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)

DISCLOSEABLE AND CONNECTED TRANSACTION
PROVISION OF THE LOAN

Independent Financial Adviser to the
Independent Board Committee and the Independent Shareholders

RAINBOW CAPITAL (HK) LIMITED
浤 博 資 本 有 限 公 司

THE LOAN AGREEMENT

The Board hereby announces that on 24 April 2026 (after trading hours), (i) the Company as lender; and (ii) TGL as borrower entered into the Loan Agreement, pursuant to which the Company has conditionally agreed to provide the Loan in the principal amount of RMB50 million to TGL for a period of three (3) years commencing from the date of drawdown of the Loan at a fixed interest rate of 4.2% per annum.

LISTING RULES IMPLICATIONS

As one or more of the applicable ratios under Rule 14.07 of the Listing Rules are more than 5% but less than 25%, the Loan Agreement and the transactions contemplated thereunder constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of the announcement, TGL is the beneficial owner of 43,200,350 Domestic Shares (representing approximately 32% of the total issued share capital of the Company). TGL is therefore a controlling Shareholder and a connected person of the Company as defined under Rule 14A.07 of the Listing Rules. As such, the entering into of the Loan Agreement constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios (as defined under Rule 14A.77 of the Listing Rules, other than the profits ratio), calculated based on the Loan Agreement is less than 25% yet the principal amount of the Loan is more than HK$10 million, the Loan Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, circular (including advice from an independent financial adviser) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, inter alia, further details of the Loan Agreement and the transactions contemplated thereunder, a letter from the Independent Board Committee, a letter of advice from an independent financial adviser, and a notice convening the EGM to approve the Loan Agreement and the transactions contemplated thereunder will be despatched to the Shareholders on or before 29 May 2026 as additional time is required to obtain and finalise the information to be included in the circular.

Completion of the Provision of the Loan is subject to the fulfilment of various conditions precedent and therefore the Provision of the Loan may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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Date	:	24 April 2026 (after trading hours)
Parties	:	(i) the Company as lender and (ii) TGL as borrower.
Principal amount of Loan	:	RMB50 million
Use	:	the Loan shall only be applied by TGL as its working capital for its business operation and not for any other purpose without prior written consent of the Company.
Interest rate	:	4.2% per annum (i.e. total interest amount of RMB6.3 million for the three (3) years term), which is a fixed rate and determined with reference to the latest 5-year Loan Prime Rate authorized and published by the National Interbank Funding Center with the endorsement of the People's Bank of China of 3.5% as at 20 April 2026, plus 70 basis points (i.e. 0.7%), and payable half-yearly.
Term	:	a period of three (3) years from the date of drawdown of the Loan (the "**Drawdown Date**").

Repayment and prepayment	:	TGL shall repay the principal amount of the Loan in full and all remaining interest accrued thereon upon the maturity date. TGL may, at any time, after giving the Company not less than 30 days prior notice, prepay the outstanding amount of the Loan and interest accrued thereon in accordance with the Loan Agreement. If TGL breaches any terms, representations or undertakings under the Loan Agreement, the Company is entitled to declare that the Loan will become due immediately and demand TGL for immediate repayment of all the principal amount of the Loan, interest accrued thereon, liquidated damages and all relevant costs and expenses incurred by the Company for enforcing its rights. If TGL fails to make any repayment in accordance with the terms of the Loan Agreement, the Company is entitled to (i) demand TGL for immediate repayment of all the principal amount of the Loan and relevant interests incurred; and/or (ii) demand the Guarantors to assume joint and several liability for repayment of all the principal amount of the Loan and relevant interests incurred; and/or (iii) dispose of the Charged Properties for repayment.

