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)

SUPPLEMENTAL ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTION

Reference is made to the Announcement dated 11 April 2025 in relation to the continuing connected transaction contemplated under the Lease Agreement. The Company would like to provide further information in relation to the Lease Agreement.

2024 THIRD LEASE AGREEMENT

On 28 September 2024 (after trading hours of the Stock Exchange), the Company as lessee entered into the 2024 Third Lease Agreement with Zhuji Jialing as agent of the lessor for the leasing of the Office Premises B for a term of one year commencing from 1 October 2024 and expiring on 30 September 2025 for an annual rental amount of RMB450,000. The principal terms of the 2024 Third Lease Agreement are set out below:

Date:	28 September 2024 (after trading hours of the Stock Exchange)
Parties:	(a) The Company (as lessee); and
	(b) Zhuji Jialing (as agent of the lessor).

	Zhuji Jialing is the agent of the lessor, Tianyu Industry, which is an associate of TGL and owned as to approximately 41.95% by TGL and the remaining 58.05% by other independent third parties.
Office premises:	6th Floor of Tianjie Building situated at No. 251 Huancheng East Road, Zhuji City, Zhejiang Province, China with gross floor area of 1,283.85 square meter
Term:	One year from 1 October 2024 to 30 September 2025
Rent:	RMB450,000 per annum (exclusive of management, water, electricity, broadband and communication fees chargeable by PRC government), which was determined with reference to the (i) the historical annual rental amount of 2023 Third Lease Agreement for the leasing of the Office Premises B of RMB375,000; and (ii) annual rental amount for similar office premises in similar locations in the PRC, ranging from approximately RMB398,000 to RMB797,000 (calculated based on the rental range of RMB0.85 to RMB1.7 per square meter per day)

For the purpose of Rule 14A.53 of the Listing Rules, the annual cap of the 2024 Third Lease Agreement is RMB450,000, which is equivalent to the annual rental amount under the 2024 Third Lease Agreement.

The 2024 Third Lease Agreement constituted continuing connected transaction on the part of the Company and as the highest applicable percentage ratio with respect to the annual cap of the 2024 Third Lease Agreement is less than 5% and the annual cap of the 2024 Third Lease Agreement is less than HK$3,000,000, the 2024 Third Lease Agreement constituted a de minimis transaction under Rules 14A.76 of the Listing Rules and is fully exempt from the requirements under chapter 14A of the Listing Rules.

2025 FIRST LEASE AGREEMENT

On 15 December 2024 (after trading hours of the Stock Exchange), the Company as lessee entered into the 2025 First Lease Agreement with Zhuji Jialing as agent of the lessor for the leasing of the Office Premises A for a term of one year commencing from 1 January 2025 and expiring on 31 December 2025 for an annual rental amount of RMB483,000. The principal terms of the 2025 First Lease Agreement are set out below:

Date:	15 December 2024 (after trading hours of the Stock Exchange)
Parties:	(a) The Company (as lessee); and (b) Zhuji Jialing (as agent of the lessor). Zhuji Jialing is the agent of the lessor, Tianyu Industry, which is an associate of TGL and owned as to approximately 41.95% by TGL and the remaining 58.05% by other independent third parties.
Office premises:	23rd Floor of Tianjie Building situated at No. 251 Huancheng East Road, Zhuji City, Zhejiang Province, China with gross floor area of 1176.11 square meter
Term:	One year from 1 January 2025 to 31 December 2025

Rent: RMB483,000 per annum (exclusive of management, water, electricity, broadband and communication fees chargeable by PRC government), which was determined with reference to (i) the historical annual rental amount of 2024 First Lease Agreement for the leasing of the Office Premises A of RMB483,000; and (ii) annual rental amount for similar office premises in similar locations in the PRC, ranging from approximately RMB365,000 to RMB730,000 (calculated based on the rental range of RMB0.85 to RMB1.7 per square meter per day)

For the purpose of Rule 14A.53 of the Listing Rules, the annual cap of the 2025 First Lease Agreement is RMB483,000, which is equivalent to the annual rental amount under the 2025 First Lease Agreement.

The 2025 First Lease Agreement constituted continuing connected transaction on the part of the Company and as the highest applicable percentage ratio with respect to the annual cap of the 2025 First Lease Agreement is less than 5% and the annual cap of the 2025 First Lease Agreement is less than HK$3,000,000, the 2025 First Lease Agreement constituted a de minimis transaction under Rules 14A.76 of the Listing Rules and is fully exempt from the requirements under chapter 14A of the Listing Rules.

HISTORICAL TRANSACTION AMOUNTS

The table below sets forth the historical transaction amounts of transactions under the 2024 First Lease Agreement, the 2024 Second Lease Agreement and the 2024 Third Lease Agreement and for the period from 1 January 2024 to 31 December 2024:

	For the period from 1 January 2024 to 31 December 2024 *RMB'000*
Rental paid under 2024 First Lease Agreement	483
Rental paid under 2024 Second Lease Agreement	2,479
Rental paid under 2024 Third Lease Agreement	113
Total rental paid	3,075

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENTS

In addition to the disclosure made under the section headed "REASONS AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT" in the Announcement, the Company would like to supplement that Office Premises B and Office Premises A rented under the 2024 Third Lease Agreement and 2025 First Lease Agreement, respectively, are used as offices by the Group. The terms of each of the 2024 Third Lease Agreement and 2025 First Lease Agreement were negotiated on an arm's length basis between the parties with reference to the historical annual rental amounts and the prevailing market rates for similar office premises in similar locations in the PRC.

