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| <b>THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION</b> |
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**If you are in any doubt about** any of the contents of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your H Shares in **Zhejiang Tengy Environmental Technology Co., Ltd**, you should at once hand this circular together with the proxy form and reply slip to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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 incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1527)**

**PROPOSED MERGER OF TIANJIE INSTALLATION  
ENGINEERING WITH THE COMPANY,  
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A letter from the Board is set out on pages 3 to 7 of this circular. A notice convening the EGM to be held at the Company's conference room, TENG Y Industrial Park, Paitou Town, Zhuji City, Zhejiang Province, the PRC at 10 a.m. on Tuesday, 20 September 2016, is being dispatched to the Shareholders together with this circular.

If you intend to attend the EGM, please complete and return the appropriate reply slip in accordance with the instructions printed thereon as soon as possible and in any event by no later than Wednesday, 31 August 2016.

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the appropriate proxy form in accordance with the instructions printed thereon. The proxy form must be signed by you or your attorney duly authorised in writing or, in case of a legal person, must either be executed under its seal or under the hand of its director or other attorney duly authorised to sign the same. If the proxy form is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other document of authorisation, must be notarially certified.

In the case of joint holders of Shares, only the holder whose name stands first in the register of members of the Company shall alone be entitled to vote at the EGM, either in person or by proxy in respect of such Shares.

For H Shareholders, please return the proxy form together with any documents of authority to Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, and in any event not later than 24 hours before the time appointed for holding the EGM. For Domestic Shareholders, please return the proxy form together with any documents of authority to the Company at TENG Y Industrial Park, Paitou Town, Zhuji City, Zhejiang Province, the PRC as soon as possible, and in any event not later than 24 hours before the time appointed for holding the EGM. Completion and return of the proxy form will not preclude you from attending and voting at the EGM, or any adjournment thereof should you so wish.

5 August 2016

# CONTENTS

|                                                                                          | <i>page</i> |
|------------------------------------------------------------------------------------------|-------------|
| <b>DEFINITIONS</b> .....                                                                 | 1           |
| <b>LETTER FROM THE BOARD</b> .....                                                       | 3           |
| I. INTRODUCTION .....                                                                    | 3           |
| II. PROPOSED MERGER OF TIANJIE INSTALLATION<br>ENGINEERING WITH THE COMPANY .....        | 4           |
| III. PROPOSED CHANGE OF SCOPE OF OPERATIONS OF<br>THE COMPANY .....                      | 5           |
| IV. PROPOSED AMENDMENTS TO THE<br>ARTICLES OF ASSOCIATION .....                          | 5           |
| V. RESPONSIBILITY STATEMENT .....                                                        | 6           |
| VI. EGM .....                                                                            | 6           |
| VII. RECOMMENDATION .....                                                                | 7           |
| <b>APPENDIX I — PROPOSED AMENDMENTS TO<br/>        THE ARTICLES OF ASSOCIATION</b> ..... | 8           |
| <b>APPENDIX II — NOTICE OF EXTRAORDINARY GENERAL MEETING</b> .....                       | 14          |

## DEFINITIONS

*In this circular, unless the context otherwise requires, the following terms shall have the following meanings:*

