw water from Changtan Reservoir (長潭水庫) to the Company under the existing arrangements. The Company and Huangyan Reservoir Development are currently negotiating the 2026 Huangyan Reservoir Water Supply Framework Agreement.

As at the date of this announcement, the Company and Huangyan Reservoir Development had not entered into the 2026 Huangyan Reservoir Water Supply Framework Agreement or other written agreement in relation to the 2026 Transaction.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Huangyan Reservoir Development is an indirect wholly-owned subsidiary of 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), the holding company of Yongning Financial Consulting, which is a substantial Shareholder holding approximately 13.34% of the total issued share capital of the Company. Accordingly, Huangyan Reservoir Development is a connected person of the Company under the Listing Rules.

The historical transaction amount of 2026 Transaction was approximately RMB15.0 million. As one or more of the applicable percentage ratios in respect of the 2026 Transaction exceeds 5%, the 2026 Transaction is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of Taizhou Water Group Co., Ltd. (the "**Company**") dated 30 January 2026 (the "**Announcement**"). Unless otherwise defined in this announcement, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement. Since 1 January 2026, Huangyan Reservoir Development has continued to provide raw water from Changtan Reservoir (長潭水庫) to the Company under the existing arrangements.

STATUS OF THE 2026 HUANGYAN RESERVOIR WATER SUPPLY FRAMEWORK AGREEMENT

Since the date of the Announcement, the Company has been liaising with Huangyan Reservoir Development for the entry of the 2026 Huangyan Reservoir Water Supply Framework Agreement to continue sourcing the raw water from Huangyan Reservoir Development. As at the date of this announcement, the Company has not entered into the 2026 Huangyan Reservoir Water Supply Framework Agreement or agreement in relation to the provision of raw water supply services by Huangyan Reservoir Development to the Group between 1 January 2026 and 5 March 2026 ("**2026 Transaction**") as Huangyan Reservoir Development has not approved the signing of any agreement.

LISTING RULES IMPLICATIONS

Connected Person

As at the date of this announcement, Huangyan Reservoir Development is an indirect wholly – owned subsidiary of 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), the holding company of Yongning Financial Consulting, which is a substantial Shareholder holding approximately 13.34% of the total issued share capital of the Company. Accordingly, Huangyan Reservoir Development is a connected person of the Company under the Listing Rules.

2026 Transaction

The historical transaction amount of 2026 Transaction was approximately RMB15.0 million. As one or more of the applicable percentage ratios in respect of the 2026 Transaction exceeds 5%, the 2026 Transaction is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Moreover, although the 2026 Transaction was carried out in the ordinary and usual course of business of the Group, no written agreement has been entered into in relation to the transaction. The failure to enter into a written agreement and obtain Independent Shareholders' approval in respect of the transaction constitutes a breach of Rules 14A.34, 14A.35 and 14A.36 of the Listing Rules. The failure to enter into a written agreement and obtain Independent Shareholders' approval was due to the prolonged internal approval procedure of Huangyan Reservoir Development for a written agreement, despite of the 2026 Transaction.

Upon entering into the 2026 Huangyan Reservoir Water Supply Framework Agreement, the Company will publish announcement(s) and circular(s) in accordance with the Listing Rules and seek Independent Shareholders' approval as soon as practicable.

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 Reservoir Development

Huangyan Reservoir Development is principally engaged in the construction, operation and management of reservoirs, as well as the sale of raw water, etc. As at the date of this announcement, Huangyan Reservoir Development is an indirect wholly-owned subsidiary of 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), the holding company of Yongning Financial Consulting, which is a substantial Shareholder holding approximately 13.34% of the total issued share capital of the Company. Huangyan Reservoir Development is ultimately wholly-owned by the Finance Bureau of Huangyan District of Taizhou.

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
12 March 2026

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 Feng, Mr. Lin Yang, Mr. Shao Aiping, Ms. Ying Nan and Mr. Ye Xiaofeng; 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*