Taking into consideration of the aforesaid and the disclosure made in the Announcement, the Directors (including the independent non-executive Directors) consider that the terms and conditions of each of the Lease Agreements are on normal commercial terms and in the ordinary and usual course of business of the Company and are fair and reasonable and that the entering into of each of the Lease Agreements is in the interests of the Company and the Shareholders as a whole.

Mr. Bian Yu is a shareholder of TGL, and Mr. Bian Yu is the brother of Ms. Bian Shu and the brother-in-law of Mr. Zhang Yuanyuan. Mr. Zhu Xianbo is interested in 25% equity interest of Keyuan Enterprise, a shareholder of TGL. Each of Mr. Bian Yu, Ms. Bian Shu, Mr. Zhang Yuanyuan and Mr. Zhu Xianbo is therefore materially interested in the transactions contemplated under the Lease Agreements and has abstained from voting on the board resolutions approving the Lease Agreements and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) TGL is the substantial shareholder of the Company, holding approximately 30% of the issued share capital of the Company; and (ii) Tianyu Industry is an associate of TGL and owned as to approximately 41.95% by TGL and the remaining 58.05% by other independent third parties. Therefore, each of TGL and Tianyu Industry is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Lease Agreement constitute a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio with respect to the annual cap of the Lease Agreement (when aggregated with the 2024 Third Lease Agreement and the 2025 First Lease Agreement) is less than 5%, the transactions contemplated under 2024 Third Lease Agreement, 2025 First Lease Agreement and the Lease Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As each of the 2024 Third Lease Agreement, 2025 First Lease Agreement and the Lease Agreement is for a term of one year, it would not result in the recognition of any asset representing the right to use the leased asset by the Company under HKFRS 16.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"2023 Third Lease Agreement"	the lease agreement dated 1 October 2023 entered into between the Company and Tianyu Industry for the leasing of the Office Premise B to the Company
"2024 First Lease Agreement"	the lease agreement dated 1 January 2024 entered into between the Company and Tianyu Industry for the leasing of the Office Premise A to the Company
"2024 Second Lease Agreement"	the lease agreement dated 12 April 2024 entered into between the Company and TGL for the leasing of the Plant and Equipment to the Company
"2024 Third Lease Agreement"	the lease agreement dated 28 September 2024 entered into between the Company and Zhuji Jialing for the leasing of the Office Premise B to the Company
"2025 First Lease Agreement"	the lease agreement dated 15 December 2024 entered into between the Company and Tianyu Industry for the leasing of the Office Premise A to the Company
"Announcement"	the announcement of the Company dated 11 April 2025 in relation to the continuing connected transaction contemplated under the Lease Agreement
"Board"	the board of Directors of the Company

"Company"	Zhejiang Tengy Environmental Technology Co., Ltd (浙江天潔環境科技股份有限公司), a joint stock limited liability company established under the laws of the PRC on 28 December 2009, the issued H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1527)
"connected person(s)"	has the same meaning as ascribed in the Listing Rules
"controlling shareholder"	has the same meaning as ascribed in the Listing Rules
"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	ordinary share(s) issued by the Company in the PRC with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas-listed foreign invested ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which is/are listed on the Stock Exchange and traded in HK$
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Lease Agreement"	the lease agreement dated 11 April 2025 entered into between the Company and TGL for the leasing of the Plant and Equipment to the Company
"Lease Agreements"	2024 Third Lease Agreement, 2025 First Lease Agreement and the Lease Agreement

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Office Premises A"	23rd Floor of Tianjie Building situated at No. 251 Huancheng East Road, Zhuji City, Zhejiang Province, China with gross floor area of 1176.11 square mete
"Office Premises B"	6th Floor of Tianjie Building situated at No. 251 Huancheng East Road, Zhuji City, Zhejiang Province, China with gross floor area of 1,283.85 square meter
"Plant and Equipment"	plant located at Xiaoyanshi Village, Dongfang Black Tea Farm, Paitou Town, Zhuji City, Zhejiang Province with gross floor area of 16,495.46 square meter; and the ancillary equipment including the power distribution and fire equipment
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	the Domestic Share(s) and the H Share(s) of the Company
"Shareholders"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TGL"	Tengy Group Limited, also known as Tianjie Group Co., Ltd.* (天潔集團有限公司), a company established in the PRC with limited liability and a controlling shareholder of the Company holding approximately 30% interest in the Company as at the date of this announcement

"Tianyu Industry"	Zhuji City Tianyu Industry Investment Ltd* (諸暨市天宇實業投資有限公司), a company established in the PRC with limited liability
"Zhuji Jialing"	Zhuji Jialing Life Service Co., Ltd.* (諸暨市佳領生活服務有限公司), a company established in the PRC with limited liability
"%"	Per cent.

By order of the Board
Zhejiang Tengy Environmental Technology Co., Ltd
ZHU Xian Bo
Chairman

Zhuji City, Zhejiang Province, the PRC, 14 April 2025

As at the date of this announcement, the executive directors of the Company are Mr. BIAN Yu, Mr. ZHANG Yuan Yuan and Ms. BIAN Shu; the non-executive directors of the Company are Mr. ZHU Xian Bo, Ms. YU Ji and Mr. CHEN Jiancheng; and the independent non-executive directors of the Company are Mr. FUNG Kun Kei, Mr. LI Jiannan and Mr. WANG Feng.