|                            |       |                                                                                                                                                                                                                                          |
|----------------------------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Articles of Association”  | means | the articles of association of the Company                                                                                                                                                                                               |
| “Board”                    | means | the board of Directors                                                                                                                                                                                                                   |
| “Company”                  | means | Zhejiang Tengy Environmental Technology Co., Ltd* (浙江天潔環境科技股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, whose H Shares are listed and traded on the Main Board of the Hong Kong Stock Exchange |
| “Director(s)”              | means | the director(s) of the Company                                                                                                                                                                                                           |
| “Domestic Share(s)”        | means | ordinary share(s) issued by the Company, with a RMB-denominated nominal value of RMB1.00 each, which are subscribed for and paid up in RMB                                                                                               |
| “Domestic Shareholders”    | means | holders of Domestic Shares                                                                                                                                                                                                               |
| “EGM”                      | means | the extraordinary general meeting of the Company to be convened at the Company’s conference room, TENG Y Industrial Park, Paitou Town, Zhujia City, Zhejiang Province, the PRC at 10 a.m. on Tuesday, 20 September 2016                  |
| “Group”                    | means | the Company together with its subsidiaries                                                                                                                                                                                               |
| “H Share(s)”               | means | 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 and traded on the Hong Kong Stock Exchange                                              |
| “H Share Registrar”        | means | the registrar of H Shares, being Tricor Investor Services Limited                                                                                                                                                                        |
| “H Shareholders”           | means | holders of H Shares                                                                                                                                                                                                                      |
| “Hong Kong”                | means | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                   |
| “Hong Kong Stock Exchange” | means | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                  |
| “Hong Kong Listing Rules”  | means | the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange                                                                                                                                                            |

## DEFINITIONS

|                                    |       |                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Mandatory Provisions”             | means | the Mandatory Provisions for Companies Listed Overseas (《到境外上市公司章程必備條款》) issued by the Securities Commission of the State Council and the State Commission for Restructuring the Economic System of the PRC                                                                                                                                |
| “NPC”                              | means | The National People’s Congress of the PRC (中華人民共和國全國人民代表大會)                                                                                                                                                                                                                                                                                |
| “PRC”                              | means | the People’s Republic of China which, for the purpose of this circular (unless otherwise indicated), excludes Hong Kong, the Macao Special Administrative Region and Taiwan Region                                                                                                                                                         |
| “PRC Company Law”                  | means | the Company Law of the PRC (中華人民共和國公司法), as adopted at the fifth Session of the Standing Committee of the Eight NPC on 29 December 1993, which became effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time. The latest version was approved on 28 December 2013 and came into effect on 1 March 2014 |
| “PRC Legal Advisors”               | means | Zhejiang Confuway Law Firm                                                                                                                                                                                                                                                                                                                 |
| “RMB”                              | means | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                                                                                                   |
| “Share(s)”                         | means | ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares                                                                                                                                                                                                              |
| “Shareholder(s)”                   | means | the shareholder(s) of the Company                                                                                                                                                                                                                                                                                                          |
| “Tianjie Installation Engineering” | means | Zhuji City Tianjie Installation Engineering Co., Ltd* (諸暨市天潔安裝工程有限公司), a company incorporated in the PRC with limited liability on 14 May 2003 and a wholly owned subsidiary of the Company                                                                                                                                                |
| “TIE Merger”                       | means | the merger of Tianjie Installation Engineering with the Company on 31 July 2016                                                                                                                                                                                                                                                            |
| “%”                                | means | per cent                                                                                                                                                                                                                                                                                                                                   |

*Note 1:* Items marked with asterisks (\*) are for identifications only.

*Note 2:* If there are any discrepancies between the Chinese version and the English version of this circular, the Chinese version shall prevail.

**LETTER FROM THE BOARD**

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

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

**(Stock Code: 1527)**

*Executive Director:*

Mr. BIAN Yu  
Mr. BIAN Weican  
Ms. BIAN Shu

*Non-executive Directors:*

Mr. BIAN Jianguang  
Mr. ZHANG Yuanyuan  
Ms. ZHU Hong

*Independent non-executive Directors:*

Ms. TAM Hon Shan Celia  
Mr. ZHANG Bing  
Mr. JIANG Yan

*Registered office in the PRC:*

TENGY Industrial Park  
Paitou Town  
Zhuji City, Zhejiang Province  
The PRC

*Principal place of business  
in Hong Kong:*

22/F World-Wide House  
19 Des Voeux Road Central  
Central, Hong Kong

5 August 2016

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED MERGER OF TIANJIE INSTALLATION  
ENGINEERING WITH THE COMPANY,  
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**I. INTRODUCTION**

Reference is made to the announcement of the Company dated 2 August 2016 in which the Board resolved to propose (1) the merger of Tianjie Installation Engineering with the Company; (2) the change of scope of operations of the Company; and (3) the amendments to the Articles of Association as a result of the foregoing resolution as well as on other relevant matters in pursuance of the Company's ongoing operational needs, and submitted the same proposals to the EGM for consideration and approval.

