

Our Ref. : JW/PS/C81170/2023/Profit Forecast

25 May 2023

The Board of Directors  
Zhejiang Tengy Environmental Technology Co., Limited  
Room 1201, 12<sup>th</sup> Floor, Chung Ying Building,  
20 Connaught Road West,  
Sheung Wan, Hong Kong

Dear Sirs,

**Zhejiang Tengy Environmental Technology Co., Ltd (“the Company”) and its subsidiaries (collectively referred to as “the Group”) on the discounted cash flow forecast in connection with the valuation of equity interest in Zhejiang Tianjie New Energy Co., Ltd**

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the “Forecast”) on which the valuation dated 25 May 2023 prepared by Roma Appraisals Limited in respect of Zhejiang Tianjie New Energy Co., Ltd. (the “Target Company”) as at 31 March 2023 is based. The valuation is in connection with the acquisition of 95% equity interest in the Target Company, as set out in the Company’s announcement dated 25 May 2023 (the “Announcement”). The valuation based on Forecast is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

**Directors’ Responsibility**

The directors of the Company (the “Directors”) are solely responsible for the preparation of Forecast. The Forecast has been prepared using a set bases and assumptions (the “Assumptions”), the completeness, reasonableness and validity of which are the sole responsibility of the Directors. The Assumptions are set out in the section headed “Valuation Assumptions” of the Announcement.

**Our Independence and Quality Control**

We have complied with the ethical requirements of the Code of Ethics for Professional Accountants (“the Code”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the independence requirements in Part 4A, Chapter A of the Code.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements”, which requires the firm to design, implement

and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Target Company. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules, and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

### **Opinion**

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions as set out in the Announcement.

Yours faithfully,

**McMillan Woods (Hong Kong) CPA Limited**  
*Certified Public Accountants*



Hong Kong  
25 May 2023