Conditions Precedent	:	The Provision of the Loan is conditional upon: (i) the Independent Shareholders having approved the Loan Agreement, the Guarantee Agreement, the Charge Agreements, and the transactions contemplated thereunder at the EGM in accordance with the Listing Rules; (ii) the Guarantors having entered into the Guarantee Agreement and the Chargors having entered into the Charge Agreements; and (iii) the Chargors having completed all necessary mortgage registration procedures within five (5) days after the Independent Shareholders approving the Loan Agreement, the Guarantee Agreement, the Charge Agreements, and the transactions contemplated thereunder at the EGM. The Company will advance the Loan to TGL within five working days after the fulfilment of all the above conditions precedent.
Undertakings	:	TGL undertakes that, during the term of the Loan, Chargors shall not sell, transfer or otherwise dispose of the Charged Properties, nor create any mortgage, pledge, attachment, freezing order or any other third-party rights over such Charged Properties, and shall not take any action that may give rise to disputes over ownership, materially impair the value, or result in any change of control in respect of the Charged Properties.

Rights of the Company : The Company as the lender has the rights to supervise the use of the Loan by TGL and to request TGL to provide its audited financial statements and reports and other relevant supporting documents from time to time.

Guarantee : On 24 April 2026 (after trading hours), Mr. Bian Yu, Ms. Bian Shu and Mr. Bian Jianguang as the Guarantors, entered into a Guarantee Agreement with the Company as the creditor and TGL as the borrower, pursuant to which the Guarantors jointly and severally assume all liabilities and repayment obligations of TGL under the Loan Agreement and if TGL fails to make repayment in accordance with the terms of the Loan Agreement, the Company has the right to pursue directly against the Guarantors without first seeking recourse from TGL. The guarantee obligations of the Guarantors under the Guarantee Agreement will remain valid for three (3) years after the maturity date of the Loan.

Charged Properties : On 24 April 2026 (after trading hours), Tengy Hubei, a subsidiary of TGL, entered into the First Charge Agreement as the chargor with the Company as the chargee and TGL as the borrower, pursuant to which Tengy Hubei agrees to charge the First Charged Properties in favour of the Company to secure all liabilities and repayment obligations of TGL under the Loan Agreement.

The First Charged Properties consist of 16 commercial units situated at 1st Floor, Tianjie Shuhuacheng, Changjiang Industrial Park, Xianning City, Hubei Province, the PRC with a total construction area of 1802.44 square meters and they are owned by Tengy Hubei free from encumbrances.

According to the valuation report prepared by the Valuer, the market value of the First Charged Properties by way of market approach (which is generally by comparing recent market evidence of similar properties located in the neighborhood area of the property and this approach is commonly used to value properties where reliable market evidence is available) as at 31 March 2026 is in the amount of RMB16.1 million.

On 24 April 2026 (after trading hours), Henan Tengy, a wholly owned subsidiary of TGL, entered into the Second Charge Agreement as the chargor with the Company as the chargee and TGL as the borrower, pursuant to which Henan Tengy agrees to charge the Second Charged Properties in favour of the Company to secure all liabilities and repayment obligations of TGL under the Loan Agreement.

The Second Charged Properties consist of 16 commercial units situated at 1st to 2nd Floor, Tianjie Yuhu Ludao, West Side of National Highway 107, Chengnan, Suiping County, Zhumadian City, Henan Province, the PRC with a total construction area of 4,234.16 square meters and they are owned by Henan Tengy free from encumbrances.

According to the valuation report prepared by the Valuer, the market value of the Second Charged Properties by way of market approach (which is generally by comparing recent market evidence of similar properties located in the neighborhood area of the property and this approach is commonly used to value properties where reliable market evidence is available) as at 31 March 2026 is in the amount of RMB46.2 million (together with the First Charged Properties, the market value of the Charged Properties by way of market approach as at 31 March 2026 is in the aggregate amount of RMB62.3 million).

Governing Law : PRC Law

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

The Company is a joint stock company with limited liability established in the PRC and the Group is principally engaged in design, development, manufacturing, installation and sale of environmental pollution prevention equipment and electronic products.

TGL is principally engaged in manufacturing and sales of machinery and equipment. TGL is owned as to approximately 64.08% and approximately 35.92% by Mr. Bian Yu, an executive Director and vice-chairman of the Board, and Keyuan Enterprise respectively. Keyuan Enterprise is owned as to 99% by Mr. Zhang Yuanyuan, an executive Director.