According to the applicable laws and regulations of the PRC as well as the Articles of Association (of which the details are set out below), all foregoing proposals are to be approved by the Shareholders by way of special resolutions and, where applicable, by the relevant PRC and/or overseas regulatory authorities.

## LETTER FROM THE BOARD

The purpose of this circular is to provide you with the information regarding, among other things, (i) detailed information regarding the proposed resolutions (1) to (3) above; and (ii) a notice convening the EGM to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

### **II. PROPOSED MERGER OF TIANJIE INSTALLATION ENGINEERING WITH THE COMPANY**

The Board resolved to propose a special resolution at the EGM for consideration and approval by the Shareholders that Tianjie Installation Engineering, as the Company's wholly-owned subsidiary for the time being, be fully merged with the Company, in light of the following circumstances:

- (i) Tianjie Installation Engineering is with tier-2 qualification on professional contracting of environmental projects as well as tier-3 qualification on professional contracting of steel structure projects, whilst the Company is not.
- (ii) For the purpose of bidding for projects relating to large-set environmental equipments, build-operate-transfer projects, public-private partnership projects etc., clients normally require the bidders to be with design, production and installation qualifications in one go, or else bidders will be disqualified or even not be allowed to participate in the bidding process at all. For this reason, we have been rejected on certain occasions in the past.
- (iii) With the limitation on our qualifications and accordingly the scope of services to be rendered, we have experienced enhanced enterprise tax as well as value-added tax obligations under the applicable laws, regulations and administrative policies.

Accordingly, with a view to improving on the chance of bidding success and reducing our tax burden, the Board proposed the TIE Merger which took place on 31 July 2016. Upon completion of the proposed TIE Merger, the Company shall continue to operate under its current name and with the same amount of registered capital. Tianjie Installation Engineering shall, however, be deregistered. As soon as both the Company and Tianjie Installation Engineering have completed the requisite registrations and other procedural formalities with respect to the proposed TIE Merger, all assets and liabilities (and the rights and obligations associated therewith) formerly owned by Tianjie Installation Engineering will be unconditionally taken up by the Company.

The Board also proposed that authorisation be granted to the management team of the Company to handle all matters in relation to the Merger such as, among others, the execution of the relevant agreements, the transfer of assets, the application to the administrative authorities for approval, and the business and tax registrations.

The TIE Merger involves an intra-Group merger between the Company and its wholly-owned subsidiary and accordingly does not constitute any type of transactions which require Shareholders' approval under the Listing Rules. Nonetheless, according to Article 37, 99 and

## LETTER FROM THE BOARD

103 of the PRC Company Law and Article 62 and 87 of the Articles of Association, the TIE Merger is required for consideration and approval by the Shareholders at a general meeting by way of special resolution.

The subject resolution will become effective upon approval by the Shareholders at the EGM, approval by the commerce authorities in the PRC as well as completion of the requisite business registration procedures.

### III. PROPOSED CHANGE OF SCOPE OF OPERATIONS OF THE COMPANY

Pursuant to the proposed TIE Merger, the Board resolved to propose a special resolution at the EGM for consideration and approval by the Shareholders that, by way of amendments to the relevant provisions under the Articles of Association, the scope of operations of the Company be revised to cover “*research and development, design, manufacture, installation and sales of environmental pollution control equipments, electric control equipments and steel structures; sales and installation of pressure vessels; import and export of environmental protection equipments and new energy equipments; import and export of technology (the launch of such operating activities shall be subject to the prior approval of the relevant authorities in case where approval is required under the laws)*”.

