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浙江天潔環境科技股份有限公司
Zhejiang Tengy Environmental Technology Co., Ltd

(a joint stock company established in the People's Republic of China with limited liability)

(Stock Code: 1527)

UPDATE ON THE ANNUAL RESULTS OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the unaudited annual results announcement for the year ended 31 December 2019 (the "**2019 Results Announcement**") of Zhejiang Tengy Environmental Technology Co., Ltd (the "**Company**", together with its subsidiaries, the "**Group**") dated 31 March 2020. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the 2019 Results Announcement.

AUDITOR'S AGREEMENT ON THE 2019 ANNUAL RESULTS

The Company wishes to announce that on 15 April 2020, the auditing process for the annual results of the Group for the year ended 31 December 2019 (the "**2019 Annual Results**") has been completed and the Company's auditors, Zhonghui Anda CPA Limited, has agreed on the 2019 Annual Results (including the financial figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of financial position and the related notes thereto) as set out in the 2019 Results Announcement in accordance with the requirement of Rule 13.49(2) of the Listing Rules.

The 2019 Annual Results disclosed in the 2019 Results Announcement remain unchanged, except the reclassification as follows:

1) Change of reclassification on consolidated statement of financial position

	31 December 2019	**31 December 2019**
	RMB'000	*RMB'000*
	(Audited)	(Unaudited)
Assets		
Trade and bills receivables	800,542	745,695
Contract assets & cost	200,005	254,852
	1,000,547	1,000,547

	31 December 2019	**31 December 2019**
	RMB'000	*RMB'000*
	(Audited)	(Unaudited)
Liabilities		
Derivative financial instruments	–	1,155
Bank loans	126,207	125,052
	126,207	126,207

2) Change of reclassification on notes to financial statements

11. Trade and bills receivables

	2019	2019
	RMB'000	*RMB'000*
	(Audited)	(Unaudited)
Trade receivables	780,694	725,626
Less: provision for loss allowance	(128,299)	(128,078)
	652,395	597,548
Bills receivable	150,375	150,375
Less: provision for loss allowance	(2,228)	(2,228)
	800,542	745,695

	2019	2019
	RMB'000	*RMB'000*
	(Audited)	(Unaudited)
Within 1 year	361,537	318,256
1 to 2 years	136,516	148,678
2 to 3 years	136,092	113,554
3 to 4 years	18,250	17,060
	652,395	597,548

	2019	2019
	RMB'000	*RMB'000*
	(Audited)	(Unaudited)
At 1 January	109,496	109,496
Increase in loss allowance for the year	18,803	18,582
At 31 December	128,299	128,078

The Group applies the simplified approach under HKFRS 9 "Financial Instrument" to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the aging. The expected credit losses also incorporate forward looking information.

	Current	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**Total**
At 31 December 2019 (Audited)					
Weighted average expected loss rate	0%	8%	23%	81%	16%
Receivable amount *(RMB'000)*	361,537	148,519	176,394	94,244	780,694
Loss allowance *(RMB'000)*	–	12,003	40,302	75,994	128,299
At 31 December 2019 (Unaudited)					
Weighted average expected loss rate	0%	8%	26%	81%	18%
Receivable amount *(RMB'000)*	318,256	161,464	153,856	92,050	725,626
Loss allowance *(RMB'000)*	–	12,786	40,302	74,990	128,078

PUBLICATION OF ANNUAL REPORT

As the auditing process for the 2019 Annual Results has been complete, the Company expects to publish its annual report for the year ended 31 December 2019 on or before 15 May 2020.

ANNUAL GENERAL MEETING

The annual general meeting (the "**AGM**") will be held on Tuesday, 30 June 2020 at 10:00 a.m. at the Company's conference room, TENGY Industrial Park, Paitou Town, Zhuji City, Zhejiang Province, the People's Republic of China. The registration of the transfer of shares of the Company will be suspended from 30 May 2020 to 30 June 2020 (both days inclusive) in order to ascertain the shareholders' entitlement to the attendance in the AGM. All shareholders who wish to attend the AGM must deliver their properly completed H Shares transfer forms accompanied by the relevant share certificates to the Registrar of H Shares in Hong Kong, Tricor Investor Services Limited (the address of which is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong) no later than 4:30 p.m. on Friday, 29 May 2020, for registration.

By order of the Board
Zhejiang Tengy Environmental Technology Co., Ltd
Mr. BIAN Yu
Chairman and executive Director

Hong Kong, 15 April 2020

As at the date of this announcement, the executive Directors are Mr. BIAN Yu, Mr. BIAN Weican and Ms. BIAN Shu; the non-executive Directors are Mr. BIAN Jianguang, Mr. CHEN Jiancheng and Mr. ZHU Xian Bo; and the independent non-executive Directors are Mr. ZHANG Bing, Mr. FUNG Kui Kei and Mr. LI Jiannan.