Tengy Hubei is a company established in the PRC with limited liability. It is a subsidiary of TGL and is principally engaged in real estate development and operation, municipal engineering construction, and building materials sales.

Henan Tengy is a company established in the PRC with limited liability. It is a wholly owned subsidiary of TGL and is principally engaged in real estate development and operation, municipal engineering management, and building materials sales.

The Guarantors under the Loan Agreement are (i) Mr. Bian Yu, an executive Director and vice-chairman of the Board and the brother of Ms. Bian Shu; (ii) Ms. Bian Shu, an executive Director; and (iii) Mr. Bian Jianguang, the father of Mr. Bian Yu and Ms. Bian Shu.

According to the audited annual results announcement of the Company for the year ended 31 December 2025, the Company has bank and cash balances in the amount of RMB817.2 million as at 31 December 2025 and the cash and cash equivalents of the Group increased by approximately RMB157.1 million for the year ended 31 December 2025 to approximately RMB817.2 million when compared to approximately RMB660.1 million of the corresponding period of last year. Taking into account of the above, the Company considers that it would have sufficient internal resources and idle cash to fund the Loan and the Loan will be recorded as loan receivable of the Company.

The Provision of the Loan is a financial support by the Company to TGL and the Loan shall only be applied by TGL as its working capital for its business operation and not for any other purpose without prior written consent of the Company.

The terms of the Loan Agreement were arrived at after arm's length negotiations between TGL and the Company. Taking into account (i) the Loan to be provided to TGL will be from the idle cash of the Company; (ii) the interest rate under the Loan Agreement is determined with reference to the latest 5-year Loan Prime Rate authorized and published by the National Interbank Funding Center with the endorsement of the People's Bank of China of 3.5% as at 20 April 2026, plus 70 basis points (i.e. 0.7%), and the Company will receive stable interest income in the total amount of RMB6.3 million under the Loan Agreement; (iii) TGL is a controlling Shareholder and is the beneficial owner of 43,200,350 Domestic Shares (representing approximately 32% of the total issued share capital of the Company) with the value of HK$86.4 million (based on the closing price of HK$2.0 per H Shares as quoted on the Stock Exchange as at the date of this announcement); and (iv) the Loan is fully secured by the Charged Properties with the aggregate value of RMB62.3 million as at 31 March 2026 as well as the Guarantee Agreement provided by the Guarantors, the Directors (other than the independent non-executive Directors whose view will be set out in the circular of the Company after taking into account the advice from the independent financial adviser) consider that the Loan Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Given 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, each of Mr. Bian Yu, Ms. Bian Shu and Mr. Zhang Yuanyuan is therefore materially interested in the transactions contemplated under the Loan Agreement and has abstained from voting on the board resolutions approving the Loan Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As one or more of the applicable ratios under Rule 14.07 of the Listing Rules are more than 5% but less than 25%, the Loan Agreement and the transactions contemplated thereunder constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of the announcement, TGL is the beneficial owner of 43,200,350 Domestic Shares (representing approximately 32% of the total issued share capital of the Company). TGL is therefore a controlling Shareholder and a connected person of the Company as defined under Rule 14A.07 of the Listing Rules. As such, the entering into of the Loan Agreement constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios (as defined under Rule 14A.77 of the Listing Rules, other than the profits ratio), calculated based on the Loan Agreement is less than 25% yet the principal amount of the Loan is more than HK$10 million, the Loan Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, circular (including advice from an independent financial adviser) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, inter alia, further details of the Loan Agreement and the transactions contemplated thereunder, a letter from the Independent Board Committee, a letter of advice from an independent financial adviser, and a notice convening the EGM to approve the Loan Agreement and the transactions contemplated thereunder will be despatched to the Shareholders on or before 29 May 2026 as additional time is required to obtain and finalise the information to be included in the circular.