Pursuant to Article 37, 99 and 103 of the PRC Company Law and Article 62 and 87 of the Articles of Association, any proposed change of the scope of operations of the Company by way of amendments to the Articles Association is required for consideration and approval by the Shareholders at a general meeting under special resolution. Accordingly, a circular has to be issued by the Company and despatched to the Shareholders pursuant to Rule 13.51(1) of the Listing Rules. As confirmed by our PRC Legal Advisors, the foregoing proposed amendments to the Articles of Association conform with the requirements of the Listing Rules as well as the PRC Company Law and other applicable laws and regulations of the PRC. We also confirm that there is nothing unusual about such proposed amendments for a company listed in Hong Kong.

The subject resolution will become effective upon approval by the Shareholders at the EGM, approval by the commerce authorities in the PRC as well as completion of the requisite business registration procedures.

### IV. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In light of the foregoing resolutions as well as on other relevant matters in pursuance of the Company’s ongoing operational needs, the Board resolved to propose a special resolution at the EGM on amendments to the Articles of Association. Such amendments shall be made in accordance with the applicable laws, rules and regulations.

Please refer to Appendix I to this circular for further details. The Articles of Association are prepared in Chinese without an official English version. Any English translation is for reference only. In case of any inconsistency between the Chinese version and English version, the Chinese version shall prevail.

## LETTER FROM THE BOARD

Pursuant to Article 37, 99 and 103 of the PRC Company Law and Article 62 and 87 of the Articles of Association, any proposed amendments to the Articles is required for consideration and approval by the Shareholders at a general meeting under special resolution. Likewise, a circular has to be issued by the Company and despatched to the Shareholders pursuant to Rule 13.51(1) of the Listing Rules. As confirmed by our PRC Legal Advisors, the foregoing proposed amendments to the Articles of Association conform with the requirements of the Listing Rules as well as the PRC Company Law and other applicable laws and regulations of the PRC. We also confirm that there is nothing unusual about such proposed amendments for a company listed in Hong Kong.

The subject resolution will become effective upon approval by the Shareholders at the EGM, approval by the commerce authorities in the PRC as well as completion of the requisite business registration procedures.

### V. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained herein is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### VI. EGM

A notice convening the EGM to be held at the Company's conference room, TENG Y Industrial Park, Paitou Town, Zhuji City, Zhejiang Province, the PRC at 10 a.m. on Tuesday, 20 September 2016 is set out in Appendix II to this circular.

A reply slip and a proxy form to be used at the EGM are also enclosed herewith and published on the website of the Hong Kong Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Shareholders who intend to appoint a proxy to attend the EGM shall complete, sign and return the appropriate proxy form in accordance with the instructions printed thereon.

For H Shareholders, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the H Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 24 hours before the time for holding the EGM in order for such documents to be valid. For Domestic Shareholders, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company in the PRC at TENG Y Industrial Park, Paitou Town, Zhuji City, Zhejiang Province, the PRC, not less than 24 hours before the time for holding the EGM in order for such documents to be valid.



## LETTER FROM THE BOARD

H Shareholders and Domestic Shareholders, who intend to attend the EGM must complete the reply slip and return it to the Company not later than 20 days before the date of the EGM, i.e. no later than Wednesday, 31 August 2016.

Pursuant to the Articles of Association, for the purpose of holding the EGM, the register of members of H Shares will be closed from Friday, 19 August 2016 to Tuesday, 20 September 2016 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders whose names appear on the register of members of the Company on Thursday, 18 August 2016 are entitled to attend and vote at the EGM.

In order to attend the EGM, H Shareholders shall lodge all transfer documents together with the relevant share certificates to Tricor Investor Services Limited, the H Share Registrar, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, 18 August 2016.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions proposed at the EGM will be voted by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

No Shareholder is interested in the proposed resolutions. Accordingly, no Shareholder is required to abstain from voting therefor at the EGM.

### VII. RECOMMENDATION

The Directors consider that the aforesaid resolutions are in the interests of the Company and the Shareholders as a whole and accordingly, recommend the Shareholders to vote in favour thereof to be proposed at the EGM.

