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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)

MAJOR TRANSACTION
ACQUISITION OF LAND USE RIGHT

Reference is made to the announcement of Zhejiang Tengy Environmental Technology Co., Ltd (the “**Company**”) dated 2 May 2023 in relation to the acquisition of the land use right of the Target Land (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that the Process has commenced on 30 May 2023 and is listed on the Zhejiang province land use right online trading system (浙江省土地使用權網上交易系統) and the details of which are as follows:–

- (i) the Target Land is a piece of land situated at Xindu area, Changshan Economic Development Zone, Changshang County, Zhejiang (i.e. No. 15, Innovation South Road, Jinchuan Street, Changshang County, the PRC) with plot number A2023-2 (浙江常山經濟開發區新都片區A2023-2號地塊) with a total area of 52,187 sq. m. and can be used for industrial purpose for a term of 50 years;
- (ii) as approved by Changshan Country People’s Government (常山縣人民政府), the land use right of the Target Land will be available for sale by way of auction and the seller is Changshan County Natural Resources and Planning Bureau (常山縣自然資源和規劃局), a third party independent of the Group and its connected persons (as defined in the Listing Rules);

- (iii) the registration for the auction has commenced at 4 p.m. on 30 May 2023 and will expire at 4 p.m. on 19 June 2023. The participation of the auction requires a bid deposit in the amount of RMB2.82 million and will be payable by 4 p.m. on 19 June 2023. The auction of the land use right of the Target Land will commence at 9:30 a.m. on 20 June 2023. The starting bid price of the land use right of the Target Land is RMB14.1 million;
- (iv) the existing buildings with total gross floor area of approximately 25,216.07 sq.m., structures and attachments thereon at the Target Land with assessed value of approximately RMB32.9 million will be transferred together with the land use right of the Target Land and will be payable to Changshan County Economic Development Zone Management Committee (常山縣經濟開發區管理委員會);
- (v) the bidder with the highest bid will be the winner of the auction and will enter into a sale confirmation (成交確認書) and State-owned construction land use right transfer contract (國有建設用地使用權出讓合同) with Changshan County Natural Resources and Planning Bureau (常山縣自然資源和規劃局);
- (vi) Changshan County Natural Resources and Planning Bureau (常山縣自然資源和規劃局) will announce the results of the auction on the China Land Market Network (中國土地市場網) within 5 working days after the end of the auction; and
- (vii) completion will take place within 30 days after the bidder pays all the land transfer price and other expenses and the Local People's Government (Development Zone Management Committee) (屬地人民政府(開發區管委會)) and Changshan County Natural Resources and Planning Bureau (常山縣自然資源和規劃局) will be responsible for the delivery of the land.

The Company has obtained the written approval from each of Mr. Bian Yu, Ms. Bian Shu, Mr. Bian Janguang, Mr. Chen Jiancheng and 天潔集團有限公司 (for transliteration purpose only, Tengy Group Limited), who holds approximately 5.7%, 2.03%, 2.85%, 1.37% and 30% (collectively approximately 41.95%) of the issued share capital of the Company respectively as at the date of this announcement, that they approve the Acquisition and will vote for the resolution(s) to be proposed at the EGM in relation to the Acquisition and the transactions contemplated thereunder.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, confirm and ratify the Acquisition and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Acquisition and the transactions contemplated thereunder; (ii) valuation report of the Target Land; (iii) a notice of EGM; and (iv) other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 23 June 2023.

By order of the Board
Zhejiang Tengy Environmental Technology Co., Ltd
Mr. ZHU Xian Bo
Chairman and non-executive Director

Zhuji City, Zhejiang Province, the PRC, 1 June 2023

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