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings in this announcement:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Charge Agreements"	collectively, the First Charge Agreement and the Second Charge Agreement
"Charged Properties"	collectively, the First Charged Properties and the Second Charged Properties

"Chargor(s)"	Tengy Hubei and Henan Tengy, the chargors of the Charged Properties
"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 meaning ascribed to it under 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
"EGM"	an extraordinary general meeting of the Company to be held and convened for the Independent Shareholders to consider and approve the Loan Agreement, the Guarantee Agreement, the Charge Agreements and the transactions contemplated thereunder
"First Charge Agreement"	the conditional charge agreement dated 24 April 2026 entered into by the Company as chargee, Tengy Hubei as chargor, and TGL as borrower in relation to the charge of the First Charged Properties
"First Charged Properties"	16 commercial units situated at 1st Floor, Tianjie Shuhuacheng, Changjiang Industrial Park, Xianning City, Hubei Province, the PRC with a total construction area of 1802.44 square meters

"Group"	the Company and its subsidiaries
"Guarantee Agreement"	the conditional guarantee agreement dated 24 April 2026 entered into by the Company as creditor, the Guarantors and TGL as borrower pursuant to which the Guarantors jointly and severally assume all liabilities and repayment obligations of TGL under the Loan Agreement
"Guarantor(s)"	Mr. Bian Yu, Ms. Bian Shu and Mr. Bian Jianguang
"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$
"Henan Tengy"	Henan Tengy Property Development Co., Ltd.* (河南天潔置業有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of TGL
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent board committee comprising all independent non-executive Directors, namely, Mr. Yu Chi Wing, Mr. Xia Jiebin and Mr. Wang Feng to be established to advise the Independent Shareholders in relation to the Loan Agreement, the Guarantee Agreement, the Charge Agreements and the transactions contemplated thereunder

"Independent Shareholders"	Shareholders other than TGL, Mr. Bian Yu and Ms. Bian Shu and their associates who are required by the Listing Rules to abstain from voting at the EGM in respect of the resolution(s) relating to the Loan Agreement, the Guarantee Agreement, the Charge Agreements and the transactions contemplated thereunder
"Independent Third Party(ies)"	person(s) who is(are) third party(ies) independent of the Company and connected persons of the Company
"Keyuan Enterprise"	Zhuji Keyuan Enterprise Management Co., Ltd.* (諸暨市科源企業管理有限公司), a company established in the PRC with limited liability
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan"	a loan in the principal amount of RMB50 million to be provided by the Company as lender to TGL as borrower pursuant to the Loan Agreement
"Loan Agreement"	the conditional agreement dated 24 April 2026 entered into between (i) the Company as lender; and (ii) TGL as borrower
"PRC"	the People's Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Provision of the Loan"	the provision of the Loan pursuant to the Loan Agreement

"Second Charge Agreement"	the conditional charge agreement dated 24 April 2026 entered into by the Company as chargee, Henan Tengy as chargor, and TGL as borrower in relation to the charge of the Second Charged Properties
"Second Charged Properties"	16 commercial units situated at 1st to 2nd Floor, Tianjie Yuhu Ludao, West Side of National Highway 107, Chengnan, Suiping County, Zhumadian City, Henan Province, the PRC with a total construction area of 4,234.16 square meters
"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 32% interest in the Company as at the date of this announcement
"Tengy Hubei"	Tengy Group Hubei Real Estate Co., Ltd.*（天潔集團湖北置業有限公司）, a company established in the PRC with limited liability and a subsidiary of TGL
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC

"Valuer"	Masterpiece Valuation Advisory Limited, a professional valuer independent to the Company and its connected persons
"%"	per cent.

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

Zhuji City, Zhejiang Province, the PRC, 24 April 2026

As at the date of this announcement, the executive directors of the Company are Mr. BIAN Yu, Mr. ZHANG Yuanyuan and Ms. BIAN Shu; the non-executive directors of the Company are Ms. YU Ji, Mr. CHEN Jiancheng and Mr. ZHU Xian Bo; and the independent non-executive directors of the Company are Mr. WANG Feng, Mr. YU Chi Wing and Mr. XIA Jiebin.

* *For transliteration purpose only*