**The proposed resolutions are subject to, among others, the approval of the Shareholders at the EGM and the approval(s) of relevant regulatory authorities. Shareholders and investors should therefore exercise caution in dealing in the Shares. This circular appears for information purposes only and does not constitute an invitation or an offer to acquire, purchase or subscribe for the securities of the Company.**

By order of the Board  
**Zhejiang Tengy Environmental Technology Co., Ltd**  
**BIAN Yu**  
*Chairman*

## Overview of the proposed amendments to the Articles of Association

| Relevant provisions of the Articles of Association currently in effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Relevant provisions of the Articles of Association after amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Note: In the margin notes to the provisions of the Articles of Association, the “Mandatory Provisions” refers to the “Mandatory Provisions for Companies Listing Overseas” jointly issued by the former State Council Securities Policy Committee and the former State Commission for Restructuring the Economic System (Zhen Wei Fa [1994] No. 21); “Letter of Opinions on Supplementary Amendment” refers to the “Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to be Listed in Hong Kong” (Zheng Jian Hai Han [1995] No. 1) jointly issued by the Overseas-Listing Department of the CSRC and the Production System Department of the former State Commission for Restructuring the Economic System; “Guidelines on Articles of Association” refers to Guidelines on Articles of Association of Listed Companies (2006 Amendment) (Zheng Jian Gong Si Zi [2006] No. 38) promulgated by China Securities Regulatory Commission; “Listing Rules” refers to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. “Appendix 3 to the Main Board Listing Rules” refers to the Appendix 3 to the “Rules Governing the Listing of Securities” issued by The Stock Exchange of Hong Kong Limited and “Appendix 13D to the Main Board Listing Rules” refers to Section D of Appendix 13 to the “Rules Governing the Listing of Securities” issued by the Stock Exchange of Hong Kong Limited.</p> | <p>Note: In the margin notes to the provisions of the Articles of Association, the “Mandatory Provisions” refers to the “Mandatory Provisions for Companies Listing Overseas” jointly issued by the former State Council Securities Policy Committee and the former State Commission for Restructuring the Economic System (Zhen Wei Fa [1994] No. 21); “Letter of Opinions on Supplementary Amendment” refers to the “Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to be Listed in Hong Kong” (Zheng Jian Hai Han [1995] No. 1) jointly issued by the Overseas-Listing Department of the CSRC and the Production System Department of the former State Commission for Restructuring the Economic System; “Guidelines on Articles of Association” refers to Guidelines on Articles of Association of Listed Companies (<b>2014 Amendment</b>) (<b><u>CSRC Announcement [2014] No. 47</u></b>) promulgated by China Securities Regulatory Commission; “Listing Rules” refers to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. “Appendix 3 to the Main Board Listing Rules” refers to the Appendix 3 to the “Rules Governing the Listing of Securities” issued by <b><u>the Stock Exchange of Hong Kong Limited</u></b> and “Appendix 13D to the Main Board Listing Rules” refers to Section D of Appendix 13 to the “Rules Governing the Listing of Securities” issued by <b><u>the Stock Exchange of Hong Kong Limited</u></b>.</p> |

| Relevant provisions of the Articles of Association currently in effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Relevant provisions of the Articles of Association after amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Article 1</p> <p>In order to safeguard the legitimate rights and interests of Zhejiang Tengy Environmental Technology Co., (“the Company”) and its shareholders and creditors, and to regulate the organisation and acts of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), Securities Law of the People’s Republic of China (the “Securities Law”), State Council’s Special Regulations Regarding the Issue of Shares Overseas and the Listing of Shares Overseas by Companies Limited by Shares (the “Special Regulations”), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Opinions on the Revisions and Supplements to Articles of Association of Companies to be Listed in Hong Kong, Guidelines on Articles of Association of Listed Companies (2006 Amendment), the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (the “Listing Rules”), and other relevant laws and regulations.</p> | <p>Article 1</p> <p>In order to safeguard the legitimate rights and interests of Zhejiang Tengy Environmental Technology Co., (“the Company”) and its shareholders and creditors, and to regulate the organisation and acts of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), Securities Law of the People’s Republic of China (the “Securities Law”), State Council’s Special Regulations Regarding the Issue of Shares Overseas and the Listing of Shares Overseas by Companies Limited by Shares (the “Special Regulations”), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Opinions on the Revisions and Supplements to Articles of Association of Companies to be Listed in Hong Kong, Guidelines on Articles of Association of Listed Companies (<b>2014</b> Amendment), the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (the “Listing Rules”), and other relevant laws and regulations.</p> |
| <p>Article 2</p> <p>The Company was established by way of sponsorship on 28 December 2009, and registered with and has obtained a corporate business license from the Administration for Industry and Commerce of Shao Xing City on 28 December 2009. The Company’s business license number is 330600000085200.</p> <p>.....</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Article 2</p> <p>The Company was established by way of sponsorship on 28 December 2009, and <b><u>registered with the Zhejiang Province Administration for Industry &amp; Commerce, with unified social credit code: 91330000699510679C.</u></b></p> <p>.....</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Relevant provisions of the Articles of Association currently in effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Relevant provisions of the Articles of Association after amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p>Article 8</p> <p>Unless otherwise specified in the context, in the previous paragraph, the “senior officers” refer to the general manager, vice general manager, general engineer, chief financial officer and secretary to the board of directors.</p>                                                                                                                                                                                                                                                                               | <p>Article 8</p> <p>Unless otherwise specified in the context, in the previous paragraph, the “senior officers” refer to <b><u>the general manager, vice general manager, chief financial officer and secretary to the board of directors.</u></b></p>                                                                                                                                                                                                                                                                                                     |
| <p>Article 12</p> <p>The Company’s scope of operations includes: research and development, design, manufacture, installation and sales of environmental pollution control equipments and electric control equipments; research and development, design, manufacture and sales of steel structures; sales and installation of pressure vessels; import and export of goods; import and export of technology (the launch of such operating activities shall be subject to the prior approval of the relevant authorities)</p> <p>.....</p> | <p>Article 12</p> <p>The Company’s scope of operations includes: research and development, design, manufacture, installation and sales of environmental pollution control equipments, electric control equipments <b>and</b> steel structures; sales and installation of pressure vessels; import and export of <b><u>environmental protection equipments and new energy equipments</u></b>; import and export of technology (the launch of such operating activities shall be subject to the prior approval of the relevant authorities)</p> <p>.....</p> |

| Relevant provisions of the Articles of Association currently in effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Relevant provisions of the Articles of Association after amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p>Article 18</p> <p>As approved by the approving authorities of the Company, the total number of ordinary shares issued by the Company to all its sponsors at the time of its establishment was 100 million shares, including 70 million shares issued to Tianjie Group Co., Ltd, representing 70% of the total number of ordinary shares of the Company in issue; 13.671 million shares issued to Bian Yu, representing 13.671% of the total number of ordinary shares of the Company in issue; 6.843 million shares issued to Bian Jianguang, representing 6.843% of the total number of ordinary shares of the Company in issue; 3.933 million issued to Bian Shu, representing 3.933% of the total number of ordinary shares of the Company in issue; 1.851 million shares issued to He Jianmin, representing 1.851% of the total number of ordinary shares of the Company in issue; 1.851 million shares issued to Bian Weisan, representing 1.851% of the total number of ordinary shares of the Company in issue; 1.851 million shares issued to Chen Jiancheng representing 1.851% of the total number of ordinary shares of the Company in issue. The total number of the issued ordinary shares to the aforesaid sponsors accounted for 100% of the total number of the then issued ordinary shares.</p> | <p>Article 18</p> <p>As approved by the approving authorities of the Company, the total number of ordinary shares issued by the Company to all its sponsors at the time of its establishment was 100 million shares, including 70 million shares issued to Tianjie Group Co., Ltd, <b><u>among which, RMB11,466,511 was invested by way of cash contribution. RMB32,696,823 was invested by way of contribution in kind and RMB25,836,666 was invested by way of land use right contribution,</u></b> representing 70% of the total number of ordinary shares of the Company in issue, <b><u>the investment has been paid;</u></b> 13.671 million shares issued to Bian Yu, representing 13.671% of the total number of ordinary shares of the Company in issue, <b><u>which was invested by way of cash contribution and the investment has been paid;</u></b> 6.843 million shares issued to Bian Jianguang, representing 6.843% of the total number of ordinary shares of the Company in issue, <b><u>which was invested by way of cash contribution and the investment has been paid;</u></b> 3.933 million issued to Bian Shu, representing 3.933% of the total number of ordinary shares of the Company in issue, <b><u>which was invested by way of cash contribution and the investment has been paid;</u></b> 1.851 million shares issued to He Jianmin, representing 1.851% of the total number of ordinary shares of the Company in issue, <b><u>which was invested by way of cash contribution and the investment has been paid;</u></b> 1.851 million shares issued to Bian Weisan, representing 1.851% of the total number of ordinary shares of the Company in issue, <b><u>which was invested by way of cash contribution and the investment has been paid;</u></b> 1.851 million shares issued to Chen Jiancheng representing 1.851% of the total number of ordinary shares of the Company in issue, <b><u>which was invested by way of cash contribution and the investment has been paid.</u></b> The total number of the issued ordinary shares to the aforesaid sponsors accounted for 100% of the total number of the then issued ordinary shares.</p> |

| Relevant provisions of the Articles of Association currently in effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Relevant provisions of the Articles of Association after amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Article 103</p> <p>The Company shall have in place the board of directors held accountable to the shareholders' general meeting. The board of directors comprises seven directors (of whom three are independent non-executive directors), with one chairman and one deputy chairman.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>Article 103</p> <p>The Company shall have in place the board of directors held accountable to the shareholders' general meeting. The board of directors comprises <b>nine</b> directors (of whom three are independent non-executive directors), with one chairman and one deputy chairman.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>Article 117</p> <p>The board of directors is accountable to the shareholders' general meeting and exercises the following functions and powers:</p> <p>.....</p> <p>(8) To decide, to the extent authorised by the shareholders' general meeting, on matters such as external investment, purchase or sale of assets, pledge of assets, entrusted financial management and connected transaction;</p> <p>.....</p> <p>(12) To appoint or remove the Company's general manager and to appoint or remove the vice general managers, chief engineer, financial controller, secretary to the board of directors as nominated by the general manager and to decide on their remuneration, incentive and punishment;</p> <p>.....</p> | <p>Article 117</p> <p>The board of directors is accountable to the shareholders' general meeting and exercises the following functions and powers:</p> <p>.....</p> <p>(8) To decide, <b><u>save for those matters that are required to be submitted to and considered at the General Meeting pursuant to the relevant laws, regulation and regulatory documents (notably the Mandatory Provisions for Companies Listed Overseas), as well as other provisions under the Articles and the listing rules of the stock exchange where the shares of the Company are listed (under which the most stringent requirements apply)</u></b>, on matters such as external investment, purchase or sale of assets, pledge of assets, entrusted financial management and connected transaction;</p> <p>.....</p> <p>(12) To appoint or remove the Company's general manager and to appoint or remove <b><u>the vice general managers, financial controller, secretary to the board of directors</u></b> as nominated by the general manager and to decide on their remuneration, incentive and punishment;</p> <p>.....</p> |

| Relevant provisions of the Articles of Association currently in effect                                                                                                                                                                                                                                                                                                   | Relevant provisions of the Articles of Association after amendment                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Article 118</p> <p>The board of directors shall establish special committees such as audit committee, remuneration committee and nomination committee in accordance with the laws and regulations and the requirements under the Listing Rules.</p>                                                                                                                   | <p>Article 118</p> <p>The board of directors <b>may</b> establish special committees such as audit committee, remuneration committee and nomination committee <b>and other committees</b> in accordance with the laws and regulations and the requirements under the Listing Rules.</p>                                                                      |
| <p>Article 132</p> <p>The Company shall have several vice general managers, one chief engineer and one chief financial officer who shall assist the general manager in work. The vice general manager, the chief engineer and the chief financial officer shall be nominated by the general manager and appointed or removed by the board of directors.</p> <p>.....</p> | <p>Article 132</p> <p>The Company shall have <b><u>several vice general managers and one chief financial officer</u></b> who shall assist the general manager in work. <b><u>The vice general manager and the chief financial officer</u></b> shall be nominated by the general manager and appointed or removed by the board of directors.</p> <p>.....</p> |
| <p>Article 133</p> <p>The general manager shall exercise the following functions and powers:</p> <p>.....</p> <p>(8) To propose the appointment or dismissal of the Company's senior management officers such as vice general managers, chief engineer and chief financial officer;</p> <p>.....</p>                                                                     | <p>Article 133</p> <p>The general manager shall exercise the following functions and powers:</p> <p>.....</p> <p>(8) To propose the appointment or dismissal of the Company's senior management officers such as <b><u>vice general managers and chief financial officer</u></b>;</p> <p>.....</p>                                                           |



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

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

**(Stock Code: 1527)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “**EGM**”) of Zhejiang Tengy Environmental Technology Co., Ltd (the “**Company**”) for 2016 will be held at the Company’s conference room, TENG Y Industrial Park, Paitou Town, Zhuji City, Zhejiang Province, the PRC, at 10 a.m. on Tuesday, 20 September 2016 for the purpose of considering, and if thought fit, passing the following resolutions.

For the purpose of this announcement, unless the context otherwise requires, capitalised terms used herein shall have the same meanings as defined in the Company’s circular dated 5 August 2016 (the “**Circular**”).

**Special resolutions to be considered and approved at the EGM**

- (1) to consider and approve the merger of Zhuji City Tianjie Installation Engineering Co., Ltd with the Company;
- (2) to consider and approve the change of scope of operations of the Company; and
- (3) to consider and approve the amendments to the Articles of Association as a result of the foregoing resolutions as well as on other relevant matters in pursuance of the Company’s ongoing operational needs.

Details of the above resolutions proposed at the EGM are contained in the Circular, which is available on the website of Hong Kong Exchanges and Clearing Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.tengy.com](http://www.tengy.com)).

By order of the Board  
**Zhejiang Tengy Environmental Technology Co., Ltd**  
**BIAN Yu**  
*Chairman*

Zhuji City, Zhejiang Province, the PRC  
5 August 2016



*Notes:*

1. For the purpose of holding the EGM, the register of members of H Shares will be closed from Friday, 19 August 2016 to Tuesday, 20 September 2016 (both days inclusive), during which period no transfer of H Shares can be registered.

In order to be qualified to attend and vote at the EGM, for H Shareholders, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 18 August 2016.

The Shareholders whose names appear on the register of members of the Company on Thursday, 18 August 2016 are entitled to attend and vote at the EGM.

2. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a member of the Company.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same.
4. In order to be valid, the proxy form must be deposited, for H Shareholders, to the H Share Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or for Domestic Shareholders, to the Company's registered office in the PRC not less than 24 hours before the time for holding the EGM. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meetings should they so wish.
5. Shareholders shall produce their identity documents and supporting documents in respect of the Shares held when attending the EGM. If corporate Shareholders appoint authorised representative to attend the EGM, the authorised representative shall produce his/her identity documents and a notarially certified copy of the relevant authorisation instrument signed by the board of directors or other authorised parties of the corporate Shareholders or other notarially certified documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the EGM.
6. Shareholders who intend to attend the EGM should complete the reply slip and return it to the Company, of which the address is at TENG Y Industrial Park, Paitou Town, Zhuji City, Zhejiang Province, the PRC by hand, by post or by fax on or before Wednesday, 31 August 2016.
7. The EGM is expected to take for less than half a day. Shareholders attending the EGM shall be responsible for their own travel and accommodation expenses.
8. All voting at the EGM will be conducted by poll.